PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 101

HOUSE OF COMMONS

OFFICIAL REPORT

THIRD SESSION OF THE FORTY-NINTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-FIFTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1985-86

COMPRISING PERIOD
7 JULY—18 JULY 1986

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OFFICIAL REPORT

IN THE THIRD SESSION OF THE FORTY-NINTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

THIRTY-FIFTH YEAR OF THE REIGN OF HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 101**

SIXTEENTH VOLUME OF SESSION 1985-86

House of Commons

Monday 7 July 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

CLIFTON SUSPENSION BRIDGE BILL *[Lords]*
Read the Third time, and passed, without amendment.

LONDON DOCKLANDS RAILWAY (CITY EXTENSION) BILL
As amended, considered; to be read the Third time.

Oral Answers to Questions

ENERGY

Oil Exploration (Merseyside)

1. **Mr. Wareing** asked the Secretary of State for Energy if he will make a statement on the present position in respect of onshore oil exploration in the Merseyside area.

The Minister of State, Department of Energy (Mr. Alick Buchanan-Smith): In the recent onshore licensing round I awarded four new petroleum exploration licences in the Merseyside area. These are in addition to the three exploration and three production licences already in existence.

Mr. Wareing: Can the Minister tell me the names of the constituencies in which these licences have been granted? Are they progressing well in terms of permissions from the landowners, occupiers and local authorities? Is he able to say when employment possibilities are likely to arise on Merseyside as a result of these developments?

Mr. Buchanan-Smith: The whole of the Merseyside area is covered by the existing and new licences. If the hon. Gentleman would like further information I shall be happy to provide it. I understand that exploration work is proceeding, but unless some discovery is made one cannot tell what activity may flow from the exploration.

Mr. Patrick McNair-Wilson: As further developments in Merseyside or elsewhere are likely to be affected by the continuing fall in oil prices, is my right hon. Friend aware that the industry is becoming increasingly anxious about the tax regime and especially about the ring fencing of oilfields? Has he had discussions with the Chancellor of the Exchequer about this urgent matter to ensure that further inducements exist for continued exploration and development?

Mr. Buchanan-Smith: I am certainly aware of the problems of the falling oil price. There is no evidence that any existing activity or any developments recently approved or developments at an advanced stage of consideration by my Department have been inhibited by the current tax regime. If activity is hindered, I assure my hon. Friend that I and my right hon. Friend the Chancellor will look carefully at it.

Coal Imports

2. **Mr. Lofthouse** asked the Secretary of State for Energy what are the latest available figures of imports of coal into the United Kingdom and from what sources.

8. **Mr. Evans** asked the Secretary of State for Energy if he will list the countries from which the United Kingdom imports coal; and what proportion of United Kingdom enegy needs are met by coal imports.

The Secretary of State for Energy (Mr. Peter Walker): The latest available figures for imports of coal into the United Kingdom cover the period January to April 1986.

I shall publish the information in the *Official Report*. On a primary fuel input basis, 4 per cent. of United Kingdom energy needs were met by coal imports in 1985.

Mr. Lofthouse: Now that the Foreign Secretary is not going to South Africa, does the Secretary of State think that a good response from him would be to ban all imports of this blooded coal? Does he appreciate that the co .tinued import of coal is a kick in the teeth for the mining communities and the miners? The Secretary of State is aware that there is to be a rundown of miners' jobs. Will he assure the House that any miners made redundant after March 1987 will under a new scheme receive benefits equivalent to those that they receive now?

Mr. Peter Walker: As the hon. Gentleman knows, the European leaders have agreed upon an approach to South Africa which after three months would include action on a number of materials, including coal. That is the right approach and I hope that it will have some influence on negotiations in the coming months. The hon. Gentleman asked about benefits for miners. The present scheme ends in March 1987, and if further redundancies are required it will be the responsibility of the Coal Board to decide what measures are needed.

Mr. Evans: Will the Secretary of State explain to the British people why, when we have massive coal reserves and over 4 million people unemployed, we need to import coal, especially from countries with regimes like that in Poland, which has no free trade union movement, or South Africa, which has no freedom? Surely this is one case where sanctions against South Africa would be of benefit to Britain and Britain's work force?

Mr. Walker: I understand the hon. Gentleman's point of view. Figures that I shall publish in the *Official Report* will show that in the past six months Britain imported far more coal from Poland than from South Africa. However, during the period of the last Labour Government pits were being closed and unemployment increased, and imports from South Africa and Poland continued throughout the whole of that period.

Sir Trevor Skeet: Is my right hon. Friend aware that a recently negotiated agreement between the Central Electricity Generating Board and the National Coal Board makes little provision for imports, the result of which is likely to be that the public will be deprived of the opportunity of cheap coal from countries other than South Africa, which would be greatly to their advantage?

Mr. Walker: On the other hand, the CEGB wants continuity of supply and our coal industry to continue to provide the volume of coal that is necessary to meet electricity demand. It is perfectly reasonable therefore for it to enter into long-term contracts to ensure that that supply continues to be available.

Mr. Neil Hamilton: Does my right hon. Friend agree that were it not for the activities of the private sector in coal production, imports would be higher than they are? Given that the private sector is anxious to expand its operations, does it not make sense to strike off the restrictive shackles that have been placed upon it so that it can expand its output and thereby cut our import bill still further?

Mr. Walker: If we look at the totality of coal production, we must recognise that under the present system of nationalisation there is a very substantial coal industry in which this Government have invested heavily. It is providing very substantial yields of coal, with much better productivity figures. No Government can ignore those factors.

Mr. Mason: Is the Secretary of State aware that for every 1 million tonnes of coal imported 1,000 jobs are lost in the British coal industry and in supporting industries? Over 12 million tonnes of coal were imported last year, which means that 12,000 British jobs have been lost. Where does the Secretary of State's interest really lie? Does it lie with South Africa and those countries which export cheap coal to Britain, or does it lie with the British miner and the British coal industry? In view of continuing low-cost oil imports, 20,000 more jobs in the British coal industry are threatened. That is another reason why all coal imports should cease.

Mr. Walker: If the right hon. Gentleman really believes that last year's figures were so important for unemployment, I should point out to him that the reason for the enormous rise in imports was the disastrous strike led by Arthur Scargill, supported by the Labour party. The reason for the rise in unemployment is completely, in my view, to be laid at the feet of Arthur Scargill and nobody else. As for imports, the right hon. Gentleman also knows, as a former Cabinet Minister, that every Government of which he was a member closed pits and also imported coal.

Mr. Redmond: On redundancy payments, is the right hon. Gentleman saying that this Government will make finance available to the Coal Board if it wishes to continue to make the same kinds of payments?

Mr. Walker: We shall discuss, as would any Government, the financial requirements of the Coal Board in the years that lie ahead and the public expenditure that it requires. Because of his great interest in the coal industry, the hon. Gentleman knows that the scheme that has been operated by the Government was a temporary scheme, and it was announced that it was a temporary scheme to bring about the considerable transition in the coal industry that was necessary. When that major transition ends, it is perfectly reasonable that that responsibility should be returned to the Coal Board.

Mr. O'Brien: Is the right hon. Gentleman aware that the European Commission that is concerned with coal believes that imports into member states are necessary? If so, what will be the influence of the EEC's policy on the size and output of the British coal industry?

Mr. Walker: Imports over the past six months were about 4 per cent. of our coal requirements, and some of those imports were of specialist coals, some of which are not available here. Had we not had the disastrous strike, there would not have been such a rise in imports. I hope that now, if there is stability in the industry, we can reduce imports.

Mr. Orme: Is the Secretary of State aware that last week I met the president and general secretary of the South African National Union of Mineworkers, who impressed two points on me? The first was about the imprisonment and internment of trade unionists in South Africa, including members of the South African NUM. The second was their desire to see the imports of South African

coal into Britain stopped. I note what the Secretary of State said about consideration by the EEC. That is insufficient.

Mr. Walker: I remind the right hon. Gentleman that during the whole period that he was a Minister, the regime in South Africa was just as intolerant to the position of the blacks, and imports from South Africa came in every year.

Following is the information:

Coal Imports January-April 1986

(thousand tonnes)

Country	*Coal Imports*
Australia	1,361
United States	1,139
Poland	493
South Africa	196
F R Germany	184
Canada	143
Netherlands	115
Belgium	47
Columbia	35
Others	65
Total	3,781

(Figures may not add to total because of rounding.)

Energy Efficiency

3. **Mr. Andy Stewart** asked the Secretary of State for Energy what is his estimate of energy efficiency savings so far achieved by Government Departments; and if he will make a statement.

The Parliamentary Under-Secretary of State for Energy (Mr. David Hunt): All Government Departments have been made aware of the need to establish and implement effective energy management practices during Energy Efficiency Year.

Mr. Stewart: I recognise the valuable work that my hon. Friend has done during Energy Efficiency Year, but is there not still a shocking waste of energy in Government Departments and offices, particularly here in the offices in the Palace of Westminster?

Mr. Hardy: Hot air.

Mr. Stewart: Will my hon. Friend give me an assurance that he, as the Minister, will set an example for the rest of industry to follow?

Mr. Hunt: My Department's energy manager has already cut the consumption of electricity under his control by about 10 per cent. My hon. Friend is right to emphasise the considerable savings that can still be made. As to the Palace of Westminster, I hope that the hon. Member who shouted "Hot air" will realise that I am not an expert in these matters. I understand that there is a great deal of surplus heat in the Palace of Westminster and I know that the Accommodation and Administration Sub-Committee would greatly welcome any practical suggestions as to how best it could usefully be re-cycled.

Mr. Rowlands: In addition to savings in Government Departments, does the hon. Gentleman recall the Public Accounts Committee report, which said that huge savings could be made in the National Health Service which could be used for better patient care? How much progress has been made towards the targets that the PAC said should be set?

Mr. Hunt: The hon. Gentleman has made a good point. He will be aware that I and my hon. Friend iat the Department of Health and Social Security launched a major initiative with all the regional health authorities, and he will be aware of the publication of the Encode, which has gone to all managers in the Health Service. I hope that we shall soon see those ambitious but, nevertheless, necessary targets being met.

Mr. Rost: Is my hon. Friend aware that the enormous savings in the Health Service, Defence Department and all other parts of the public sector will not be achieved until he persuades the Treasury to remove the stupid restriction that prevents private enterprise third party financed energy management companies from offering services to the public sector without it being added to the public sector borrowing requirement, even if the investment is financed from outside by the private sector?

Mr. Hunt: I shall convey my hon. Friend's views to my right hon. Friend the Chancellor of the Exchequer.

Coal Industry

4. **Mr. Leigh** asked the Secretary of State for Energy what are the latest productivity figures for British Coal; and if he will make a statement.

5. **Mr. Gerald Howarth** asked the Secretary of State for Energy how the latest productivity figures for the coal industry compare with those in 1978-79; and if he will make a statement.

Mr. Peter Walker: British Coal's average deep-mined revenue productivity for the week ending 21 June was 3·25 tonnes, the highest weekly figure achieved so far. This compares with an average of 2·24 tonnes during the financial year 1978-79. This further growth in productivity reflects a continuing effort by all concerned to reduce costs, which provides the industry with its only sure route to a viable future.

Mr. Leigh: Will my right hon. Friend congratulate the management and work force of British Coal on achieving the best productivity figures ever? In view of the progress being made by the industry towards achieving improvements in productivity, would it not be madness for Arthur Scargill to attempt to foment further industrial action? Does my hon. Friend agree that it would be the action of a madman, such as Arthur Scargill has proved himself to be, to put so callously and pointlessly at risk the future of the industry and its work force?

Mr. Walker: Alas, it is not the actions of Mr. Scargill that concern me, but just his words. Every time he makes one of those speeches, a number of industrialists who are contemplating converting to coal decide that while such speeches are being made they cannot take the risk. That is doing real damage to the industry.

Mr. Howarth: May I add my congratulations to the management of British Coal to those of my right hon. Friend? May I invite my right hon. Friend also to congratulate the western area of British Coal, which has achieved record productivity of 3·49 million tonnes per man shift, which is 9 per cent. up on the record of the preceding month? Does my right hon. Friend agree that if such progress continues throughout British Coal we shall see it breaking even by 31 March 1988?

Mr. Walker: Yes, Sir. I should like to see that target achieved. British Coal has the added problem of lower oil prices and the competition which has resulted from that, which means that it will achieve somewhat lower revenue than it anticipated. Certainly the improvements in productivity at last show after all these years some return on the enormous investment by British taxpayers in the industry.

Mr. Hardy: In response to those impressive figures, will the Secretary of State ensure that the importation of coal from dumping countries is deterred in Europe and prevented in Britain? Also, in response to that performance within the industry, will he advise the NCB to extricate itself immediately from its international arrangements which involve the promotion of and trading in South African coal?

Mr. Walker: The action on South African coal has been agreed by the European Community, and we must see the effect of that in the negotitations that will take place in the coming months. One of the great factors of the improved productivity is that it will genuinely eradicate the potentality of coal imports.

Mr. Douglas: Will the Secretary of State reflect on the productivity of the Castlehill mine in my constituency which is in existence only because two men who have been victimised by the NCB stayed underground to save the mine? Without them the high productivity there would not exist. Further, will he reflect on the deal between the South of Scotland Electricity Board and British Coal which was concluded last week and which reduced the coalburn to 3·6 million tonnes a year at a time when the SSEB is having a high oilburn and is promoting a high nuclear content in its operations?

Mr. Walker: It is a matter for negotiation. As the hon. Gentleman will know, the obligation placed on the electricity industry by a statue introduced by a Labour Government for the nationalisation of electricity makes it clear that the boards must provide the cheapest possible electricity.

Mr. Portillo: Is my right hon. Friend not also impressed by the productivity in the private sector mines, although they must pay royalties to the NCB on their production? Has the time not come to review the procedures for licensing private sector coal mines to put them on the same footing as the NCB?

Mr. Walker: No, Sir. If the NCB is put on the same footing, which would mean that for each highly productive pit it could charge one price and for the others it could charge a higher price, that would be absurd. Obviously the licensing system is constantly reviewed, but at present it is working satisfactorily.

Mr. Rogers: Will the Secretary of State join me in congratulating the miners of the south Wales coalfield on achieving all the productivity targets set for them during the past year as a result of their having, for the first time, their proper share of capital investment, especially in heavy duty face support development? In doing so, will he ask the director of the NCB in south Wales to stop moving the goal posts in setting targets over and above and beyond what they are at present achieving, which will result in even more closures, as the Secretary of State well knows?

Mr. Walker: I welcome the substantial improvement in productivity in south Wales. The problem for the NCB management is that, without its desiring it, the goal posts move because a sudden massive drop in the price of its major competitor affects it.

Mrs. Currie: Does my right hon. Friend agree that it is important to maintain these good productivity figures into the future? Is he yet able to make a statement about the proposed development at the Cadley Hill colliery in my constituency, which my hon. Friend the Parliamentary Under-Secretary of State visited on 20 June which, if agreed, will enable me to go on representing in the House efficient coal miners into the next century?

Mr. Walker: I know how much my hon. Friend the Parliamentary Under-Secretary of State enjoyed his visit to that coal mine, but obviously, as my hon. Friend the Member for Derbyshire, South (Mrs. Currie) knows, decisions on these matters are for the NCB.

Mr. Eadie: Yes, the miners deserve congratulations on their increased productivity, but is the right hon. Gentleman aware that a crisis of confidence is emerging in the mining industry? He will be aware that on Saturday the Fraser of Allender institute said that 4,000 mining jobs in Scotland would go west, with a total of 8,000 as a consequence. Does the right hon. Gentleman not realise that such stories will affect productivity and that the message in the mining industry will be that the harder one works the more pit closures and redundancies there will be?

Mr. Walker: In giving his congratulations, and with his considerable knowledge of this industry, the hon. Gentleman should reflect that under "Plan for Coal" money was poured in for 10 years but productivity agreements were never implemented. Instead of achieving 4 per cent. productivity per annum outlined in "Plan for Coal", 4 per cent. was achieved over 10 years. Thank heavens, for the future of that industry, at long last improved productivity is taking place.

Energy Efficiency Year

6. **Mr. Spencer** asked the Secretary of State for Energy if he will make a statement on the progress so far of Energy Efficiency Year.

Mr. David Hunt: Energy Efficiency Year continues to make a strong impact. The "Monergy" logo, and the slogan "Get More for Your Monergy" are well established, and over 800 "Monergy" events have already take place. To reinforce the strong tide of interest, we shall be running a major autumn campaign of television and press advertising to coincide with the start of the heating season.

Mr. Spencer: Does my hon. Friend agree that in Energy Efficiency Year it would be a great breakthrough if he were able to accept the proposals of the combined heat and power consortium in Leicester?

Mr. Hunt: I am very grateful to my hon. and learned Friend for his constant lobbying and support for the consortium. Aware of the significance of this subject, I await with interest the consortium's report, which I understand is likely to be the first of the lead city consortia to complete work.

Mr. Evans: Will the Minister acknowledge that the prospects for Energy Efficiency Year would be greatly

improved if local authorities had more finance available for loft insulating grants? Is he aware, for instance, that the St. Helen's authority is already informing its citizens that it can accept no more applications for such grants because it has no money left?

Mr. Hunt: I am very surprised to hear that, and I shall follow up that case immediately. As the hon. Gentleman will be aware, the history of the homes insulation scheme is, sadly, one of underspend. Indeed, the arrangements made by the Department of the Environment this year were primarily laid down to ensure that no local authority would run out of money. I shall, of course, investigate the point that he has made.

Mr. Speller: Does my hon. Friend not agree that for commerce and industry, Energy Efficiency Year is, frankly, the flattest of flat pancakes?

Mr. Hunt: The targets and the potential for industry and commerce are so enormous that any assessment of progress so far must of necessity be something of an anticlimax. But we have already been able to identify the fact that industry and commerce have been able to make savings of £500 million as a result of my Department's programmes.

Electricity (Privatisation)

7. **Mr. Deakins** asked the Secretary of State for Energy whether his Department has had any discussions on the privatisation of the electricity industry.

The Parliamentary Under-Secretary of State for Energy (Mr. Alastair Goodlad): There have been no recent discussions on this subject. The Government have no present plans to privatise the electricity supply industry.

Mr. Deakins: Will the Minister confirm that the Government have no objection in principle to privatising the electricity supply industry, which has the largest holding of state assets in western Europe? Will he also confirm that the Government will seek to ensure that this is a manifesto commitment for the next general election?

Mr. Goodlad: I cannot give the hon. Gentleman that undertaking.

Mr. Proctor: Will my hon. Friend take steps to privatise the electricity industry as soon as possible, in view of the fact that it is not sensible to have the gas industry in private ownership and the electricity industry in public ownership because of the unfairness of that situation to the electricity industry?

Mr. Goodlad: I note my hon. Friend's view, but as I said earlier, the Government have no present plans to privatise the electricity supply industry.

Mr. Bruce: The House might welcome that, but it is a less than complete assurance. Will the Minister acknowledge that there would be great anxiety about the privatisation of the electricity industry, as that would involve the privatisation of nuclear power, which he may have something to say about later? Will he also acknowledge that there is a great desire to decentralise electricity in the public sector, and will he undertake to give more discretion to regional boards and less control to the Central Electricity Generating Board?

Mr. Goodlad: The Government have already encouraged a more open market in electricity supply by removing the legislative and institutional constraints on private generation and establishing a framework for fair dealing between private generators and electricity boards.

British Gas

9. **Mr. Greenway** asked the Secretary of State for Energy if he will make a statement about the terms on which he expects shares in British Gas to be made available to the corporation's customers.

Mr. Peter Walker: As I announced on 18 June, we shall be making special arrangements for gas consumers and other small investors to purchase shares in British Gas. Domestic gas consumers who register their interest in advance will be guaranteed to receive a certain number of shares when they apply. Full details will be announced before the sale.

Mr. Greenway: Will my right hon. Friend confirm that upwards of 16 million households will be entitled to buy shares in British Gas under the privatisation proposals? Will he take steps to ensure that those shares are not confiscated by a possible future Labour Government, as the Labour party proposes to confiscate the shares of the 1·5 million shareholders in British Telecom by nationalisation under another name?

Mr. Walker: The 16 million customers of British Gas will, for the first time, have direct participation in the industry of which they are customers. As for the Labour party's plans, I must confess that I am torn between deploring the morality of the proposals and being delighted at the political advantage that they will give to the Conservative party.

Mr. Wrigglesworth: When does the Secretary of State expect British Gas to come on to the market?

Mr. Walker: This autumn.

Mr. Portillo: Does my right hon. Friend recognise that the privatisation of British Gas offers a remarkable opportunity to extend share ownership to the many millions of British Gas customers? Does he agree that it will be more successful than the privatisation of British Telecom? Will he ensure that the terms sufficiently reflect those interesting possibilities?

Mr. Walker: I am delighted at the possibility of large numbers of customers, employees, small investors and pension schemes having direct participation in the industry. I look forward to successful privatisation taking place this autumn.

Mr. Orme: Is the Secretary of State aware that his noble Friend has created some confusion over the proposed sale of the shares? Will he clear that up for the House? May we now have the details of how the shares will be launched, the number and at what time they will be made available to the public?

Mr. Walker: On the latter point, I should have thought that the right hon. Gentleman would declare his personal interest in the matter. We will let him have the details, and I will send him a special form as soon as possible. As for the House of Lords, my noble Friend is coducting matters with immense care. I do not think that there is any misunderstanding.

Gas Prices

10. **Mr. Hannam** asked the Secretary of State for Energy when he next expects to have a meeting with the chairman of British Gas to discuss gas prices.

Mr. Buchanan-Smith: Prices are a matter for the commercial judgment of the British Gas Corporation.

Mr. Hannam: With regard to industrial gas prices, when my right hon. Friend meets the chairman of British Gas, will he discuss different gas prices for consumers on interruptible contracts, who receive good, competitive price charging, compared with those on long-term firm contracts for gas supply, whose contracts are still subject to price increases far out of touch with the present energy position?

Mr. Buchanan-Smith: My hon. Friend is right. There has been a considerable drop in the price of interruptible gas. The price for the supply of firm gas by contract is a matter for each contract commercially negotiated by British Gas. I understand that some planned increases have been cancelled and in some cases there have been reductions.

Mr. Rogers: When the Minister meets the chairman of British Gas to discuss prices, will he ask him how they will be affected by the flotation of British Gas shares, especially as most will go to foreign investors and British Gas customers will own a very small percentage of the shares that will be sold?

Mr. Buchanan-Smith: The hon. Gentleman knows that privatisation of itself has no effect on the price of gas. As for the availability of shares, I simply ask him to await the details. A real opportunity will be given to many millions of people—who recently, for the first time, and under a Conservative Government, have enjoyed having shares in industry—as a result of this exciting and enterprising flotation.

Mr. Peter Bruinvels: Is my right hon. Friend aware of the sterling work carried out by energy cost analysis companies, which have negotiated very reasonable prices for gas all over the country? Does he agree that there is now an opportunity to promote some of these private arrangements so that other major companies can benefit from a tariff analysis which is fair to them?

Mr. Buchanan-Smith: For interruptible gas, many companies already enjoy very favourable tariffs from British Gas. I note what my hon. Friend said about the opportunities provided by consultancies and others. No doubt they will make their services available to those who find them useful.

Mr. Rowlands: As the Government plan to raid British Gas accounts to the tune of £2·5 billion on privatisation, to collect nearly £500 million in the gas levy and still leave British Gas with a large profit, instead of trying to benefit some gas consumers with some shares, why not benefit all gas consumers by reducing gas prices?

Mr. Buchanan-Smith: We are trying to give the British public, for the first time, a genuine share in the ownership of one of our greatest industries. Many people outside now realise how the hon. Gentleman and the Labour party would deny them an opportunity of which I know many people will avail themselves.

British Gas

11. **Mr. Sackville** asked the Secretary of State for Energy when he last met the chairman of the British Gas Corporation to discuss the terms of the privatisation of the corporation.

Mr. Peter Walker: I regularly meet the chairman of the British Gas Corporation.

Mr. Sackville: Does my right hon. Friend agree about the importance of reaching a good and effective code of practice for the elderly and disabled?

Mr. Walker: Yes, Sir, and that will be done.

Mr. Douglas: When the Secretary of State meets the chairman, will he be kind enough to explain to him why it is wrong for the Gas Corporation to have drilling and exploration activities when it is in the public sector and right for it to have drilling and exploration activities when it is in the private sector.

Mr. Walker: There is no need to explain it. He is delighted about going into the private sector, for that reason.

Sir Dudley Smith: When my right hon. Friend sees the chairman, will he tell him that a fair minority of my constituents look forward to privatisation and even now would be prepared to pay the going rate for gas if only they could get connected to it? Is he aware that they are increasingly irritated by the splendid television advertising of the virtues of gas? Is it not a scandal that they are asked to pay prohibitive connection charges?

Mr. Walker: The problem with connection is that the cost of linking places to gas, especially in rural areas such as my hon. Friend represents, has been difficult. Under the process of nationalisation, there has been a clear basis according to which British Gas has had a statutory duty to connect potential consumers. That basis will continue unchanged after privatisation. The difference is that, after privatisation, if other groups wish to take on areas which British Gas has not taken on, they will be free to do so.

Mr. Bruce: When the right hon. Gentleman meets the chairman of British Gas, will he explain that, although British Gas has got away lightly in the Gas Bill in terms of the lack of effective regulatory control, if it abuses its monopoly in the private sector, a future Government, which might be a Conservative Government, will have no hesitation in imposing stronger regulators?

Mr. Walker: In view of the policies and differences in the alliance at the moment, I do not imagine that the hon. Gentleman will have any influence on any future Government.

Nuclear Installations Inspectorate

13. **Mr. Hardy** asked the Secretary of State for Energy if he remains satisfied that the Nuclear Installations Inspectorate has the staff and the resources to fulfil the responsibilities in respect of which it reports to him to appropriate standards of competence and expedition.

Mr. Goodlad: The Nuclear Installations Inspectorate is able to meet its essential commitments. The Health and Safety Executive is now seeking to recruit over 20 per cent. more well qualified inspectors to deal with further work.

Mr. Hardy: Is the Under-Secretary of State aware that I recall his categorical and emphatic response to a question

that I asked on 14 April, when he assured me that there were no deficiencies in the staffing and resources of the inspectorate? Does he accept that that answer was an extremely grave example of misleading the House on a matter of great importance? Can we be absolutely sure that the Government's responses to our questions will be accurate in future, especially when we are dealing with a matter of such importance and concern?

Mr. Goodlad: There were and are no deficiencies in the Nuclear Installations Inspectorate. As the hon. Gentleman knows, matters about the strength and recruitment of nuclear inspectors are for my right hon. and learned Friend the Paymaster General. As I said to the House, the Health and Safety Excutive is to start a recruitment exercise this month to recruit up to a maximum of 20 more inspectors. In addition, discussions on the pay of nuclear inspectors are going forward.

Mr. Richard Page: I thank my hon. Friend for that encouraging reply. Is it not true that the supply of energy has a price? Every year in the coal mining industry tens of people are killed, 400 are injured and thousands suffer from lung-related diseases, and in addition we have problems with acid rain. Of course, that is an improved safety record compared with a few years ago. Therefore, would my hon. Friend like to compare that with the safety record of our nuclear industry? Would we not need a Chernobyl incident every three or four years if we were trying to match the safety record of the coal industry?

Mr. Goodlad: My hon. Friend is right. The safety record of the nuclear industry compares favourably with other forms of electricity generation.

THE ARTS

Merseyside

44. **Mr. Wareing** asked the Minister for the Arts what recent discussions he has had with the Arts Council about funding of the arts on Merseyside; and if he will make a statement.

The Minister for the Arts (Mr. Richard Luce): I have discussed the Merseyside situation with the chairman of the Arts Council, and my officials have been in constant touch with officers of the Arts Council and the Merseyside Arts Association. I am very pleased that a satisfactory settlement has been reached, which secures the future of all the major arts organisations on Merseyside.

Mr. Wareing: Bearing in mind that it took eight months of intense negotiation to reach a settlement for the performing arts, I do not think that the people on Merseyside can be as glad about the situation as the Minister's answer suggests that he is. Is he resisting the attempts of the Treasury to cut the Arts Council's budget? Does he realise that not only the voluntary sector on Merseyside will be at stake, but that institutions such as the Philharmonic Hall could still be threatened with closure next year if the budget is cut and the Government's contribution is any less than it was this year?

Mr. Luce: The people who live on Merseyside have every reason to be pleased that there is now a conclusion to the long negotiations. I am glad that the Arts Council, which contributed over £1 million, and the local authorities are playing a positive part in that settlement. It is the last of the areas to reach a settlement. I believe that there is a positive long-term future for all the major arts bodies on Merseyside.

Mr. Ottaway: When my right hon. Friend was considering Arts Council funding for Merseyside, was he aware of the large sums being made by Sir Peter Hall and Trevor Nunn, which could well be used on Merseyside and in the east midlands?

Mr. Luce: I note what my hon. Friend has said. As I have already made plain, as has the chairman of the Arts Council, the question of the guidelines for the terms and conditions of directors of organisations, such as the National theatre and the Royal Shakespeare company, have been referred to the Cork inquiry, which is looking into the future of subsidised theatre.

Mr. Alton: I thank the Minister for the personal help he has given this year in securing funding for many of the arts institutions on Merseyside. Has he had a chance to consider the representations made to him about the "Act Now" venture, which he saw earlier this summer, and will he be able to provide any funding for that in the future? Will he also comment on business sponsorship for the arts on Merseyside and how successful that can be?

Mr. Luce: I have already had a meeting with representatives of those who have been behind the "Act Now" venture, and I have great admiration for the work that they have done. I am considering the points that they made to me and I hope to have a meeting with them in Plymouth next week during meetings of the Council of Regional Arts Associations.

On sponsorship, the Digital Equipment Company has come in with support to the tune of just under £400,000, supplemented by extra sponsorship and awards from the Government, which makes a total of £500,000 for dance and ballet throughout the country, not just in London. That is a supremely good example of what businesses can do to help the arts. I hope that businesses on Merseyside will play their part in this.

Parthenon Marbles

45. **Mr. David Atkinson** asked the Minister for the Arts what recent representations he has received from his Greek counterpart on the future of the Parthenon marbles.

Mr. Luce: There have been no formal representations from the Greek Government on the future of the Parthenon marbles since Her Majesty's Government's reply to the request for their return through UNESCO in October 1985.

Mr. Atkinson: Is my right hon. Friend aware that the Parthenon marbles are housed in nine museums in six countries? Does he agree that the Greek representations would be a little more credible, and the Labour party's response a little less pathetic, if similar requests were made to the Governments of all six countries in which the marbles are housed?

Mr. Luce: My hon. Friend is right, to the extent that the British museum possesses only about 50 per cent. of all the Parthenon sculptures. Apart from some in Greece, the rest of them — at least nine — are placed in other European centres. My hon. Friend is right on that. However, I must also ask whether the Opposition have

considered the precedent that would be set if the marbles were returned. What would be left of the British national collections in many areas?

Mr. Robert Sheldon: Is the right hon. Gentleman aware that if the marbles were to be returned to the Parthenon that would be one matter; but, as that is not practicable, to move them out of one museum and put them into another does not make much sense? Is the right hon. Gentleman further aware that if we were to pursue that line of cultural apartheid many works of art might leave our shores, and all that we would get in return would be a few statues of Queen Victoria and possibly old London bridge?

Mr. Luce: The right hon. Gentleman puts the point most effectively. That would set a precedent, which would lead to a major reduction in our great national collections, in which all the objects, including the Elgin marbles, have been acquired legally. The right hon. Gentleman should also put that question to his hon. Friend the Member for Paisley, South (Mr. Buchan), who appears to be committed to the return of the Elgin marbles.

Mr. Jessel: As it is clear that the British museum has looked after the Elgin marbles very well for 150 years, can my right hon. Friend say what sort of care was given to them by the locals when the marbles were in Greece?

Mr. Luce: It would not be right for me to comment on that in detail, but I can say that the museum looks after the marbles magnificently. It has an excellent conservation service. Moreover, what is really important is that they were acquired legally, and it would require an Act of Parliament to change the position to compel the trustees to return them. I do not believe that that would be the wish of this Parliament.

Mr. Buchan: Rather a lot of rubbish has been talked, and it will be difficult to deal with all the rubbish in a short reply. May I point out, in the form of a question as a reply to the Minister, that when it is argued that the marbles were legally acquired, in fact they were sold by an occupying country? In other words, would the Minister say that the pictures that were removed by the Third Reich from Holland, Belgium and France, which, among other things, had been acquired by Goering, had been legally acquired? We said that they should have gone back to the countries of origin. In the same way, we believe that the marbles properly belong to Greece and that more British people will see them in Athens than in London. We unswervingly adhere to the proposition that they should be returned.

Mr. Luce: It is firmly established that the Elgin marbles were legally acquired under the sovereignty of the Ottoman empire as it was at that time. In 1816 the British Parliament passed an Act of Parliament that gave the authority to the British museum to retain the Elgin marbles.

Public Libraries (Loan Charges)

46. **Mr. Murphy** asked the Minister for the Arts if he has any plans to introduce legislation to require local authorities to introduce charges for the loan of books from public libraries; and if he will make a statement.

Mr. Luce: I have no such plans. The Government intend to maintain the present arrangements for free lending of books and other basic library services for individuals, but I encourage library authorities to develop other sources of revenue.

Mr. Murphy: I appreciate my right hon. Friend's support for the library service. Does he agree that the opportunity might be given to libraries to charge for fiction loans so that the extra resources can be used within the library service in the same way as charging for records already takes place?

Mr. Luce: My hon. Friend's point is perfectly legitimate. I know that other countries, including New Zealand, have a distinction between fiction and non-fiction. I have come to the view that, on educational grounds, it is difficult to draw a distinction between fiction and non-fiction. Therefore, it is best to retain the great traditions of a free lending service. It is possible for libraries to make charges in other areas, and a number of libraries do so with a great deal of enterprise.

Mr. Freud: I thank the Minister for his reply and welcome what he said. Will he steadily remember the importance of free access to books, whether fiction or non-fiction, for those studying.

Mr. Luce: I am grateful to the hon. Gentleman. I have already made it plain that I intend to maintain that service. At the same time, I reinforce the view that I think there is scope for libraries to raise revenue in other ways, and they should be encouraged to do just that.

Mr. Buchan: The Minister has taken something of the sabre away from his answer. We want a firm response that in no circumstances will libraries be permitted to charge for the loan of books. The Government are trying to do that with museums. I believe that they are also trying to do it in other aspects of libraries. We want a clear and unequivocal statement that in no circumstances will that happen.

Mr. Luce: It would be good news if the hon. Gentleman would listen to my answers sometimes. I have made it plain that we have no intention of changing any of the existing plans to maintain a free basic library service.

CIVIL SERVICE

Unions (Meetings)

56. **Mr. Soley** asked the Minister for the Civil Service when he last met representatives of the Civil Service unions; and what was discussed.

The Minister for the Civil Service (Mr. Richard Luce): I have had no formal meetings with the Civil Service unions, but I did meet them informally on 25 March, and I attended the dinner of the First Division Association on 14 May. Topics of mutual interest were discussed informally.

Mr. Soley: When the Minister next meets the unions, will he raise with them the future of the Crown Suppliers and confirm the decision of the review staff that to privatise the Crown Suppliers would be against the public interest? Will he assure the House that he respects that decision by his own review team? Will he publish the supplementary report by the central purchasing unit that seems to be causing Ministers some embarrassment and is at the moment hidden from public view?

Mr. Luce: I shall look at the latter point that the hon. Gentleman raised. I am not absolutely clear that his first point is within my remit. I shall look into the matter and let the hon. Gentleman know.

Mr. Wrigglesworth: Next time the Minister meets the trade unions, will he consider with them the damage that has been done by the Government's actions over GCHQ to industrial relations, to GCHQ itself and to the position of staff at GCHQ? In the light of all that, will the Minister reverse his decision and restore trade union rights at Cheltenham?

Mr. Luce: The position at GCHQ has been made clear repeatedly by my right hon. and learned Friend the Foreign Secretary, and I have nothing further to add.

Mr. Leigh: In the light of the election of a Militant supporter to the general secretaryship of the CPSA, will my right hon. Friend reflect on the sadness of the fact that he and his colleagues on the Treasury Bench did not accept the amendment put forward by myself and other colleagues of his in favour of secret postal ballots?

Mr. Luce: I note my hon. Friend's views. As my right hon. Friend the Prime Minister made plain last week, the election of officers of a trade union is entirely a matter for the membership itself. We have a long tradition of impartiality, professionalism and loyalty in the Civil Service. I hope and believe that that tradition will continue.

Mr. Terry Davis: Does the Minister think that it would be a good idea, when he next meets representatives of Civil Service unions, to discuss the need for more training for equal opportunities officers?

Mr. Luce: There are designated officers in each Government Department who look after the problems of equal opportunities. I am satisfied that that is working well.

Employment Qualifications

57. **Mr. Peter Bruinvels** asked the Minister for the Civil Service if, pursuant to his answer of 16 June, *Official Report*, column 743, to the hon. Member for Leicester, East, he will list the groups regarded as subversive for the purpose of prohibition on employment on work vital to the security of the state.

Mr. Luce: No, Sir.

Mr. Bruinvels: Will my right hon. Friend include members of the Militant Tendency and its supporters who, I believe, are subversive? Does he recall that it was Militant that organised the great dispute at the DHSS office in Newcastle, costing the taxpayer £170 million? Does my right hon. Friend realise that John Macreadie's election is a danger to this nation's security, is anti-democratic and involves an organisation that seeks to undermine our valid Parliament? Surely something should be done urgently to purge Militant from the Civil Service.

Mr. Luce: I understand what my hon. Friend says, but I must point out that the general secretaries of these unions are union officials, not civil servants. Therefore, they have no more access to the Civil Service than an ordinary visitor, and the ordinary security precautions prevail. I repeat what I have said before to my hon. Friend:

"No one is precluded from employment in the Civil Service because of membership of a particular organisation. However, no one may be employed on work vital to the security of the state who is or has recently been a member of a Communist or Fascist organisation or of a subversive group whose aims are to undermine or overthrow parliamentary democracy by political, industrial or violent means." —[*Official Report*, 16 June 1986; Vol. 99, c. 743.]

Mr. Soley: Is there not a case for looking again at Lord Denning's wise judgment, that "subversion" should be defined as undermining the state by unlawful means? That would enable people, including the hon. Member for Leicester, East (Mr. Bruinvels), to give evidence to the police, or else deal with the matter in the normal way.

Mr. Luce: The criterion is well established. It was established in 1975 by the former Labour Government, and I am content to stick to that.

Sir Anthony Grant: Is my right hon. Friend aware that the worrying aspect of this infiltration is that, if it increases, there will be an increased tendency for Ministers, whatever their party, to bring into government their political nominees, and we shall thereby lose the benefits, which we have had for many years, of an impartial Civil Service?

Mr. Luce: I strongly reinforce my hon. Friend's comments on the need for an impartial Civil Service. The heart of the stability of our system is that we should have an impartial Civil Service which is loyal to any elected Government. We are entitled to that, and I believe that we have a Civil Service which, broadly speaking, is impartial, loyal, dedicated and professional.

Dr. MacDonald: Is the Minister aware that, despite his statements about the need for an impartial Civil Service and the fact that that is what we have—I entirely support those sentiments—the Government have worsened relationships between the Civil Service and the trade unions by their ban on trade union membership at GCHQ? Will he confirm, or deny, today's press reports that the director of GCHQ, Sir Peter Marychurch, has been asked to stay on until June 1988, one year after he is due to retire? Does he agree that the Government are perhaps hoping thereby to ensure that management at GCHQ is able to persuade an incoming Government to maintain the trade union ban? Will he take on board the fact that the Labour party, when it takes office after the next general election, will do nothing whatsoever of the kind and that it will reverse the Government's decision and allow trade union membership to continue at GCHQ?

Mr. Luce: I have already said on several occasions that the question of GCHQ is a matter for my right hon. and learned Friend the Foreign Secretary. It is wrong to take the view that the Government have not taken account of conditions in the Civil Service. The latest pay settlement shows that we are taking fully into account movements in the pay sector outside the Civil Service.

Mr. Gow: Will my right hon. Friend reconsider his earlier answer, when he said that the conduct of elections of trade union officials is a matter for the trade union? Does he agree that there is a wider and legitimate national interest in securing that elections for office in trade unions are conducted in every respect with scrupulous fairness and integrity?

Mr. Luce: I entirely agree with my hon. Friend.

Permanent and Deputy Secretaries

58. **Mr. Wainwright** asked the Minister for the Civil Service how many permanent secretaries and deputy

secretaries at the present time are members qualified by examination of a United Kingdom chartered professional body.

Mr. Luce: This is not uncommon. Detailed records are not held centrally.

Mr. Wainwright: Is the Minister aware that my question was about the number of people in top jobs in the Civil Service who have professional qualifications? Will he answer it?

Mr. Luce: We do not have a specific record, but, if it is any help to the hon. Gentleman, roughly one in six of all those who are permanent secretaries or deputy secretaries have professional qualifications.

Early Retirement

59. **Mr. Watts** asked the Minister for the Civil Service what are the cost implications of negotiations to facilitate early retirement from the Civil Service.

Mr. Luce: The negotiations are intended to secure more flexible early retirement arrangements within the Civil Service. The intention is that the average cost of early retirement will not increase.

Mr. Watts: Can my right hon. Friend confirm that civil servants will not be able to retire on full pensions at the age of 50, as has been reported in recent press articles?

Mr. Luce: I can confirm that there has been inaccurate press reporting of the matter. The proposal, which is part of a comprehensive package which is still being discussed, is that civil servants should be given the right to retire on actuarially reduced pensions at no extra cost to the Exchequer.

Non-departmental Public Bodies

60. **Mr. Dickens** asked the Minister for the Civil Service how many non-departmental public bodies have been *(a)* abolished or *(b)* reformed since May 1979.

Mr. Luce: Between 1979 and 1985 a total of 756 non-departmental public bodies were abolished, rationalised or substantially reduced. During that period 242 new bodies were set up, resulting in a net reduction of 514.

Mr. Dickens: Can my right hon. Friend confirm that the Government's quango hunt has not run out of steam?

Mr. Luce: I can confirm that. In the past year, in which there has been a review of the number of quangos, there has been a continuing net reduction.

Mr. Tony Banks: Does the Minister believe that when non-departmental bodies are set up by the Government, particularly when they replace democratically elected bodies — I am thinking specifically of the residuary bodies that were set up to replace the democratically elected Greater London council and the metropolitan county councils — Ministers should have the guts to answer questions about the activities of those non-departmental bodies?

Mr. Luce: I think that we are referring here to transitional bodies. The criterion whether a new quango should be set up is whether it can be proved to be the most cost-effective means of fulfilling Government policy.

South Africa

3.31 pm

Mr. Denis Healey (Leeds, East) *(by private notice)* asked the Secretary of State for Foreign and Commonwealth Affairs whether it remains his intention to visit South Africa, and if so what are his plans.

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): I intend to make an early start on the mission entrusted to me at the recent European Council meeting in The Hague. I accordingly proposed last week to the Governments of Zambia, Zimbabwe and South Africa that I should visit them in the period 9 to 11 July on the first stage of the mission. The Zambian authorities have confirmed that a visit this week is convenient. The Zimbabwean authorities have given a similar indication, but we are still waiting for confirmation. The South African Government have made it clear that they are ready to receive me, but have proposed alternative dates. These are now under consideration. I shall therefore proceed with the visit to Lusaka and Harare, leaving from Strasbourg tomorrow evening, and plan to visit South Africa later in the month. Further visits to and within the region are, of course, not excluded.

Mr. Healey: I thank the right hon. and learned Gentleman for his statement. Does he agree that, following the refusal of black leaders in South Africa to see him, the humiliating snub from President Botha confirms all his initial doubts about the wisdom of his mission? Will he use this example to persuade the Prime Minister that she is not always right and that the Foreign Office is not always wrong?

The Opposition welcome the Foreign Secretary's visit to Zambia and Zimbabwe this week. The Government have left a lot of fences to be mended in those countries and there is a real risk of the Commonwealth breaking up unless he takes advantage of his mission to take more notice of the views expressed by those countries than the Government have taken so far.

Does the postponement of the Foreign Secretary's visit to South Africa mean that he intends to meet the conditions set for his visit to President Botha and, if so, what are those conditions? Can the right hon. and learned Gentleman assure the House that he is not seeking to delay matters until after the Commonwealth summit?

Does the Foreign Secretary accept the view expressed by President Mitterrand and the Prime Minister of the Netherlands and Denmark that the Government are committed to sanctions if his mission fails and does not secure the unconditional release of Nelson Mandela and the unbanning of the African National Congress? Incidentally, will the Foreign Secretary take the opportunity, while he is in Lusaka, to visit the ANC, as emissaries of President Reagan have been doing over the past few days?

Finally, do the views expressed by the Prime Minister to Mr. Malcolm Rutherford and set out in last Friday's *Financial Times* now represent Her Majesty's Government's policy, in particular, that the unconditional release of Nelson Mandela will depend, as the article says, on the threat of sanctions and that the Government are prepared to go to the Security Council for mandatory sanctions if his mission fails?

Sir Geoffrey Howe: I accept no responsibility for answering the right hon. Gentleman's more fanciful inquiries based on newspaper articles, for which neither my right hon. Friend the Prime Minister nor I have any responsibility. Nor do I intend to respond, in the spirit in which the right hon. Gentleman put it, to suggestions of snubs or anything of that kind.

The position—I should like the right hon. Gentleman to understand this—is that I have been entrusted by the Community with a mission of some importance and outstanding difficulty. I intend to pursue it with patience and determination to see, so far as I can, all those whom I ought to see in discharge of the objective of trying to promote an opportunity for dialogue to take place.

I am not yet able to say when the mission will come to a conclusion. I intend to pursue it patiently and as far as I can.

As my right hon. Friend the Prime Minister told the House in her report on the meeting at The Hague, certain measures have been taken in the past against South Africa and certain other contingencies are being studied in the terms set out in The Hague communiqué.

If it turns out to be convenient and possible, I shall certainly be prepared to consider an opportunity of meeting representatives of the ANC, because it is important to urge them as well as others of the need, above all, to turn away from violence in southern Africa and try instead to go down the path of dialogue, negotiation and conciliation.

With regard to broken fences in South Africa, I shall try my best to repair those which the right hon. Gentleman has destroyed.

Mr. Tim Rathbone (Lewes): Will my right hon. and learned Friend accept that the good will and good wishes of every sensible person in Britain and in Europe will go with him in his attempts to bring an increasingly tragic state of affairs in southern Africa to as speedy an end as possible?

Will he also accept that many Conservative Members, I hope all, believe that his visit is necessary in order to counterbalance the impression created by the right hon. Member for Leeds, East (Mr. Healey), the Opposition spokesman on foreign affairs, and many other Members of the House?

Thirdly, will he accept that many people in the House, and most people in the country, will welcome his readiness to meet the ANC when he visits Lusaka?

Sir Geoffrey Howe: I am grateful to my hon. Friend for each of his three comments. I appreciate that on almost every aspect of this case it is not easy to do anything that commands universal assent. Subject to that, I am most grateful for his support.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): Is the Foreign and Commonwealth Secretary aware that we on these Benches wish his series of missions all success and hope that he will be able to talk to all those whom he wishes to see, but does he recognise that his chances of doing that will be greater if he stresses that he is going as President of the Council of Ministers of the European Community, and that as such he will not be handicapped by the public foot-dragging on sanctions of the Prime Minister? Will he also make it clear to the South African Government that the question is not whether white

[Mr. David Steel]

minority rule changes, but when and how, and that most of us would prefer it to be sooner and peacefully, rather than later and violently?

Sir Geoffrey Howe: The right hon. Gentleman made some observations for which I am grateful, but he spoilt his intervention by a rather graceless reference to my right hon. Friend the Prime Minister. The important point that he makes, which I want to underline, is the extent to which one must try to build on positions that are common as far as possible. President Botha has said that apartheid is an outmoded system and that he looks forward to a system that will be without domination by any race. All those things are pointers in the right direction and will help me in the difficult search for a way to dialogue.

Sir Anthony Kershaw (Stroud): Are not these matters rather too serious for the juvenile debating points that are all that the right hon. Member for Leeds, East (Mr. Healey) has in his armoury? Will my right hon. and learned Friend make it clear that he goes with the support not only of this Government but of that of the 11 other almost most important Governments in the world?

Sir Geoffrey Howe: I am grateful to my hon. Friend for underlining that point. It is important for it to be understood, and I think it is, that I am going as the Foreign Minister and the current President of the European Council of Ministers, and that I am supported by the other 11 Governments.

Mr. Tom Clarke (Monklands, West): When the Foreign Secretary eventually visits South Africa, will he accept that the release of Nelson Mandela, long overdue as it is and universally welcomed as it will be, will not in itself be enough? Does the Foreign Secretary recall that in an interview with a British newspaper last year Nelson Mandela said that his own freedom and the freedom of his fellow citizens are indivisible?

Sir Geoffrey Howe: The hon. Gentleman has made an important point and it is in line with the point made in the statement by the European Council at the Hague, which said:

"This dialogue cannot take place as long as recognised leaders of the Black community are detained and their organisations are proscribed."

It is plain that a further amplification of the scope for democratic dealogue is important. Most people recognise that the prospect of the release of Nelson Mandela is far and away the most important key, if there can be a key.

Mr. Cranley Onslow (Woking): Is my right hon. and learned Friend aware that the tone of the questions by the right hon. Member for Leeds, East (Mr. Healey) and what he has been saying in the media and elsewhere make it doubly clear that his principal objective is to try to sabotage the Foreign Secretary's mission before it starts? That is sheer mischief making. On this occasion, is it not right that every responsible hon. Member who wishes not to jeopardise the prospects of the success of this mission should not press my right hon. and learned Friend too hard? Mr. Speaker, these exchanges need not be prolonged indefinitely.

Sir Geoffrey Howe: As far as I can, I acknowledge the force of the points made by my hon. Friend. I hope that the wisdom that exudes from his present important position will penetrate at Leeds, East.

Mr. David Winnick (Walsall, North): Does the Foreign Secretary realise what a farce this has become and that he was right in the first place to have many reservations about his trip to South Africa? When will he persuade the Prime Minister that there is no effective alternative to sanctions against the apartheid regime and that trips to South Africa or anywhere else are no substitute for such action? The Foreign Secretary may know that such action was advocated last night by his Minister of State on a television programme.

Sir Geoffrey Howe: I wish that this problem could be resolved as easily as the hon. Gentleman so readily implies. He knows, or he ought to know, that it is far too superficial to argue that this long-standing and difficult problem can be resolved by the mounting of comprehensive sanctions against South Africa. The position set out last week by my right hon. Friend the Prime Minister is the position adopted by my hon. Friend and by me. Over the years certain measures have been taken against South Africa. Certain contingency plans outlined in The Hague communiqué are being made.

"We do not think that threatening further sanctions immediately or automatically will help to bring about the negotiations that we desire". [*Official Report*, 1 July 1986; Vol. 100, c. 822.]

That was said by my right hon. Friend the Prime Minister, and it represents the position of the Government.

Mr. Hugh Dykes (Harrow, East): Does my right hon. and learned Friend realise that his mission is bound to get the good will and support of all people of wisdom and common sense in every European country, but particularly in Britain, in view of his position as President of the Council of Ministers? Over the weekend there was an outburst by the South African Foreign Minister against sanctions. Does my right hon. and learned Friend draw an optimistic, or pessimistic, conclusion from that stance, which appears to be a change of line on the part of the South African Government? It is not a wish not to have sanctions imposed. They are defiantly saying, "Come and get us, we do not care."

Sir Geoffrey Howe: I am grateful to my hon. Friend for the first part of his question. As for the second part of it, it is tempting in circumstances of this kind to feel obliged to comment on almost every statement that is reported in the newspapers or elsewhere, but I do not think that that is helpful, even though I understand why my hon. Friend has made that point.

Mr. Norman Buchan (Paisley, South): The right hon. and learned Gentleman has stressed that he is going to South Africa to represent the EEC as well as this country. Will he keep in mind the circumstances that give rise to his visit – that sanctions are wanted immediately, but that he and the Prime Minister want sanctions, if they are to be imposed at all, to be postponed? Will he keep in mind that the bulk of his fellow Ministers in the Community favour sanctions, not because they or we believe that sanctions are the only solution, but because they are a necessary solution to bring home to the South African white regime that it must come to terms and an agreement on the basis eventually of one man, one vote?

Sir Geoffrey Howe: I shall bear in mind my own assessment of the views formed and the advice given by the other members of the Council of Ministers. I shall certainly bear in mind that the Heads of Government of

a number of other countries took the same view as Britain and that many of those who considered the matter carefully were increasingly impressed with the need to adopt a patient and cautious approach to this matter. That is why the conclusion set out in the communiqué was unanimous.

Sir John Biggs-Davison (Epping Forest): Would not sanctions, as called for by the Opposition, have a catastrophic effect upon some of those other countries that my right hon. and learned Friend is about to visit, with our goodwill? Does it not also show a misunderstanding of the South African Government and the Afrikaners generally to suppose that sanctions will bring about any desirable effect? It is not important to encourage as well as to warn?

Sir Geoffrey Howe: There is real force in both of my hon. Friend's points, and I endorse the last part of his question.

Mr. John Evans (St. Helens, North): If Britain's Foreign Secretary, who is President of the EEC Council of Ministers, has not been snubbed and humiliated by the South African Government, will he tell the House the date of his rearranged visit to South Africa and whether it will take place before the Commonwealth summit? Will he also make it a condition of his rearranged visit to South Africa that even if he does not see the President and the Minister of Foreign Affairs of South Africa, he must see Nelson Mandela?

Sir Geoffrey Howe: I shall tell the House of the date, or dates, of my further visits when those are clear. I told the House in my original statement that they are still the subject of further discussion. Those whom I shall hope to see certainly include all those who were mentioned by the hon. Gentleman.

Sir David Price (Eastleigh): Will my right hon. and learned Friend accept that he goes to South Africa with the total goodwill not only of this House but of the whole of Europe? Will he also explain to those who are criticising his mission that this country started this century with nearly 500,000 men-at-arms against the Afrikaners, that 22,000 perished in South Africa at the beginning of this century and that our track record in opposing the Boers is impeccable?

Sir Geoffrey Howe: I am always grateful to my hon. Friend for the depth and breadth of his historical analysis, and I shall bear in mind what he said, but I shall also try to bear in mind more recent events than that.

Mr. Laurie Pavitt (Brent, South): In view of the Foreign Secretary's understandable request for patience and time, has he seen the announcement in this morning's edition of *The Guardian*, which reminds us that more or less the same thing was said in 1963, 25 years ago? Does he have in mind a shorter time span than 25 years?

Sir Geoffrey Howe: I have no doubt that the longer the unresolved policy of apartheid has continued in South Africa, the harder has become the task of its removal, but in making that kind of assessment one should take account of the steps that have been taken in the last year or two. I know that it is fashionable to discount them completely. They should not be so discounted. We have to try to start from where we now are and move as quickly as possible towards a solution that is founded on dialogue, not on violence.

Several Hon. Members *rose*——

Mr. Speaker: Order. I have to bear in mind that this is private Members' day and that this is a private notice question. I shall call two more hon. Members, one from each side of the House.

Viscount Cranborne (Dorset, South): Would my right hon. and learned Friend's task be made any easier if the buccaneering tendencies of the right hon. Member for Leeds, East (Mr. Healey) could be restrained, as he is increasingly behaving like the Captain Morgan of foreign policy?

Sir Geoffrey Howe: I am always content to accept my hon. Friend's judgment on the performance of the right hon. Member for Leeds, East (Mr. Healey).

Mr. Frank Field (Birkenhead): Will the Foreign Secretary's bargaining position be strengthened, or weakened, if it is clear that the European Community will take further action should his mission fail?

Sir Geoffrey Howe: The position of the European Community is clearly stated in the communiqué to which I have referred the House. It is clearly to the effect that further measures that might be needed are now the subject of contingency planning, as my right hon. Friend the Prime Minister told the House last week.

Several Hon. Members *rose*——

Mr. Speaker: Order. I have endeavoured today to give priority to those hon. Members who were not called on previous exchanges, and I hope the House will think that that is fair.

STATUTORY INSTRUMENTS, &C.

Ordered,

That the Local Authorities' Cemeteries (Amendment) Order 1986, be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Fireworks (Safety) Regulations 1986, be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Hovercraft (Civil Liability) Order 1986, be referred to a Standing Committee on Statutory Instruments &c.

That the draft International Finance Corporation (1985 General Capital Increase) Order 1986, be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Malone.]*

EUROPEAN COMMUNITY DOCUMENTS

Ordered,

That European Community Documents No. 4092/85 and 4058/86, a proposal for a Regulation laying down measures to discourage the release for free circulation of counterfeit goods, and a proposed Amendment to the draft Regulation be referred to a Standing Committee on European Community Documents.

That European Community Document No. 4044/86 concerning a proposal for a Council directive on the protection of workers from the risks related to exposure to benzene at work be referred to a Standing Committee on European Community Documents—*[Mr. Malone.]*

PUBLIC TRUSTEE AND ADMINISTRATION OF FUNDS BILL *[Lords]*

Ordered,

That the Public Trustee and Administration of Funds Bill *[Lords]* be referred to a Second Reading Committee—*[Mr. Malone.]*

Future of Manufacturing Industry

3.51 pm

Mr. Kenneth Carlisle (Lincoln): I beg to move,

That this House agrees that manufacturing industry has a central part to play in the future prosperity of the United Kingdom, and, that, in order to succeed in a fiercely competitive world, it must use the most modern manufacturing methods, and market its products with skill; notes further, that the importance of manufacturing must be recognised by society generally and by schools and colleges in particular, so that industry can surmount the present shortage of skills; and believes finally that success in manufacturing can only be won in any enterprise through the united efforts of all the workforce.

I feel very fortunate in having won the ballot for a motion today. When I became a Member of Parliament I was told that the chances of any private Member winning the ballot for a private Member's motion during his time in Parliament were so remote that if he did so he could well become a statistic.

I want to debate the future of manufacturing industry, because I know that our success in manufacturing is central to our future prosperity. Some say that we can earn our wealth in other ways and give the impression that the decline in manufacturing is inevitable, and even tolerable, and that service industries, financial earnings, tourism and raw materials can plug the gap. Sadly, they are badly wrong. Although we need a balanced economy and services have a great role to play, manufacturing industry is the engine of our prosperity and generates that essential spark that gives vitality to the rest of our economy.

The Italians were the first bankers in Europe just because they were at the hub of medieval commerce. Insurance and the vast network of wealth that spread from it were born in this country because of our growing commercial dominance, and our tremendous success in the service industries flourished in the wake of our manufacturing prowess in Victorian times. In the same progression we can be sure that Japan, with its present industrial strength, will be the centre for services in the next century. If we cannot reverse the trend in our manufacturing decline, our services will sink in tandem.

To resuscitate and expand manufacturing is a national priority. It is our lifeline to the future. Right now, manufacturing supports one quarter of all our jobs, that is, 5·5 million people. It creates one quarter of our annual wealth and still contributes nearly half of our overseas earnings. The picture and history are grim. This is a story of decline over many years, and its statistics are felt in every household and high street in Britain.

In 1964 we made 14 per cent. of world manufactures, but the figure for 1986 is half that. Our balance of trade in many key sectors, such as motor vehicles and electrical and electronic engineering, has turned from surplus to deficit, and we all know the sad story of our once proud motor bike industry. However, we have a duty also to praise what has gone right. In the past five years huge efforts have been made to reverse the trend. Our steel industry has been saved from extinction and is now one of the most efficient in Europe. Our motor industry has struggled to overcome the despair of the 1970s, and what we do best—our Jaguars and Rolls-Royces—has kept the name of British car making alive in the world. Since 1982 productivity in manufacturing has grown by one quarter.

Mrs. Elaine Kellett-Bowman (Lancaster): Does my hon. Friend think that there is cause for concern in the Bank of England's bulletin for June 1986, issued today, which states that our labour unit costs rose by only 0·2 per cent. in 1983, but that in 1985 by rose by 3·1 per cent., thus making our competitive position that much more difficult?

Mr. Carlisle: My hon. Friend is right. We cannot regain our position in the world unless we are truly competitive. However, there are outstanding individual successes.

In my constituency of Lincoln, Ruston Gas Turbines is at the forefront of turbine technology. In the past eight years its output has nearly trebled, 90 per cent. of which is for export. During that period it has created a new business in its control equipment department, which now employs 120 people and designs sophisticated controls for turbines. It has invested heavily in plant and technology, and needs people of great skill to hold its own. Although its production has trebled the number of people employed has remained roughly the same, about 2,500. The lesson is clear: to sustain employment in manufacturing in an age of technology a business must be both competitive and expand its sales. There are successes, but we have still not reversed the general historic trend of decline, and we must do that.

In this debate we should all accept that for manufacturing to flourish we need a stable, healthy economy and that, as exporters, we need markets for our products. The Labour party's extravagant plans for a ruinous binge of spending offer no comfort, and its trade policy, which yearns for protection, is not a policy but a mirage of a policy which offers no future for industry.

A crucial task of any Government is to face reality, insist that trade should be fair, fight for an open trading system, which in the end, as a trading nation, we need. It must analyse the reasons for the decline in manufacturing and construct a policy for success.

Mr. David Winnick (Walsall, North): I congratulate the hon. Gentleman on winning the ballot, but before he turns his arrows to Labour party policy, would it not be wise to deal with the way in which British manufacturing industry has been decimated in the past seven years and the fact that mass unemployment has returned to areas such as the west midlands which was once the most prosperous area in the United Kingdom, but where unemployment is now higher than the national average? Moreover, in parts of the west midlands, such as in my constituency, during the past three years unemployment has been running at about 17 per cent. or more.

Mr. Carlisle: As usual, the hon. Gentleman exaggerates his case. I was arguing that manufacturing has no chance unless the economy in which it functions is stable and has some hope for the future. We all know that under the Labour party's plans the economic structure within which industry would operate would indeed be dicey.

All the recent studies of manufacturing, including the Finniston report on engineering and the House of Lords report on trade, point to a kind of cultural weakness in Britain. In Germany the engineer is revered. Here he has no particular status. His pay is too low, and that of the banker, whose very existence depends on him, is too high. That cultural failing is now recognised in this country, and it must be a major strand of Government policy that such a failing should be reversed from the earliest age in education.

In truth, there is no career finer, more constructive or more valuable for this country than one of making products that one's fellow humans want and need. It is not enough to say that—we must act on it. Much depends on the quality of education and the relevance of our training. We are facing a famine of people with the right skills, and it is a terrible paradox that even at a time of unemployment there are growing skill shortages.

In 1980 Finniston said:

"We genuinely fear a chronic shortage of engineers over the last decade of the century unless in the meantime there is a major increase in the proportion of young people opting for an engineering career".

We now produce 9,000 engineers a year, but if we trained them in the same ratio as Japan, we would have between 30,000 and 40,000 new engineers each year. Our industries spend about 0·15 per cent. of their sales turnover on adult training, but overseas the figure is often between 2 and 3 per cent.

Mr. Eric S. Heffer (Liverpool, Walton): The hon. Gentleman is clearly referring to professional engineers rather than to engineers who are apprentices. Is he aware that in certain parts of the country apprenticed engineers have finished their apprenticeships but have no hope whatever of employment—for example, on the north-east coast and on Merseyside? Incidentally, even if they manage to get the odd job, they can find nowhere to live.

Mr. Carlisle: I was referring to professional engineers coming out of our colleges of higher education and universities, but I accept the hon. Gentleman's point. There is also a great need for highly skilled engineering workers. Our training must also be directed towards that section, because there is a genuine need. However, the solution is complex and it must grow from a partnership between the Government and industry. Each must do more.

Much has already been done. For example, one welcomes the growth of the TVEI programme in schools, the expenditure of £43 million on the engineering and technology programme to create an additional 5,000 graduates, and the effort of industry in the Information Technology Skills Agency, but we cannot be complacent. We must increase our efforts. We must ensure an adequate supply of mathematics and physics teachers, even though the measures required do not fit snugly into accepted educational thinking. Schools must have strong and working links with local industry. Local colleges of technology must have the necessary facilities, and training relevant to local industry. In higher education, we must reinforce the recent trend to give better support to science and engineering.

Industry must also shoulder its share of responsibility for training. We should aim to make matters more favourable for those companies which do train than for those which do not. We should also insist that in their annual reports companies explain what they are doing about training.

Just as six years ago the Finniston report called for a transformation in training, so recently the Coopers and Lybrand report on training was entitled "A challenge to complacency". On all sides the message is clear—without the skills we cannot succeed. But even if we magically acquire a legion of highly skilled workers, only one fraction of the problem would be solved. It is like a car with one wheel. We must also have good management, rigorous and skilful marketing and investment in new technology.

In the last five years the Government's general industrial support for new technology in industry has more than doubled, after allowing for inflation, but I still believe that we can—and must—refine and extend this, not merely to sustain industry, but to act as a spur and a support in the harsh world of new development. Clearly targeted support is more productive than general regional subsidy.

Mr. Edward Leigh (Gainsborough and Horncastle): Does my hon. Friend consider that employment in both our constituencies has been helped by the fact that Scunthorpe, with development area status, is siphoning off employers?

Mr. Carlisle: Clearly the proximity of a development area acts as a blight on the regions next door. One of the problems is that four years ago the development areas were more clearly defined. My hon. Friend speaks of a real problem from which we suffer in Lincolnshire.

Management also has a key role to play in the crucial area of human relations in industry. Marks and Spencer always talks about human relations in industry, not just about industrial relations. That is a major reason for its success. However, as a nation we have for too long been locked in an abyss of industrial relations, and we must break out of it before we are left with no relations at all.

Teamwork and involvement are vital. More manufacturers should adopt the use of quality circles, and more still should embrace profit sharing. Only some 550 companies have profit-sharing schemes under the Finance Act 1978, despite the added incentives that our Government have given. It is crucial for good human relations in industry that all the work-force should share in the success of their company, just as they must share the burden of difficulty and failure. Teamwork involves unity of purpose between management and unions for the benefit of both business and work-force. We must add to the incentives for profit sharing and ensure a major and rapid spread of these schemes.

I dare say that there is not a Member of Parliament who at some time in his or her constituency has not witnessed an example of the perilously high cost of these failures of human relations in industry. In my own constituency we are at a critical moment. We have a business called Clayton-Dewandre, which employs 700 people. It is a company of skill and good technology and is a major supplier of braking systems to the British truck industry. Yet that company faces disaster because for more than 20 years there has been a poverty of good human relations. Unless an agreement can be reached very soon to enable the business to face competition, that company will leave Lincoln to manufacture elsewhere, either in the United Kingdom or in Germany.

I am not here to apportion blame, but this is a desperately serious matter both for the people who work in the business and for the city. The root cause of the crisis is not lack of skill, but lack of unity, lack of teamwork and a lack of involvement in the business stretching back more than 20 years, the effect of which has bred distrust and a cynical view of the future. I appeal to all in that business to get together once again to keep it in Lincoln. Events here sadly show just how hard we must work to involve all in the success of their business.

[Mr. Carlisle]

I feel deeply that as a country we have much to do to rebuild and sustain our manufacturing industry. We must radically change our cultural and psychological attitudes towards manufacturing. We need urgent action in education and training. Management must become more receptive, creative and professional.

Mr. Hugh Dykes (Harrow, East): Will my hon. Friend give way?

Mr. Carlisle: No, I am sorry. Human relations in industry must become human, otherwise there will be no relations and no industry. I believe that the Government understand the problem and are seeking to redress it through a series of measures. I also believe that the Opposition recognise the problem, but they wish to implement policies which would remove us further and fatally from the world market place. The cost of that to the taxpayer would be intolerable, and the cost to the nation and its future incalculable.

Any Government can create only the framework. Without a true marriage with industry, we are doomed to even further decline. There is no greater challenge that faces this country, and therefore no greater challenge that faces this House. I hope that in this debate we can add our weight to the urgency and give an impetus to success.

4.10 pm

Mr. Roy Jenkins (Glasgow, Hillhead): The hon. Member for Lincoln (Mr. Carlisle) opened this debate with a reflective and interesting speech. The debate is certainly on an important subject and I congratulate the hon. Member for Lincoln on choosing this topic and I believe that we should have a worthwhile discussion on the matter.

Several fallacies have been accepted too freely recently about the position of our manufacturing industry in the balance of our economy. The biggest fallacy is the view that salvation lies in services, and only in services. The corollary to that is that it is inevitable and desirable that over the past two decades there has been a reduction of nearly 3 million in employment in manufacturing industry. That is a massive reduction and represents nearly 40 per cent. of the total in manufacturing industry over that time.

I do not believe that that should have been the case. That has been precipitate and dangerous and it has not been associated with an increase in productivity which has led to our maintaining our relative manufacturing position.

Between 1975 and 1984, Japan increased manufacturing output by 61 per cent.; the United States by 41 per cent.; West Germany by 16 per cent.; Italy by 22 per cent. and our manufacturing output actually fell by 4·5 per cent..

We already have the largest service sector of any large developed economy with the exception of the United States. One might say that that is fine. The United States is the richest economy in the world and has the largest service sector. As a natural development from that, we, as the second richest economy, should have the second largest service sector. Unfortunately, there is a snag in that logic: we are very far from being the second richest economy in the world. All the other advanced economies of comparable size have a substantially smaller service sector and a substantially bigger manufacturing sector than we have. That is especially so in Germany and Japan, and less substantially so in France and Italy.

Mr. Dykes: I agree with the right hon. Member. Does he agree that although the motion proposed by my hon. Friend the Member for Lincoln (Mr. Carlisle) is in every way excellent and effective, as he said, it is surprising that amidst all the references to the need for a much higher investment ratio and new public and private assets in this country, especially for high technology, the United Kingdom invests less than any of the other advanced OECD countries?

Mr. Jenkins: I do not wish to be committed to the terms of the hon. Gentleman's motion. He has opened the subject up by his motion, but I do not think that it contains a complete catalogue of recipes for our present ills in this respect.

Mr. Michael Fallon (Darlington): Will the right hon. Gentleman give way?

Mr. Jenkins: No, I should like to make some progress.

It is impossible to sustain the belief that a large service sector is the symbol of success. In our case it is the reverse. We have already gone too far in that direction, although some movement in that direction was clearly inevitable and even desirable.

It is important to bear in mind that services are difficult to export. Some are almost unexportable. They can only be performed or consumed on the spot. Even when they can be exported, they are mostly operating – regrettably in many ways – in much more protected markets than goods. I hope that we can make progress to change that position, especially in the European Community. It would be a mistake to count Lord Cockfield's chickens before they are hatched. There is no doubt that services operate in a more protected market than does manufacturing industry.

The position is that 64 per cent. of our labour force is employed in services, which produces only one quarter of our overseas trading income. A little more than 20 per cent. still employed in manufacturing industry must produce the rest. That is a good reason why we should cherish that 20 per cent.

Mr. Fallon: The right hon. Gentleman has correctly concentrated on the large size of the service sector in the British economy. Does he accept that one reason why it is so large is that public sector service employment is included in that definition?

Mr. Jenkins: That is a factor, but it is by no means the only factor, and nor are we the only country with large public sector employment. For instance, Italy has a lower proportion in the service sector but has just as large a proportion of its population in public service employment as we have. The hon. Member for Darlington (Mr. Fallon) has made a valid point, but it does not explain the whole position.

Another fallacy about the balance of industry is that unemployment is essentially technological and therefore inevitable and incurable. I do not accept that, for several reasons. First, it is difficult to reconcile that proposition with the fact that both Japan and the United States – the two countries furthest into advanced technology – have the lowest rates of unemployment. Their rates are very significantly lower than ours. I also do not believe

that that proposition has historical validity. The revolution of information technology has not had a greater effect on labour than the vast reductions in the numbers of those working on the land and in domestic services which were features of our changing employment demography over the past 100 years.

The devastating weakness of manufacturing employment and prospects in this country has been caused by a combination of four factors. First, in the past decade and a quarter from 1973 the whole industrialised world, with certain exceptions — the United States in 1983-84 and some of the countries of the Pacific basin—has found it much more difficult to maintain rapid and sustained growth than previously.

Secondly, the United Kingdom was less competitive in manufacturing industry than most other countries, and we still are after seven years of this Conservative Government.

Thirdly, we pursued a remarkably foolish exchange rate policy in 1980 and 1985 which was a very vulnerable period. That has had a permanent effect on manufacturing industry from which we have not nearly recovered. In fact, we are not pursuing a very wise exchange rate policy now, even though it is not as foolish as the policy to which I have referred.

The fourth point is related to demography. This has continued for longer than was expected 10 years ago and has continued to work against us in the sense that more people are seeking to come on to the labour market than come off it. That position should change by the early 1990s.

As a result of these factors we have suffered unnecessary and dangerous de-industrialisation. It is worth remembering as a sombre fact, in view of the other difficulties in the world, that in this country we have effectively twice the male unemployment rate of America, Japan, France, Germany or Italy. That is a pretty devastating criticism of the state of our industry.

One of the dangers of precipitate and excessive closing down of industry is that it is extremely difficult to reverse. Almost by its very nature it is an irreversible process. It is a new thing to look at the 1930s favourably, but it is instructive to consider the precedent of that decade. At the beginning of the decade, unemployment was at about the present level. It was somewhat worse in reality for a short time in relation to the size of the economy then — from 1931 to 1933.

An unemployed man in 1931 suffered far greater absolute poverty than does an unemployed man today, but his prospects of getting a job rapidly became considerably better than has happened in the 1980s. By 1935, unemployment was down to just below 2 million and, by 1937, it was down to 1·5 million.

Perhaps even more important was the fact that the capacity of basic industries was not then permanently destroyed. They had a very bad time in the first part of the decade. That was symbolised, perhaps, by the famous example of work on the Queen Mary at the John Brown yard at Clydebank, which was suspended for two and a half years because the Cunard company ran out of money. Work was started again with Government subsidies. The important difference was that the yard was not dismantled or closed. Steelworks, coal mines, heavy engineering plant and even textile mills survived and were available. They were called back into service, sometimes in a slightly different form, first with rearmament and then when the war brought rapidly soaring demand.

I have come increasingly to the view that the Government stand back too much from industry. In my experience, they do so more than any other Government in the European Community. They do so more than the United States Government. We have to remember the vast US defence involvement in industry. They certainly stand back more than do the Japanese Government. To some extent, the motive is the feeling that we have had an uncompetitive and rather complacent industry which must be exposed to the full blasts of competition, and if that means contracts, even Government contracts, going overseas, we should shrug our shoulders and say that the wind should be stimulating.

That process has been carried much further in Britain than in any other comparable rival country. I am resolutely opposed to protectionism. I am sure that it diminishes the employment and wealth-creating capacity of the world as a whole. That would be the result of plunging back into that policy. I also believe, however, that this totally arm's-length approach in the relationship between Government and industry is something that no other comparable Government contemplate to the extent that we do. It is not producing good results for British industry and it is a recipe for a further decline in Britain's position in the Western world. The Government should examine it carefully and reverse it in several important respects.

4.22 pm

Mr. Cecil Parkinson (Hertsmere): I congratulate my hon. Friend the Member for Lincoln (Mr. Carlisle) on his choice of subject. It is good that Parliament should debate such an important subject in the unacrimonious atmosphere of a private Members' day. Whichever party is in power, the manufacturing sector will remain vital. I do not regard today as a chance to score points. Rather, it is a chance to discuss a vital subject.

I am pleased to join the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) in saying that what is sometimes presented as a choice, but is not, between Britain being a manufacturing or a service country is utterly spurious. We must succeed in both.

I should like to pick up a point that the right hon. Gentleman made. He talked about our exchange rate policy in 1980-81. I was the Minister for Trade at the time and saw many industrialists who said that if the exchange rate was at $2 to the pound we could sweep the world. During that period the Government never charged the rate of interest that matched the rate of inflation. We never had a real rate of interest paid to savers. The Government did not offer a real rate of interest — they offered one substantially below the rate of inflation.

The Government had recently been elected on a sound money platform, following a Government who, until they were stopped by the International Monetary Fund, had followed a very unsound money policy. The world's money markets put a substantial value on sterling. The Government were committed to trying to protect sterling's value, and they were prepared to charge the borrower a higher rate of interest than had been charged before, but never a real rate. People who argue about our exchange rate policy in 1980-81 are saying that the Government should have perpetrated an even bigger cheat on the saver by having a rate of interest which was even further below the rate of inflation.

[Mr. Cecil Parkinson]

People such as the right hon. Member for Hillhead are arguing that we should have continued to rob the saver so that we could support the borrower. Put in those terms, it is clear that such a view is not nearly as noble as saying in a rather sweeping way that the Government got their exchange rate policy wrong. I do not think that they did get it wrong. They were seen by the the financial markets as prepared to follow sensible policies and to charge a rate of interest which began to approach, but never got very near to, the rate of inflation. I do not accept the rather dismissive argument that everything can be traced back to the Government's exchange rate policy.

Nor do I accept the statements that are now made so often that they are almost accepted as true that Britain's manufacturing industry is in terminal decline. The facts do not support that thesis. Industrial production last year was clearly recovering dramatically from the low point of 1981. I know that Opposition Members say that 1981 was an all-time low, but if manufacturing was still in decline, the figures would continue to fall. We have reversed that trend. Manufacturing production is growing substantially. To the dismay of our opponents, it should achieve all-time record levels next year.

There is nothing to be complacent about, but the statement that our industry is still in decline is not borne out by any test which any fair-minded person would care to apply. Production has bounced back substantially and is continuing to rise. For the first time, exports of manufactured goods reached a value of £52 billion last year – £1 billion a week. Industry invested nearly £7 billion last year and nearly 6 million people were employed in manufacturing. If we constantly talk about our industry having no prospects, and if we write it off, we will help to produce just what we complain of. Who buys his car or anything else from a business which is about to close down and has no future? For us to dismiss the efforts of the 6 million-plus workers in our manufacturing sector as people who are somehow misguidedly dedicating their lives to trying to breathe life into a corpse is not only to mislead the world and the British public, but to cause damage where we need help and support.

Mr. Dykes: I am sure that we would all agree with that. However, does my right hon. Friend agree that the £7 billion figure that he gave is less than 2·5 per cent. of gross domestic product, the lowest figure of any advanced Organisation for Economic Co-operation and Development investing country?

Mr. Parkinson: That may be the case. However, my point is that to dismiss our manufacturing sector as something that people are not interested in and has no future is to mislead the country and the House. The market was prepared to invest £7 billion in its future in 1985. Perhaps we should be investing more, but £7 billion is a substantial sum of money, and it is put up by people who believe that they are investing in something that has a real future, and so do I.

Let us take the anecdotal evidence. For instance, a constituent came to see me on Saturday who is a director of MFI. He told me that in 1976 MFI imported 60 per cent. of everything it sold. That figure is now down to below 25 per cent. MFI is in fact using more and more British goods because they are excellent value.

Goodness knows, as Minister for Trade I took part in many debates about the textile industry. Last year textile production was near to an all-time record high and textile exports were at an all-time record high. This year the British engineering industry will invest £850 million in computers and software, and a recent survey suggests that outside Japan the British engineering industry makes more use of high technology and engineering computers than any other engineering industry in the world. British industry was in decline for a time, but the decline has been arrested, and the climb back has begun in real earnest. There is a very good prospect for Britain in an area which, far too often, we talk about dismissively.

If we apply the wrong tests to the statistics that emerge, we can turn success into failure and failure into success. For example, I heard the right hon. Member for Chesterfield (Mr. Benn) making an interesting speech about the steel industry. He said that we should look at the good old days when steel employed 250,000 people and it now employs only 100,000. To him that was proof that our steel industry was in a state of decline. However, when the steel industry employed 250,000 people it was losing nearly £3 million a day. We had a steel capacity which we simply could not use and which nobody wanted. Therefore, we had 250,000 insecure jobs. We have moved from that position to having the best and most efficient steel industry in Europe producing as much steel with 100,000 people as it used to produce with 250,000. With 250,000 employees losing £3 million a day it is a national asset by the test of the right hon. Member for Chesterfield; with 100,000 employees producing steel at a very competitive price it is a national problem. That is absolutely wrong.

Dr. Jeremy Bray (Motherwell, South): The right hon. Gentleman is making an interesting point about steel. Is he aware that an even more competitive steel industry in Japan, faced with a similar fall in orders and intense competition from Korea and other new producers, is maintaining its employment and diversifying in order to maintain a policy of lifelong employment? Does he not think that that kind of policy is more relevant in this country today?

Mr. Parkinson: It depends where one starts from. I shall give an example from a different industry in Japan, the motor industry. In 1978 the motor industry in Japan was producing 65 vehicles per employee on average, and we were producing in our worst company, five and a half. At that level of productivity one can start to think in terms of lifelong employment, because one starts at a high level of productivity. However, if one has an industry which is losing substantial sums of money and is unproductive, it is unrealistic to talk of ensuring lifelong employment. The hon. Member for Motherwell, South (Dr. Bray), who studies these things carefully, must realise that.

First, I am saying that it is wrong to talk as though British industry is still in decline. It is starting to recover. It is wrong to draw the wrong conclusions from the available statistics. Industry does not exist to create jobs; it exists to create products. The industries which are efficient at creating viable products produce the best insurance of long-term employment.

Secondly, we continually draw attention to the fact that we have a huge and growing deficit on manufactures. That is true, but the conclusion we draw from that is the wrong one. We say that we need more Government demand

injected into our economy. The bigger the level of our imports, the more evidence there is that there are customers here who want to buy. The argument that a deficit on manufactures is somehow evidence of a need for further demand to be injected into the economy by the Government again seems to be drawing totally the wrong conclusion from the facts that stare us in the face.

It was interesting to read in *The Times* today that a survey of British management said that the first priority for a better industrial performance was to improve the product. I thought immediately of Jaguar. Jaguar is now a highly profitable company selling the same range of motor cars as it was selling six or seven years ago. It has moved from being a disaster to a success because it has improved the quality of its performance. The product is the same, the range has not changed, but the prospects for those in the company and for this country, as the country in which Jaguar is based, have changed. The reason is that the quality of the product has improved out of all recognition.

Far too often in the House, especially in our economic debates, we have arguments about whether an extra £1 billion or £2 billion of Government-injected demand would turn the economy round. If it was as simple as that I might be tempted to join the argument for reflation. However, I hasten to tell the House that I will not, because I think that it is distracting us from the fundamental problem, which is how does this country compete for the business which is there? At home there is a great demand for the whole range of manufactured goods. World trade in manufactures is expanding. The customers are there overseas as well, and the real question which the House, the Government and British industry have to address is how we get a bigger share of the business which is there rather than how we generate artificial demand.

I do not underestimate the difficulties of trade union leaders at a time of high unemployment having to persuade their members that the way forward may be to reduce employment in industries because with new technology and a whole host of advances we can produce more with less people. I recognise the enormous difficulties that that presents for trade union leaders. I believe that we should pay tribute to the many trade union leaders and members who have co-operated with management in improving productivity in British industry.

I end as I began. I believe that if we continue to talk down our prospects as a manufacturing country, and if we continue to talk about our decline as if it were terminal, we must not be surprised if people start to believe us and if we produce the results that we do not want. This country has bright prospects. Way into the foreseeable future, we shall have a very important manufacturing sector. We have a strong service sector. We are prolific earners of invisible earnings. We have substantial overseas investments. Although we talk about it as if it is a problem, we still have energy self-sufficiency.

This country has a very bright future to add to its glittering past, but we shall need, as a country, and especially within industry, to produce that cohesion, that co-operative attitude that is the source of the success of all our major rivals. The question for Britain is: how do we compete? One of the answers – such an obvious one – is: working better together. Britain's future as a manufacturer stretches ahead of her. She has a fine past, but a very promising and exciting future.

4.41 pm

Mr. Don Dixon (Jarrow): I add my congratulations to the hon. Member for Lincoln (Mr. Carlisle) on introducing this debate. I worked in the manufacturing industry from the time I left school at the age of 14 until I arrived in this place in 1979. I am one of the small band of Members of Parliament who has not only seen but worn a pair of overalls.

The right hon. Member for Hertsmere (Mr. Parkinson) said that union leaders had to be told that we had to have fewer men and more efficiency. But let me talk about the American motor car industry some time ago, when General Motors had just modernised one of its factories. The general secretary of the Automobile Workers Union was invited to come along and see the new automated factory. He was taken round the factory and shown the robots that were doing all the work that was previously done by members of his union. He was taken upstairs for a drink, after he had been shown round. He was told, "There you are. You have seen the factory. You will not be able to get any of those robots into your union." The general secretary of the union said to the manager of General Motors, "Nor will you be able to sell them any of your cars." The point is that if there are no workers, what is the company to do with the manufactured goods unless it gives them away or gives people the money with which to buy them?

I should like to talk about the north-east. In spite of what has been said by some Conservative Members, we see it as a danger that this country's manufacturing base is being eroded. A survey of the north-east, carried out in the 1970s, showed that 28 per cent. of male employment in the region relied on heavy manufacturing industry. What has happened over the past 10 years – not just the past seven years – in the steel industry, for example? The number of people employed in the north-east has dropped from 22,000 to 7,600. There has been a loss of jobs of almost 21,000 in the north-east, an area that has had high unemployment for a considerable time.

In an intervention, it was said that Scunthorpe had got something at the expense of Lincoln. I should like to tell the House that Scunthorpe has just got a new steel plant at the expense of Jarrow and Warrington. British Steel has closed its Jarrow and Warrington plants. A private company called Caparo Ltd. has decided to open a plant in Scunthorpe. I met the manager of Caparo and suggested that the company should try and do something in Jarrow. The workers and management in Jarrow were even prepared to carry out a buyout of the plant in Jarrow because it was economical. British Steel wanted nothing to do with that. The problem was not that the plant could not compete, but that there was such a thing as an EEC quota, and we could produce only a certain quantity of steel. When one talks about free competition and producing things economically, one has to take those things into consideration.

Therefore, there has been deterioration in the steel industry over several years. We have lost 21,000 jobs. The number employed in the coalmining industry has fallen from 35,000 to 18,000. It is said that we cannot keep uneconomic pits open. Uneconomic pits have been closed in Durham and Northumberland. Incidentally, it has never once been suggested that we should close uneconomic farms. They are still kept going with Government subsidies.

[Mr. Don Dixon]

The number of people employed in shipbuilding and ship repairing in the north-east has dropped from 31,000 to 10,000 – a loss of 21,000 jobs. That does not take into account the 2,600 job losses announced recently by British Shipbuilders or the 825 announced by Swan Hunter.

We talk about training for the future. Swan Hunter has decided to take on no apprentices this year, in spite of a request by the trade union. How shall we build boats in the future? If we have another Falklands dispute how will the Prime Minister get together another task force to go to the Falklands? There will be no one to build or repair the ships unless we have apprentices.

People talk about competition in the shipbuilding and ship repairing industry. A tender was put out recently. If the men in the shipbuilding industry had decided to work for nothing, they could not have undercut the price that the Koreans offered. So, how do we tell the workers in the shipbuilding industry that they should be more competitive? The industry is not competitive because for years there was no investment when shipbuilding was in private hands. It is no good the right hon. Member for Hertsmere shaking his head. I worked in the industry when it was in private hands, and when we had the Patten report in 1962, the Geddes report in 1966 and the Booz Allen report in 1972. Every one of those reports talked about the lack of investment in the British shipbuilding industry, so we do not need lessons about investment. The British shipbuilding industry is in the state that it is today because of lack of investment. While other countries were investing, the private builders in this country would not put a penny into the industry. They were prepared to pay 27 per cent. dividends. When I worked in Hawthorne Leslie, that is what the company paid to its shareholders.

The right hon. Member for Glasgow, Hillhead (Mr. Jenkins) referred to the Queen Mary being repaired on Clydebank before the war. What he said is perfectly true. The workers in Clydebank were lucky. Because of over-capacity, an organisation called British Shipbuilding Security Ltd., which was a firm of merchant bankers, ship owners and shipbuilders, decided not to let ships lie up and rust in the dock, but to close down yards and put on a 40-year embargo. It came to Jarrow, Palmer's yard in Jarrow was one of the best enterprises in the world. The ships came in as iron ore and went out as complete ships. The workers used to roll their own steel, make their own bolts and rivets and put the ships together. They sailed up the Tyne as a complete entity.

In 1934 British Shipbuilding Security Ltd. came along and decided, because of over-capacity, that there had to be rationalisation. Palmer's yard was closed and a 40-year embargo was imposed. The company was embarrassed five years later when the second world war broke out and ships needed to be built and repaired. People who had been trained in the shipbuilding industry were needed to build the ships. They were needed very much. At that time if people worked less than the 47-hour week they were fined by a tribunal. That is how important the shipbuilding industry was when the war started. That is one of the reasons why we should be protecting our industrial base, which is rapidly becoming eroded. Unless the Government are prepared to take some action, we shall have no shipbuilding or ship repairing industry in this country. It will be like the motor cycle industry, which disappeared.

Mr. James Couchman (Gillingham): The hon. Gentleman is making much of lack of investment in the shipbuilding industry over many years. As I understand it, he is talking about a yard which closed 50 years ago. I suspect that may not be relevant to today's position. What proportion of blame would the hon. Gentleman ascribe to trade union demarcation disputes and the dreadful industrial relations which have pervaded shipbuilding for far too long?

Mr. Dixon: I shall explain the question of demarcation to the hon. Gentleman. I do not want to take up too much time. Many hon. Gentlemen think that demarcation was introduced by trade unions, trade union officials or work men. Demarcation in any industry arises as a result of management practice. I was a shop steward in the shipbuilding industry for almost 30 years. Demarcation occurred when the management decided, in view of past practice, that a particular trade was the best one to do a particular job. Demarcation disputes occur only when there is unemployment. There are no demarcation disputes when there is full employment. If a person who had served his time in a particular trade for five years and had worked on a previous ship found that some of his colleagues were out of work and the management had given the job to another trade, because it was more experienced, a demarcation dispute occurred. I agree that there were too many demarcation disputes.

Industrial relations in the shipbuilding industry were like a jungle. There was no such thing as industrial relations. The management did not care about trade unions. When I worked in the industry, we used to hold bits of steel on plates for the welders and the management refused to provide us with industrial gloves to protect our hands. Every night we used to go home with septic burns on our hands. We had to go to a tribunal in York so that we could get gloves for men who had to hold red-hot plates. That is what industrial relations were like in the shipbuilding industry. They did not exist. Management was interested only in profit. There were no industrial relations under private management.

I could speak for a considerable time on the shipbuilding industry. Listening to some Conservative Members, I think that a lesson on shipbuilding would be appropriate. Some Conservative Members know more about lying on a deck chair on the poop deck than building a ship. One of the problems in this House is that when we have debates on unemployment, views are put forward which would be more appropriately debated in universities than in the House of Commons whose Members are supposed to represent the unemployed.

A firm called N. E. I. Reyrolds in my constituency used to employ 13,000 people. It had over 2,000 apprentices. In fact, it had more apprentices a few years ago than it has bodies on the premises now. The firm is trying to compete overseas and it is trying to obtain orders. One of the problems is that there is no refurbishment or replacement of power stations. The Government should say to the CEGB, "Let us have a sensible programme for refurbishing and replacing power stations, so that we can keep our power industry." Otherwise, there will be no jobs left in that firm.

As well as expanding and improving manufacturing industry, we want a decent regional policy. We have virtually no regional policy. Since the Conservative party came to office in 1979, regional policies have been cut. It

is no good the chairman of the Tory party telling people that they should get on their bikes and look for work. If they do, what will happen to the areas which young and active people have left? When people leave an area to look for work elsewhere, they do not take the community centres, old people's homes and hospitals with them. A disproportionate number of old people are left. The Government should have a regional policy and they should put the work where the people are. Unless they do that, we will not solve the housing, schools and hospital problems. If people move from one area to another to look for work, vacant houses wil be left. We require not only a boost in manufacturing industry, but a decent and sensible regional policy from the Government.

I thank you, Mr. Deputy Speaker, for allowing me to intervene briefly and make those few comments.

4.55 pm

Mr. David Knox (Staffordshire, Moorlands): I congratulate my hon. Friend the Member for Lincoln (Mr. Carlisle) on his good fortune in the ballot, and, perhaps even more, on his choice of subject this afternoon. I do not think that the House discusses manufacturing industry nearly enough. Like the hon. Member for Jarrow (Mr. Dixon), before my election to this House I spent my working life in industry. I have a strong belief in the central importance of manufacturing industry to this country's economic prosperity. I reject absolutely the view expressed in some quarters that manufacturing industry no longer matters and that we should concentrate all our efforts on the service sector. I can think of nothing more damaging to the British economy than a further acceleration in the decline of our manufacturing base. Let there be no doubt that there has been a decline over the past 12 years.

A brief look at the statistics will show, first, that, although the number employed in manufacturing industry fluctuated a little, between 1960 and 1973 employment was fairly stable. Since 1973, employment has fallen by almost one third. Secondly, subject to minor fluctuations, manufacturing output rose steadily from the end of the war to 1973. Between 1973 and 1975, it fell back steeply. Between 1976 and 1978, it rose a little. Between 1979 and 1982, it fell back steeply. Since then, it has risen a little. The position today is that manufacturing output is not only lower than it was in 1979, it is still lower than it was in 1973.

Thirdly, until 1983, the balance of trade in manufactured goods showed a comfortable surplus. Since then, it has shown a deficit which, as output from the North Sea oil starts to decline, is worrying in the long-term. Fourthly, following disastrously low investment in manufacturing industry, in 1981, 1982 and 1983, there has been a welcome increase in the past two years. Nevertheless, investment in manufacturing industry in 1984 and 1985 was still lower than in any year since 1963, except for the 1981-83 period. The figures show all too clearly the decline in manufacturing industry in recent years.

I accept that a decline in the numbers employed in manufacturing is a feature of modern advanced economies, but a fall in output is not. I find that the decline of almost one third in the numbers employed and the fall in actual output over the past 12 years alarming. I find the deficit in the balance of manufacturing trade and the low level of investment equally alarming. For reasons already given by my hon. Friend the Member for Lincoln (Mr. Carlisle), a strong manufacturing base is essential to this country, if only because the export potential of the manufacturing sector is so much greater than that of the service sector – a point made by the right hon. Member for Glasgow, Hillhead (Mr. Jenkins).

Why have things gone wrong? The blame should not be attributed to one source. It is true that in recent years the conduct of management and of the trade unions has left something to be desired, but so, too, has the conduct of successive Governments. I should like to concentrate on the latter. During the past 12 years, under Labour and Conservative Governments alike, economic policy has not contributed to the expansion of manufacturing industry and, indeed, at times has seemed to discriminate against the expansion of the most efficient and modern parts of the manufacturing sector.

Over this period, Government economic policy has involved a continuing policy of demand deflation, with total effective demand in the economy as a whole being held below the economy's supply potential. Some of the reasons for that have been quite respectable, but the result has been to stifle the expansion of domestic demand for the products of manufacturing industry, especially for new products and the products of capital-intensive industries. Consequently, unit costs have been higher than those of some of our competitors and sales at home and abroad have suffered to the detriment of the British manufacturing sector. In addition, successive Governments have pursued high interest rate policies, largely to maintain the strength of sterling. At home, the effect has been to place a heavy burden of those who borrowed money to invest and to benefit those who put profits into fixed interest securities. That is hardly the way to encourage efficiency in the manufacturing sector.

In recent years, one of the most damaging aspects of Government policy on the manufacturing sector has been the exchange rate policy. First, for most of the time during the past 12 years, and especially in the early 1980s, sterling has been at a much too high rate in relation to other currencies. The result has been to make British manufactured goods uncompetitive at home and abroad, to encourage imports and to discourage British exports. Secondly, there have been frequent and sometimes violent changes in exchange rates. This is a particular problem for those manufacturers whose primary functions are to design, manufacture and sell products but who rarely have an interest in finance and the financial implications of exchange rate variations.

My final point on the deficiencies of Government is the lack of an industrial strategy. I am not one of those who believe in detailed economic planning – so beloved of the Labour party in opposition and scorned by it in government – but there is much evidence that the industrial strategies adopted by the Governments of countries such as Japan and France enable their manufacturing sectors to perform better than does the British manufacturing sector. In the modern world I believe that we suffer because the Government have no manufacturing and industrial strategy.

We all want British manufacturing industry to expand and prosper. My hon. Friend the Member for Lincoln and others who have spoken in the debate have outlined the measures that they believe industry must take. I agree with many of their points but, against my criticisms of the

[Mr. David Knox]

policies of successive Governments. I should like to suggest what the Government might do to help our manufacturing industry in the years ahead.

First, the level of total effective demand in the economy as a whole should be brought more into line with the supply potential of the ecomomy. This should be done by increasing public expenditure and by reducing taxation. Not all the extra demand will go into the manufacturing sector, but quite a lot will. Such an increase in domestic demand would enable unit costs to be reduced, would lead to an increase in the demand for British exports and would encourage investment in manufacturing industry.

Mr. Dykes: I apologise for interrupting my hon. Friend's excellent and compelling speech, with which I agree. Does he agree that the urgent need to increase public spending is even more important on capital account than on current account? Does he agree that on capital account once again there has been inadequate investment, which has been cut back much more easily, drastically and quickly than current account spending, which has increased because the rest of the economy remained truncated?

Mr. Knox: I agree with my hon. Friend. The emphasis should be on the capital side but, given the amount of slack in the economy, I see no reason why there should not be an increase in current expenditure as well.

I come to the second point to which the Government should pay attention — interest rates. They must be reduced below their present excessively high level. This would encourage investment by reducing the cost of borrowing money. It would have the added advantage of not giving support to sterling at an absurdly high level, which would be beneficial to manufacturing industry as well.

Thirdly, I believe that Britain should join the exchange rate mechanism of the European monetary system. That would bring exchange rate stability for about 60 per cent. of the country's trade and would remove the unnecessary uncertainty in Europe for our manufacturing sector — a point which is made to me repeatedly when I visit manufacturing firms in my constituency.

Finally, the Government should embark on widespread consultation with industry and the trade unions, perhaps through the National Ecomomic Development Council, with a view to developing an industrial strategy. This would show everyone the direction in which the Government believe the manufacturing sector should be moving. It would enable British manufacturing industry to move forward more confidently and effectively in the years ahead.

5.6 pm

Mr. George Park (Coventry, North-East): It is clear that the right hon. Member for Hertsmere (Mr. Parkinson), who used to be a member of the Government, is still wearing his Government blinkers. To state the facts is not to talk the country down.

We are indebted to the hon. Member for Lincoln (Mr. Carlisle) for choosing this topic. A minority of 3 million to 4 million unemployed is simply not good enough. It is not good enough to point to the 6 million people in work in manufacturing industry when there are such numbers out of work. What does it take to make the Government realise, as the motion states,

"that manufacturing industry has a central part to play in the future prosperity of the United Kingdom"?

I suppose that it is understandable for the Government to brush aside Opposition protests as something to be expected from an Opposition, but a few days ago the West Midlands Engineering Employers Association met a group of Conservative Members of Parliament and left them in no doubt about the urgent need to halt the decline in that area. Perhaps the most pertinent point made by the association's chief executive was his comment: "If you do not want to lose votes, you must change your policies." He went further, and said, "You must stop pussyfooting around and do something to help ailing West Midlands industries." His feelings were underlined last week by a report by the West Midlands chamber of commerce and industry, which found a marked reversal of fortunes among the 435 firms which were sent a questionnaire. Orders at home and abroad are down, with little sign of new investment to create jobs.

Recently, several hundred people lost their jobs at GEC in Coventry. Last week, several hundred people at a Nuneaton factory lost their jobs. This week, Coventry Climax Forklift Trucks announced that another 90 jobs would go. Former busy factories in my constituency now stand silent and derelict, and in some areas of the west midlands unemployment is nearly 40 per cent. It is futile for the Chancellor of the Exchequer to imagine that service industries can take the place of manufacturing. Services must service something. Leaner and fitter has led to anorexia. The Government have said that they cannot create jobs. That is as may be, but they can do much to make trade fair. They can do something about unfair tariffs and special taxes, such as the 10 per cent. tax on cars.

Foreign Governments assist their industries by their purchasing policies. They do not place orders overseas for basic items of equipment needed in that country. They help industry by various means: in research and development, in energy costs, and, as has been mentioned, in the reduction of interest rates. The Government could do many things. It is ironic that companies say that there is a skills shortage. It would be negative of me to say that one of the first casualties in any recession is training, but it is painfully obvious that our competitors such as West Germany do not follow that course.

In appealing to the Government to revise their policies, there is considerable scope for improvement in industry's attitude to training. It cannot always expect to obtain its skilled labour by poaching. Increased wages, which is another favourite dolly shy of the Chancellor of the Exchequer, is not the reason for industrial decline in the west midlands, which has gone from the top to the bottom of the wages league, despite huge increases in productivity of about 30 per cent. in companies such as British Leyland and Peugeot. They rightly boast of that increase in productivity.

Manufacturing industry is the bedrock on which Britain's prosperity can rest. We cannot prosper by taking in each other's washing. If the Government cast that aside, they also cast aside their future. That does not greatly worry me, but I am worried that Britain is two nations

those in work and those out of work. I wish the latter group to be given some hope for the future and for the entire country to have a thriving manufacturing industry.

5.13 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): May I join all contributors to the debate in congratulating my hon. Friend the Member for Lincoln (Mr. Carlisle) on his choice of subject, on the timeliness of his choice of subject and on the manner in which he deployed his argument. He used vivid examples from his constituency to illustrate some significant points. He said clearly, and I agree with him entirely, that there is no inevitability about the decline of manufacturing industry. With other hon. Members who have spoken in the debate he has helped to scotch the myth that we in the Chamber take that view.

My hon. Friend gave a good example from his constituency of the successes and the dilemmas which are posed by success. He referred to Ruston Gas Turbines, which exports 90 per cent. of its output in key areas, but then he said this issue, among others, exercises us tonight that that company has had a static payroll but it has trebled the value of its production.

My hon. Friend immediately came to one central truth which should pervade the debate: that it is perfectly possible to crank up the engine of wealth creation, but not to obtain a commensurate increase in employment in the manufacturing sector. My hon. Friend then analysed some of the reasons for decline, and invited other participants in the debate I assume that he also means representatives of the Department of Trade and Industry to construct a policy for success.

I hope soon to reassure my hon. Friend that inside the Department of Trade and Industry we have matched the adjustments which have taken place in the economy during the past few years. We now have a suite of policies which are relevant for the latter half of the 1980s and the early 1990s, rather than a group of policies which borrow far too much from the prescriptions which failed in the 1960s and 1970s.

The right hon. Member for Glasgow, Hillhead (Mr. Jenkins) spoke on an issue which has exercised all of us the role of the manufacturing and service sectors and the fact that they are complementary, not competitive. The right hon. Gentleman asked for a catalogue of the recipes for success. I shall not be airing that before the House tonight, but I shall suggest some ideas in answer to the question, "Do we have an industrial policy?" If we have such a policy, is it correct to call it a strategy, or has the word strategy been discredited after the practices of the 1960s and the 1970s? Should we use other language to define our new, and I hope that the House will agree formalised objectives in industrial policy?

The hon. Member for Jarrow (Mr. Dixon) spoke passionately, as ever, in defence of the shipbuilding industry and in defence of utilising the skills of his constituents and of the north-east generally. I shall return to that issue in a moment. My hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox) talked about the link between interest rates and the value of sterling, although he was careful to ensure that he reaffirmed the need to control public expenditure generally to give us more freedom to manoeuvre in interest rate policies. It is precisely that dilemma which constantly exercises the wits of successive Chancellors of the Exchequer.

I begin my remarks by following naturally from the comments made by the hon. Member for Coventry, North-East (Mr. Park). In so doing, I am not trying to be controversial by responding to his remarks on employment. Rather, as I hope the hon. Member for Dunfermline, East (Mr. Brown) may concede, as a historian, I am seeking an area of consensus, in terms of our analysis of the problems, from which to proceed. I quote the hon. Member for Paisley, South (Mr. Buchan), admittedly from some time ago, but it has relevance today. In August 1978, the hon. Gentleman said in an article in the *Glasgow Herald*:

> "The 1,500,000 unemployed is entirely due to an expansion of the workforce in Britain. And over the next decade, an additional 1,500,000 more will be in the labour force. That leaves us, even with improved growth in the economy, facing a possible 3 million unemployed by the end of the eighties. To try to blame this on the mishandling by any Government Tory or Labour doesn't get us very far."

That gave us a prediction of 3 million unemployed by the end of the 1980s.

Then I turn to a report in which the hon. Member for Dunfermline, East may have had a hand. I hope at least that he would have been consulted about it. It is a report put out by the Labour party's finance and economic affairs sub-committee in November 1976. I believe that there was an attempt to squash it, but the hon. Member for Liverpool, Walton (Mr. Heffer) will remember it clearly. He may recall that the report was not published because, from first reading, it appears to be a full-blown justification to the Labour party, perhaps not to others, for import controls and a massive increase in public expenditure. That will be grist to the hon. Gentleman's mill.

Let me return to the analysis and the projections for unemployment. I quote from Robert Taylor's article in *The Observer*:

> "Unemployment at 2,500,000 by 1980 is predicted in a gloomy confidential paper produced by the Labour Party's finance and economic affairs sub-committee."

He then quoted from the report:

> "'By 1981 the population of working age will have increased by more than 1,000,000. The actual number entering the labour force is sensitive to a number of assumptions, but the official figure of 774,000 is a reasonable estimate. Thus if the growth performance of 1964-1973 were repeated unemployment would be approaching 2,000,000 in 1980.'
>
> The document suggests that this figure is an underestimate. It reckons private investment would need to grow by 8 per cent. a year just to maintain the 1964-1973 average growth of total investment of 3·5 per cent. a year. The document notes such a figure was achieved only once in that period . . . It also says the 'initial gain in competitiveness conferred by devaluation up to and including the first quarter of 1976 has already been eroded.'"

Opposition Members may be confortable with the conclusion of the report, which argues for import controls and a massive boost in public expenditure, but I hope that they will not dispute yet again the projection that, if those trends had continued, there would have been the prospect of 2·5 million unemployed in 1980. The authors of that report were not to know then that the worst world recession since the war was on its way. When one adds that factor into the balance, plus the structural defects in our economy that have been developing for decades, Conservative Members could say that those who blame the Government for all the 3·25 million unemployed are, to put it mildly, misguided, or if they are being deliberate, are

[Mr. John Butcher]

mischievous. Jobs are the political imperative. I am sure that that was in my hon. Friend's mind when he launched the debate.

We are here to discuss the role of manufacturing industry as a wealth-creation engine so that manufacturing industry can be restored to health and have a multiplier effect on the rest of the economy, in the service sector as well as upstream manufacturing activities. This is a big area where my hon. Friend, some Opposition Members and I could agree.

Our share of world trade has undoubtedly plummeted. It went down from 14 per cent. in 1964 to 9 per cent. in 1979. It is now bumping around the 8 per cent. mark, but there is a sign — I am not in the business of counting chickens today — that at long last trade is starting to increase. The reversal of that decline in our share of traded goods and services is at the heart of the Government's job-creation programme. When the Government go on and on, as we do, about the right products at the right time at the right price and of the right quality, we are talking about the paramount importance of the job-creation programme.

One could argue that, in the 1960s and 1970s, policy was dominated by panacea politics. There was the white heat of the technological and industrial revolution. Does anyone remember that? Can anyone see its effects today? What happened during the 1960s and 1970s, exaggerated and exacerbated by the recession, was the development of a mismatched economy. Many people, and large amounts of plant and equipment, were dedicated to producing things for which demand was low, stagnant and falling, and not enough were dedicated to producing things for which demand was high, rising and dynamic. Our policies attempt to put right that mismatched economy, through either the Treasury or the Department of Trade and Industry, and to begin to tackle the unemployment problem.

Mr. Gerald Howarth (Cannock and Burntwood): Does my hon. Friend agree that, at that time, because there was no real uplift in the new technologies, and because of the artificial restraint on wages in manufacturing industry imposed by the then Labour Government, many of our best brains and most able skilled people went overseas? Is there any talk of a brain drain today?

Mr. Butcher: There is evidence that managers are returning from, for example, the United States. Indeed, in talking to such people, we are complimented on the great changes that have taken place in British management during the past five years. Once again, British managers are being tough, professional, ambitious and competent. What is equally important is that the work force is being tough, ambitious, professional and competent. The partnership, which we should have been invoking for a long time, is at long last coming together. An example is the increase in productivity and the dramatic reduction in the number of working days lost through disputes.

I am grateful to my hon. Friend for raising that point and I can tell him that the brain drain is not the acute problem with which we had to contend some time ago.

I have been asked whether services and manufacturing are in conflict or whether they are complementary. Of course they are complementary, but I recall — my right hon. Friend the Member for Hertsmere (Mr. Parkinson), who was then my boss, will remember this — that for some time I asked the Department's economists for an answer to the question: "What proportion of manufacturing output is internationally tradeable, and what proportion of service sector activity is internationally tradeable?" The answer has been checked, rechecked and compared with the research of colleagues in Whitehall, and I can now report that, in general, 80 per cent. of manufactured output is internationally tradeable. By contrast, in general, 18 per cent. of service sector activity is internationally tradeable. There is, therefore, no choice, and this has not been disputed when I have spoken from the Dispatch Box: manufacturing must be at the core of our wealth-creation process. It earns a buck for United Kingdom Ltd's people. It is the way in which we pay our way in the world.

However, there is no gainsaying the fact that even in the teeth of the recession the service sector has been a magnificent job creator. About 700,000 jobs have been created in the service sector since 1981-82. It has done so imaginatively; and much of the activity which has been generated is internationally tradeable.

Although manufacturing may thrive again, as it is beginning to do, it may not create enough employment to make a major hole in the unemployment queues. Manufacturing can increase its share of world trade. It can increase its performance; and the income that it earns will disseminate through the economy, the market, the City, the payroll, through subsidiary companies and suppliers to generate jobs in other parts of the economy. That must be at the core of our appreciation of the role of manufacturing.

I do not wish to detain the House on the general issues that would normally come under the heading "Getting the climate right". I shall simply say that any hon. Member who had a conversation with industrialists in 1981-82, and who had that conversation 500 times, as I did during the west midlands initiative, was left in no doubt that their concern centred on inflation, interest rates, exchange rates and public utility costs. We must agree that the same conversation today would produce a less vivid account of the strength of the difficulties facing industrialists. The problems are coming under control.

Dr. Keith Hampson (Leeds, North-West): On training, which is fundamental to improving the manufacturing effort, will my hon. Friend confirm, that, as was reported this weekend, the Government will set up a "College of the Air" using radio and television to help to retrain young people, and, indeed, adults, or is this simply an extension of the Open Tech?

Mr. Butcher: The best response that I can make to my hon. Friend's question is to extract the answer from my right hon. and noble Friend the Secretary of State for Unemployment — [HON. MEMBERS: "Hear, hear."] — the Secretary of State for Employment. That is not an issue with which the Department of Trade and Industry is involved, but I am sure that the record of this afternoon's debate will invoke that response.

Mr. Park: I should be interested to know what the Minister would say to the engineering employers and the chambers of commerce in the west midlands, because it is evident that the people he is meeting do not belong to those organisations.

Mr. Butcher: I attended the meeting with the Engineering Employers Federation four or five weeks ago and I maintain regular contacts with the federation. I value those contacts, as I do my contacts with the chambers of commerce, particularly those in Birmingham and Coventry. I read their surveys and their analyses of business confidence, and I note the factors that they list. In the next few minutes I shall list what I would say to the EEF.

Mr. Alan Williams (Swansea, West) *rose* —

Mr. Butcher: I will give way for the last time. I must press on.

Mr. Williams: I am grateful to the hon. Gentleman. A few moments ago he mentioned the need to consult the Secretary of State for Unemployment. Perhaps he will be kind enough to explain which Government Department he holds responsible for that function.

Mr. Butcher: There are times when giving way is unwise. I thank the right hon. Gentleman for making a fairly small point and I hope that he will accept that the Secretary of State for Employment is the Minister who appears to be leading on the question raised by my hon. Friend the Member for Leeds, North-West (Dr. Hampson).

Mr. Tony Baldry (Banbury): Will my hon. Friend give way?

Mr. Butcher: I must press on. I hope that my hon. Friend will have a chance to speak in the debate.

Six objectives are incorporated in the Department of Trade and Industry's policy. They are designed to tackle the issues by my hon. Friend the Member for Lincoln (Mr. Carlisle).

The first objective is to support and disseminate best practice in getting world-beating products to the market. These are post-research and development projects; they are market driven and product driven. A number of my hon. Friends who have been studying the business and technical advisory services will know that our policies on design, quality, productivity and marketing are working. The clients who receive that support say clearly in post-study evaluations that they value the work done under those heads of account.

The Government do not say "'This is how to design a product'" or "'This is how to increase the quality of your product.'" Practitioners are well respected in the market, the schemes are administered by third parties and the taxpayer covers the costs. We can put the best people into virtually any company with fewer than 500 employees to implement best practice in those key areas. It is about products and market penetration; and that is where jobs will come from.

The second objective is to enhance the competitive environment. Where competition is impaired or does not exist, we introduce the minimum safeguards required to protect the consumer properly, while encouraging efficiency.

There is, of course, a comprehensive competition policy. We believe that competition is the driving force for wealth creation and that it safeguards the consumer and keeps company managements on their toes.

In the past few years, not enough attention has been paid to policy on regulating monopolies, whether in the private or the public sectors. My right hon. Friend the Member for Hertsmere will remember the excellent work done by Mr. Stephen Littlechild of Birmingham university who first brought us the RPI minus X formula, which is a magnificent way of regulating monopolies. We have discovered a way of encouraging British Telecommunications to maximise its return on capital, without putting up prices in its monopoly environment. The formula encourages efficiency and protects the consumer. It may have a big future when we consider other denationalisation proposals and deregulation schemes.

There is also an international dimension to competition policy. It is our duty to promote free markets, whether through the GATT or the EC. I see it as the cornerstone of the Department's efforts during the United Kingdom's presidency of the European Community that we should do all that we can to deliver the truly internal market in the Community.

But — and this is a major but — where international markets are defective, it is not for us to disarm unilaterally. Where necessary, we should secure the multilateral removal of barriers and, if necessary, provide support for British firms that must compete with companies that enjoy support from their own Governments.

The third objective is to tackle the regional legacy arising from the mismatched economy — the unhappy legacy of wasted human resources about which the hon. Member for Jarrow spoke with such fervour. I am sure that the hon. Gentleman agrees that DTI regional policy is not the only method of tackling the problem. There are other ways, including some of the measures recently introduced by the Secretary of State for Employment.

The hon. Member for Jarrow should welcome the changes made to regional policy. He may argue about the expenditure levels, but I hope that he will agree that we were right to concentrate on job creation and conservation as part of our review of regional policy which was implemented just over two years ago.

We have shifted towards selective assistance and away from automatic assistance. We made rigorous checks on the viability of products. It is no use throwing money into a company if the management cannot cope with the demands that companies have to meet in the market place or cannot manage innovation or production development. That is money down the drain.

We made checks to ensure that projects are viable. Those checks are carried out not by civil servants, but by people under the guidance of an industrial development advisory board which is made up of industrialists. We have also said that, under normal circumstances, there will be no simple job shifting from one part of the country to another. I know that that practice caused great discomfort to a number of hon. Members on both sides of the House.

Mr. Tony Favell (Stockport): Can my hon. Friend assure us that one criterion in judging whether assistance should be given in an assisted area is the effect that it will have on competitor companies elsehwere?

Does my hon. Friend know that printers in non-assisted areas are very worried about new printing companies that are being set up in assisted areas such as Wales? The new firms could drive out of business other firms who cannot compete with the lower overheads of those in the assisted areas.

Mr. Butcher: Job displacement is one of the factors that assessors have to consider. I hope that my hon. Friend will

[Mr. Butcher]

draw some encouragement from the changes that we have implemented. In normal circumstances, simple job shifting will not take place.

However, I am sure that my hon. Friend agrees that there will be occasions when a bid from an assisted area represents the UK Ltd. bid for some inward investment. At that point we may have dilemmas to resolve within our economy, particularly if a United Kingdom competitor feels threatened That is an excruciating difficulty, but it has to be faced.

The fourth objective is to achieve the maximum economic impact from the United Kingdom's aggregate research and development spending, in the light of rapidly changing markets.

Mr. Gordon Brown (Dunfermline, East): Before the Minister leaves regional policy, will he agree that to appear to support regional policy, but then to deny areas that have been worst hit by the loss of manufacturing jobs — halving regional expenditure between 1979 and 1985 and halving it again between 1985 and 1989 — is to deny the regions any chance of recovery?

How does the hon. Gentleman react to suggestions by former Ministers — the right hon. Member for Henley (Mr. Heseltine) and the right hon. and learned Member for Richmond, Yorks (Mr. Brittan) — that the English regions need development agencies or bodies similar to the Welsh Development Agency and the Scottish Development Agency, which were set up in the 1970s?

Mr. Butcher: That is an interesting proposition, particularly in the context of solving some of the problems of urban dereliction, although I suspect that some members of the Labour party in various parts of the country would oppose such a move. I believe that there are signs of the Birmingham Labour party not being too enamoured of that proposition. I hope that, as a fair-minded spokesman for the Opposition, the hon. Gentleman will concede that one must look at a package of measures when talking about a shift in cash from the south to the north, not least when one looks at the rate support grant settlement and policies emerging from the Department of the Environment. There is nothing for the Government to feel defensive about in terms of resources deployed in the north.

In the time available I want to complete the six objectives. This is the first time in 1986 that we have had a chance to set out the Department of Trade and Industry's industrial policy. If I can do that, I shall resume my seat as quickly as possible.

Our fourth objective is to achieve maximum economic impact from the United Kingdom's aggregate research and development spend in the light of rapidly changing markets. All we are saying is that there is a legitimate role for pre-competitive research spending, but it is right that the Department of Trade and Industry's shift in expenditure should move closer to what the market wants —working with the grain of market forces. Therefore, it is our objective to add the second "D" to the R and D equation. Research, development and design should be the order of the day. That takes us closer to the markets.

The fifth objective is to change attitudes in order to improve the supply and quality of people available to industry and commerce in a world of increasingly international markets. We could argue at great length on why for so long our brightest and best have not been attracted into front-line commercial and industrial management. There has been an anti-enterprise culture, an anti-industry culture and an anti-training culture; but we have learnt through the information technology skills exercise, which I chaired on a multi-departmental basis, that it is possible to bring a new partnership to the business of training and to bring it into the heart of the higher education sector. Private sector companies are now welded into the decision-making process as to which courses in the new technologies, and engineering in particular, should be supported with a mix of public and private sector funds. It is interesting to see the recommendations that are now coming from all quarters that we should take that new partnership upstream into the further education sector. Some would even argue that that should occur in the statutory school sector.

The sixth objective is to secure the broader implementation of the public purchasing initiative. All hon. Members should be aware, if they are not already, that the public sector nationalised industries and Whitehall spend £40 billion a year on services and goods which are bought elsewhere. Some 90 per cent. of that is spent in the United Kingdom. Under the public purchasing initiative, by implementing enlightened purchasing policies we could produce a situation in which those national concerns buy British because it is best and has become best as a result of the implementation of the PPI. That is consistent with our commitments under GATT and the EEC and there is still much mileage available to us in obtaining value for money from that £40 billion.

I am delighted to report to the House that examples of that policy are already under way. We are discussing non-warlike purchasing with the Ministry of Defence. We are discussing supply questions with the Department of Health and Social Security on consumables and medical equipment and the Crown suppliers are already implementing good design policies.

Does that amount to interventionism? Is it a strategy? Not in the sense of industrial strategies of the 1960s and 1970s. There is no bureaucratic or detailed national plan. There are no sector or industry targets. There is no omniscient Department of Economic Affairs and no intervention-driven Ministry of Technology. Instead, we are operating in an environment of a demand economy rather than a comand economy. But there is an objective. It was reported to the House in a written answer on 28 February 1986 when I told my hon. Friend the Member for Crawley (Mr. Soames), who is in his place:

> "The continuing aim of the Department is to increase the national production of wealth; to promote and enhance the vitality and competitiveness of British trade, industry and commerce within a proper regulatory framework and to increase the United Kingdom's share of world trade" — [*Official Report*, 28 February 1986; Vol. 92, c. *723*.]

Our objective is to reduce or eliminate barriers which impede British companies' ability to sell goods and services in the international markets, and, secondly, where support is necessary, in terms of policy or spending taxpayers' money, to ensure that such support works with the grain of market forces and enhances rather than undermines the determination of companies to compete.

5.44 pm

Mr. Eric S. Heffer (Liverpool, Walton): The Under-Secretary of State concluded his remarks by saying that the

Government have no plan, no command economy, no sector targets, and so on. He seems to be proud of that fact.

Mr. Nicholas Soames (Crawley): Of course he is.

Mr. Heffer: Of course he is. But the other side of the coin is that, without any planning of any kind, without any real Government intervention, with the abolition of the National Enterprise Board and the changes that have been described by my hon. Friend the Member for Dunfermline, East (Mr. Brown) in relation to regional policy, we have the highest levels of unemployment in the Western world. Therefore, there must be some correlation between the two.

If we decide that there will be no planning of any kind, that there will be a completely free market, that competition will be rampant, it is not surprising, certainly to me, that there will be higher unemployment and the type of problems that we have at present.

One thing that the Under-Secretary of State said is absolutely untrue — that any sector of the Labour party has ever said that all unemployment in Britain is due to the Government's policies. Nobody has ever said that. What we have said is that the serious nature of the crisis in the Western capitalist world has been aggravated in Britain by the Government's policies. An already serious crisis has been made worse. We are not putting all the blame on the Government. Instead of the Government tackling the problem in an intelligent way, their policy of open and free competition has aggravated it. They have not tried to deal in a serious way with the needs of the British people and of industry.

I am grateful to the hon. Member for Lincoln (Mr. Carlisle) for instituting this debate. I do not endorse all his philosophical attitudes towards solving the problem, but is is clear that he is deeply concerned about it and has rightly raised one of the most serious issues facing Britain today. I agree with the right hon. Member for Hertsmere (Mr. Parkinson) that we want and must have an improved service sector economy, but that must not be at the expense of manufacturing, which is what has happened. We need a good manufacturing sector. We cannot rebuild and re-industrialise our economy unless we have a sound, serious manufacturing base.

Why has the decline taken place? In particular, why has it taken place since the end of the second world war? There are many factors. The first is that at that time we were no longer the workshop of the world. We came out of a most serious war, into which we had put everything, and we probably suffered more than those countries which had been defeated. We accepted the burdens in a way that other countries have not. That was one of the reasons. We also lost our cheap raw materials because, whether we liked it or not, stage by stage we had to agree to various colonial parts of the empire being given the right to self government. That meant that the prices of our raw materials went up and that we did not have the same pool as we had in the past, although it continued to be fairly good because we were members of the Commonwealth.

We also faced greater competition from countries which had previously not been able to compete with us. One of the reasons for that was that they began where we left off. Many of our manufacturers believed that their methods of manufacture were the best in all possible worlds and that they did not need to change or improve or have new management. They thought they did not need to do things that it was necessary to do. Suddenly they discovered that other manufacturers were using the best of our traditions and leaving us behind.

We have heard many solutions to our problems. I have been in the House quite a long time and I have heard them all. Hon. Members on both sides of the House have told us how we can solve our problems. If I remember rightly, one of the solutions was the Common Market. The EEC was the panacea. We were told that if we got into that we would become more competitive and be able to deal with the problems of our people. We were told that we would have a new market and so on. We joined the NEC — *[Laughter.]* — the EEC. I have been on the NEC for quite a few years. *[Interruption.]* The hon. Member has not had my advantages.

What happened when we joined the EEC? Unemployment did not decrease. I am sure that hon. Members will remember the arguments at the time about jobs for the boys. My God, unemployment has increased. The EEC is no answer to our problems.

There are many other factors. There are new modern things now. We are told that we have to follow the examples of various other nations, one of which is Japan. Have hon. Members read much about Japan? I am sure that many of them have been there and seen the way that the trade union movement in Japan is organised and seen the conditions of the work force. They will also have seen the way that many people live in Japan. If anybody wants to go there, they are perfectly welcome to do so. I am not advocating Japanese policies for our people. Those are not the way to deal with this problem.

We have come to the most fundamental stage in industrial development. This applies not only to us but to all Western capitalist societies. I am not asking Britain to accept all the Eastern European concepts, but I do suggest that there is one we could accept. In Eastern Europe there is a planned economy. East European countries do not have mass unemployment. It is true that the conditions of the workers are not as good as the conditions of workers in the West, and consumer products are not as freely available as they are in parts of the West. Eastern Europe does not have free and independent trade unions. However, we ought to learn from the good things it has and reject the bad, while at the same time rejecting the bad things in Western Europe.

If we are to rebuild our manufacturing base and economy, the way to do it is certainly not to have a command economy like that in Eastern Europe, but we need Government intervention. We need planning for the resources of the economy and an extension of public enterprise in many forms in order to be able to have real planning and not just indicative planning of the sort that we had under the George Brown plan. We need real physical planning so that we can ensure that we have the training, the engineers and the industrial investment that are required. That is the only way forward for British industry. We cannot deal with the problem in any other way.

As I said, I have been here a long time and I have heard all the arguments. Those arguments skim over the surface of the real problem: that we live in a society that does not produce goods for use but purely for profit. While that situation exists we can never genuinely rebuild the economy and create the type of society that is needed to give our people full employment.

[Mr. Heffer]

I do not argue against those who say that the new technology has so changed society that we will have unemployment. The combination of existing systems of society and new technology are bound to give rise to unemployment. We have to use the new technology as part of a different type of society. That raises the fundamental question: what do we produce for; what is the objective? Is the objective merely to have a profit-making system benefiting a few, or production which benefits the whole of society?

Mr. Couchman: Will the hon. Gentleman give way?

Mr. Heffer: No. My speech will be short.

Often in our debates we talk about the skimming effects of one problem as they connect with other problems, but the fundamental question is not often asked and it needs to be asked in a debate of this kind. We have to create a society in which people will work fewer hours. By way of alternative work we can create new opportunities in many other spheres. Perhaps we can give people the opportunity to involve themselves in the arts on a scale that they have never had before.

There is much that could be done, but little is being done. We cannot continue to have a society in which only a small section works and an increasing mass of people do not work. We have to get everyone working and recognise that that means a change in the character of society. Only a democratically controlled, planned, Socialist economy can do that.

5.58 pm

Dr. Keith Hampson (Leeds, North-West): I hope that Opposition Members will forgive me if I make a party point, which they know I am unaccustomed to making too blatantly. It is that we normally see an Opposition who proudly parade on their sleeves compassion and concern for the unemployed and for manufacturing industry. With the noble exception of the hon. Member for Liverpool, Walton (Mr. Heffer) and a few of his hon. Friends, today they wear the badge of shame, because there are only four Opposition Members in the House for this important debate.

I give credit to my hon. Friend the Member for Lincoln (Mr. Carlisle) for launching the debate. My point about the Opposition is not a petty one, because most of us constantly face a barrage of innuendo, criticism and abuse from Opposition Members on these very subjects.

I have only one point to make about the speech of the hon. Member for Liverpool, Walton. After the war, this country was the victor. It captured and took markets because it had an industrial base and was provided with cheap and easy to obtain raw materials from the empire. The tragedy was that our industrial structure and trade union movement became fossilised in the 1950s. They were fossilised largely by the Labour Government and their programme for state intervention and nationalisation after the war. The Labour Government were followed by Conservative Governments who then fossilised our trade union movement, because that was the period when Churchill and all the Cabinet agreed that there must not be any trouble with the unions. Therefore, the power and privileges of the trade union movement became entrenched in our industrial system. They went far and away beyond anything that was experienced by any of our competitors.

It is absolutely right to say that in the 1960s this country needed the white-hot heat of the technological revolution, but the tragedy is that the Prime Minister of the then Labour Government who enunciated that doctrine failed to deliver. That is what this Government have had to deliver since 1979. It is a slander for Opposition Members to talk about 13 wasted years. The 1960s were wasted by a Labour Government. Now we are having to catch up.

We faced the fact that traditional industries in our industrial cities are running down massively and quickly because of world competition. At the same time new industries, often in the service sector, do not require so much labour. Modern and many older industries find that they can make do with part-time labour or with overtime instead of having to take on large numbers of new employees. At the same time, the birth rate has been increasing, with the result that many more young people are leaving school and wanting work, on top of which there has been a long-overdue demographic change, with women entering employment in greater numbers. That has happened, in conjunction with the world recession in trade because of spiralling oil prices. Therefore, this Government have inherited something that no Government could possibly have avoided. The missed opportunity, if there was one, was during the so-called swinging sixties. At that time, this country's industry was swinging on the gallows. We have yet to recover from it.

All right hon. and hon. Members agree that Britain's manufacturing base is fundamental to wealth creation in the country, but that is not necessarily the same as saying that it is essential for job creation. As my hon. Friend the Under-Secretary of State said, every modern economy, apart from the Japanese, has seen a more rapid rate of growth in the service sector than in the manufacturing sector, simply because structural changes of the kind that I have just outlined are taking place everywhere. That means that we must use our manufacturing base as the basis for wealth creation, but many more jobs, proportionately, must be created in the modern service sector, if we are ever to escape from the shadow of unemployment.

Where does that leave the traditional industrial cities of the north and, until recent years, successful areas like the midlands? My hon. Friend the Under-Secretary of State outlined one of the problems that the Government face. They are doing things, and they believe in what they are doing, but they are not prepared to boast about it. Even today we have played around with words. My hon. Friend asked whether we are dealing with industrial policies or an industrial strategy. Is it or is it not interventionism? Of course it is interventionism. There is no way of avoiding it in a modern economy. My hon. Friend gave many examples.

What is the Government's public purchasing initiative if it is not purchasing by the Government? What is the prospect for the helicopter industry or any major defence industry if the Government are not a major customer? How can we possibly play by the rules of free competition and free trade throughout the world when others do not? How can we—this is a crucial factor that my right hon. Friend the Secretary of State for Trade and Industry must bear in mind—possibly do without the degree of state involvement and protectionism that is afforded by the multi-fibre arrangement in areas like Yorkshire and Humberside?

We are all too well aware that my right hon. Friend's Department—or forces within it—has argued, since the publication of the Silberston report, that the MFA provides a disproportionate subsidy to the textile industry —15 per cent. on clothing—that people otherwise would be able to spend on other goods, thus stimulating the economy. That is absolute nonsense and it is about time that we said that academic studies of that kind are nonsense. It does not follow that people would spend the additional money that would be available to them on British manufactured goods rather than on imports. The degree of dependence of certain limited parts of this country on a major industry is completely ignored. The textile industry is one of this country's major industries. In terms of added value, it is far more important than the aerospace or computer industries, or many of the other essential industries that we think of as being at the heart of the British manufacturing base. Therefore, the Government's role needs to be judiciously used. There is no way out of it.

I pay full credit to my right hon. Friends the Secretaries of State for Education and Science and for Employment for their technical and vocational education initiative. At long last they are trying to change the basic balance of the school curriculum and to make it more vocational in an effort to attract more young people into the world of work and to help them to appreciate that what they learn at school has a degree of relevance to the realistic world of employment that they will enter later.

Equally, we have tried to change the balance in further and higher education in an effort to attract more people into courses that will benefit industry. However, it has taken a very long time. The Finniston committee sat for four years. It began its work in the mid-1970s. A decade later we are still talking about it. An apparatus has been established, but how much influence has the Engineering Council had in trying to tackle the problem?

We have known about the problems and the degree of decline in our industrial cities for a very long time. It was left to my right hon. Friend the Member for Henley (Mr. Heseltine), who is now doing so much to refresh those parts of the Tory party that others cannot reach, to write his report "It Takes a Riot." However, five or six years later we are still conscious that problems remain not only in Liverpool but in other major industrial cities. The lessons are there and what needs to be done is perfectly clear, but we are not acting with the speed or on the scale that is necessary.

Task forces have been launched in eight cities. I am very grateful for the fact that there is a task force in the city of Leeds. However, it has only £1 million to spend and a junior Minister has only a vague responsibility for it. We need to learn the lessons of the urban development corporations and, above all, of the Scottish Development Agency. We need to learn more the lessons of the latter than of the former, because in most of our cities there is not the scale of the problem that is to be found either in London's docklands or in Liverpool. Nevertheless, there are major problem areas.

Therefore, an agency along the lines of the SDA needs to be established and provided with many resources. It needs to have the powers of land accumulation and planning permission. Also, it needs to work in conjunction and partnership with the local authorities. It must not work against them. All right hon. and hon. Members know that the urban development corporations have created resentment in docklands. However, in partnership with local authorities that body could be provided with the necessary resources to rejuvenate an industrial area that is in decline. Then it could move out again and put its resources into another city in another part of the country. That is the main task that must be tackled in the industrial cities of this country.

However, the Government must have the will to do it, just as the same kind of will is needed to tackle the industrial strategy. The very term "strategy" implies comprehensiveness. Our industrial cities need to be considered in terms not just of the environment — fundamental though that is if they are to attract new industry — but of the ramifications of our industrial policy. The Department of Trade and Industry does no such thing. It has no overview of industrial strategy. It has a strategy for individual companies. Therefore, no nationwide strategy is exercised by the DTI over helicopters. The strategy relates just to one company— Westland.

As for the European fighter aircraft, the DTI's view was essentially that of British Aerospace. The Department of Defence was trying to pull in other European partners, and the Department of Trade and Industry was doing its best to frustrate those efforts.

I am sorry that my right hon. Friend the Member for Hertsmere (Mr. Parkinson) is no longer present, because he might have pursued the best line, but in his short time in office, he had the major task of trying to merge the two huge Departments of Trade and Industry. However, from the tenure of my neighbour, my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph)—who simply did not believe that there should be such a thing as an intervention policy or even a Department of Industry —we have had Secretaries of State in the Department of Trade and Industry who have not had a conviction that there should be any industrial strategy.

Indirectly, an intervention policy has been pursued all other the place, but it has been piecemeal and there has been no effort to try to get a concerted and comprehensive approach. My hon. Friend the Under-Secretary of State made it clear that he had responsibility for some of the action, that other parts of the Department were responsible for others, and that there is also the Treasury. As we all know, the Treasury is far too dominant.

We have waited for the rebuilding and sustaining of our manufacturing base for a long time. It will not happen spontaneously. All our major competitor countries have Government intervention. Japan is the obvious one, but there is Germany with the purchasing power of its Government and France with its more centralised planning arrangements. Even in the United States—the most free enterprise economy in the world — it is the purchasing power, use and role of the Government that build up huge, powerful, multinational corporations, such as IBM, or the United Technologies Corporation, which bought Westland, and the rest.

In the modern world, we cannot pursue a hands-off, non-interventionist, free trade policy. It is fundamental that we have a comprehensive approach. The Department of Trade and Industry must take a stronger and more initiating lead within Government. Furthermore, we need a machinery, such as a Cabinet Committee, to look at industrial strategy in the way that we have for so long had

[Dr. Keith Hampson]

an economic, but Treasury-dominated, Cabinet Sub-Committee and Committees on home affairs, overseas and defence matters.

6.11 pm

Mr. Gordon Brown (Dunfermline, East): Both sides of the House will want to congratulate the hon. Member for Lincoln (Mr. Carlisle) on introducing the debate and on uniquely eliciting two Government responses. The first came from the Under-Secretary of State for Trade and Industry, whose list of industrial objectives seemed to get longer as the list of closures got longer, but whose industrial objectives seem to have one thing in common that they would always cost the Government less money and not involve additional expenditure.

The second response came from the right hon. Member for Hertsmere (Mr. Parkinson), whose selective use of statistics, to say the least, concentrated on the silver linings and ignored the dark clouds that affect our industrial horizon. We should also congratulate the hon. Member for Lincoln on eliciting, in both interventions and speeches, with one notable exception, such a display of proposals for a change of Government policy that I almost thought I was at a reconvened meeting of the Conservative Centre Forward group.

The hon. Members for Leeds, North-West (Dr. Hampson) and for Staffordshire, Moorlands (Mr. Knox) both summed up the extent and scale of the problem that we face. The Government have presided over a decline in our manufacturing industry that is so general that we have lost 1·75 million jobs in the past seven years, 1·5 million of which were in the traditional industrial regions, many of which are now industrial no-go areas that cannot benefit from any expansion in prosperity or growth.

The decline is now so widespread and pervasive that, even on the Government's figures, the collapse of manufacturing investment between 1979 and 1986 is 20 per cent. The decline is so catastrophic that we have reached a unique position in our industrial history. Never before have we imported more manufactured goods than we export, nor sent more capital overseas to be invested in other people's industries than is invested in our manufacturing industries. Nor have we had entire areas of the country, such as the north-west, the north-east, Scotland, and Wales, where there are more people without a regular job because they are unemployed, in part-time employment or on temporary schemes than are employed in all our manufacturing industries, new and old, put together.

We have heard from the Minister, but particularly from the right hon. Member for Hertsmere, the former Secretary of State for Trade and Industry, some highly selective figures about productivity, investment and growth. He said that capital investment in manufacturing industry was at the highest ever level. He ignored the fact that, under his Government, capital investment in manufacturing industry is still markedly below that of 1979. He also said that we had the highest real level of exports last year than at any time in our history. He ignored the fact that, at the same time, we had the lowest proportionate share of world exports than at any other time.

The Government have told us, and the Minister said it again, that productivity is rising fast. It is true that productivity has been rising, but that is a function merely of the fact that employment has been falling faster than output and less is being produced by many fewer people. In other words, the rises in productivity for which the Government claim credit in almost every speech issued from the Department of Trade and Industry are a function, not of higher investment in the economy, because that is not the case in the manufacturing sector, but of higher manufacturing unemployment and a high level of redundancies.

If productivity was helping the economy so that it was at record levels, if investment was higher than it had ever been, if we were in the sixth year of the economic recovery that the Government have claimed, and if we had never had it so good, as the Secretary of State for Employment in the other place has been telling us, will Conservative Members answer a few simple questions? Why is it that, alone of our industrial competitors, our industrial manufacturing output is still 8 per cent. below what it was in 1979, when the Government came to power? Why is it that output in consumer goods is still 7 per cent. below 1979, in metals 26 per cent., in engineering and allied goods, which include electronics for this analysis, 5 per cent., and in other manufacturing industry 12 per cent. below? Why is it that output in these years has risen by 24 per cent. in Japan, in the United States by 14 per cent., and in all the OECD countries by 10 per cent., when in manufacturing industry in Britain it has fallen by 8 per cent.?

The Minister talked about an inevitable fall in manufacturing employment, but perhaps he should take note of the fact that during the years of this Government manufacturing employment has risen in Japan and some other countries, such as Greece, Finland and Turkey. It has fallen by about 1 per cent. a year in America and Canada and by about 2 per cent. a year in Germany, France and Italy. In this country it has fallen by 5 per cent. a year, and by about 25 per cent. during the period of this Government.

The Minister and other Conservative Members will tell us that this is a function of the shake-out, of the move from the traditional industries to the high-technology industries, and I see hon. Members nodding. They feel that the old industries are making way for the new, that the sunset is making way for the sunrise and that the sunbelt is taking over from the rustbelt. These are the things that we hear from Ministers and Conservative Members in their speeches at the weekends.

The truth is rather different. It is a case, not of the old industries making way for the new, but of the new industries making way for foreign imports. The Government have been stifling the new industries almost as quickly as they have been destroying our traditional industries. If in 1979 we had named one sector which might have been expected to do well because of the happy coincidence of oil being found in the North sea, we would have proposed petrochemicals and plastics. Yet, while in 1979 our trade deficit in plastics and synthethic goods was about £100 million, it is now nearly £200 million as a result of what has happened during the past seven years.

Mr. Butcher: The hon. Gentleman has stood at that Dispatch Box in other debates. He will be aware that we have never said that new industries would replace the old. We have often said that the so-called traditional industries become revitalised by the application of new techniques in

making traditional products. We have not said that the reduction in employment in the manufacturing sector is inevitable. Indeed, if the hon. Gentleman checks the record, he will find that, unfashionable as it was then, I said that the continuing fall in employment in manufacturing was not inevitable and that with increased performance we could see increased employment.

Mr. Brown: I am grateful to the Minister for making the point that I have tried to make throughout the debate. If the traditional industries were being revitalised, we might expect something to be happening in steel, engineering and allied industries, consumer durables and other traditional industries to give us hope that those industries would increase output and exports, and contribute to our industrial recovery. However, there is no evidence that that is the case. Moreover, even in the new industries, where we should be leading the world, our trade deficits are such that we can look forward only to the prospect of a further erosion in manufacturing employment and further losses in competitiveness compared with the rest of the world.

Mr. Couchman: Will the hon. Gentleman concede that the United Kingdom's preoccupation with the old industries, the sunset industries as he describes them, has left us on the starting line with the sunrise industries, and with severe skill shortages? GEC Avionics is an important employer in my constituency and it wishes to take on 500 people this year. It must go to Australia and New Zealand to find people with sufficient skills for those jobs. At present it has a superb export order book.

Mr. Brown: The hon. Gentleman makes a different point, but I am happy to answer it. He talked about shortages of skills, which is mentioned in the motion tabled by the hon. Member for Lincoln. These shortages are a direct result of the neglect of training during the past seven years, when the Government should have known that skilled engineers, computer operators and manpower for information technology industries would be required. Indeed, the chairman of the Manpower Services Commission, who is an appointee of this Government, not of the Labour Government, has been extremely critical during the past few weeks of the Government's policy of abandoning industrial training boards and of other measures which have led to a decline in the number of manufacturing apprentices and trainees. Therefore, if the hon. Gentleman wishes to avoid a shortage of skills in future, he must persuade the Minister to change his list of industrial objectives in such a way that money will be spent on training at an advanced level.

Dr. Hampson: The hon. Gentleman must recognise that unprecedented sums are flowing through the MSC to those areas, despite what he says. The Labour Government talked about these matters but did absolutely nothing. Mrs. Williams tried to persuade the Cabinet to set up something like the youth training scheme and to get in-service teacher training in order to provide mathematics and physics teachers, whom we still desperately need.

Mr. Brown: I hope that the hon. Gentleman will agree that the Government made a grave mistake in abolishing the industrial training boards. I hope he will agree with the chairman of the MSC, who has talked about the absence of provision in the private sector and the ineffectiveness of the voluntary arrangements, in which the Government have placed great faith. On YTS and apprenticeships, I hope that the hon. Gentleman will note that in 1979 more than 250,000 young people were either apprentices or on training courses in manufacturing industry, whereas under this Government's policies the decline in training opportunities in manufacturing industry has been even greater than the decline in employment in manufacturing industries. Now no more than 100,000 young people are in training either in apprenticeships or on YTS in manufacturing industry. That will inevitably lead to skills shortages later, if and when our economy expands.

I hope that the Minister will say, either tonight or later, why it is, if the Government are on course and we are experiencing industrial progress and things have never been so good for 90 per cent. of the population, that we can look forward only to the prospect of ever-increasing trade deficits, even in the new industries. Does the Minister accept his figures, which show that not only in petrochemicals, where we might have expected to do well, but where we have done particularly badly, but in electronics, microelectronics and information technology our trade deficits and the surplus of imports over exports have been rising at a phenomenal rate over the past seven years? If we are to believe a survey carried out, not by Cambridge university, but by Cambridge Econometrics — a body whose calculations are usually accurate — those trade deficits will increase substantially during the next 10 years, and our manufacturing trade deficit, which is already high, could double.

In the face of those problems, surely the Minister's list of abstract objectives, which involve no specific commitments to any measure that would lead to the expenditure of money, must be reconsidered. If we are to lose the place, and if we are to be unable to compete in information technology, computers, petrochemicals and microelectronics, our future as a manufacturing nation is bleak.

We in the Labour party understand that the world of manufacturing has changed and will continue to change. We understand that a feature of that is that there is almost no manufactured item produced in the United Kingdom which is not also produced abroad, and so has a direct competitor abroad. We also understand that we should be most able to compete in precisely those new high value added, research intense, high skill and high technology industries. However, if we are to be able to compete, we cannot surrender spinelessly, talking about the supremacy of market forces, because no other country does that. We must look carefully and pragmatically at how investment in training, science and technology, research and development and plant and equipment can aid an industrial expansion in those industries which would secure the wealth that would enable us to have jobs in manufacturing industry and to see them spin off into the service industries. That is a question, not of abstracts, but of specific policies which the Government should pursue.

What will the Government do in areas such as research and development, and training, having seen it acknowledged by all the agencies, including para-Governmental organisations, that there is a crisis and steps must be taken? What can the Minister do to change the situation where only half our factories use micro-electronics and the other half have no plans to use them, and where three quarters of the firms in the modern world have no access to computers and computer equipment? How can he change the fact that in Japan robots are widespread in

[Mr. Brown]

manufacturing industry, whereas in Britain not many are available? How can he change the fact that in information technology, acknowledged experts say that 7 million jobs will be created throughout Europe over the next 10 years, yet there is no guarantee that this country — through research, investment or training — will benefit in any substantial way?

How can the hon. Gentleman change the fact that we spend less on civil research and development than almost all our major competitors? In other countries, expenditure on science and technology has been rising by between 9 and 10 per cent. a year whereas here it seems to have been rising by about 1 per cent. Most of all, how can he change the fact that at present we cannot avoid skill shortages in the future and that we will not have the kind of trained and skilled work forces that will be needed if we are to have a successful manufacturing future?

I have mentioned what the chairman of the MSC — a direct appointee of the Government — has said about the abolition of the industrial training boards. He talked about the broken promises of industrialists to provide on a voluntary basis the training that was lost when the industrial training boards were compulsorily wound up. He has talked about the dearth of action by industrialists to cope with the vacuum that was left following the abolition of these industrial training boards.

An MSC study has shown that British companies are spending far less on training as a proportion of their sales turnover than are comparable companies in Japan, the United States and Germany. It has also shown that 69 per cent. of employees are at present enjoying no training and that 25 per cent. of the manufacturing establishments surveyed had no training opportunities on offer.

That is the real world of manufacturing industry, and those are the real problems. We do not need abstract lists of industrial objectives for some distant day in the future to tell us what the real problem is. It is a question of what the Government will do to ensure that the important new industries will win.

As the right hon. Member for Hertsmere should know by his selective use of them, statistics can tell us many things. Is it not astounding that the figures available show that twice as many people in South Korea are in training in higher and further education as in Britain? That is the state to which this Government have brought the country. Seven years ago we might have hoped to compete with the West Germans, but our best hope now is to try to keep up with the South Koreans. Seven years ago we might have hoped to compete with the Japenese, but now our best hope is to be able to compete with the Taiwanese.

Mr. Parkinson: The hon. Gentleman accused me of using selective statistics. I hope he is not denying that we had record exports in manufactures this year and that the decline up to 1981 has now been arrested. Those are facts. Whether we should be doing better is another matter. However, on what does the hon. Gentleman base his assertion that seven years ago we were in a position to begin competing with Japan? As I said, in 1978 Toyota was producing 65 cars per employee, whereas Leyland was producing 5·5. The hon. Gentleman says that in 1979 we were on the verge of being able to compete with Japan. In reality, we were on the verge of going under. If the hon. Gentleman bases the rest of his speech on the assertion that a few years ago Japan was within our grasp and that we have slipped behind, he is ignoring the real world.

Mr. Brown: The right hon. Gentleman would have heard me describe some of his selective statistics had he been present at the beginning of my speech. He again says that manufacturing exports are at a record level. He must accept that our share of world manufacturing exports is at its lowest level ever. That is surely a reflection of our ability to compete with other countries.

The right hon. Gentleman talked about the recovery that has been brought about by increasing investment, but in reality investment in manufacturing industries in the United Kingdom is still below the level of 1979. Will the right hon. Gentleman explain why, after seven years of this Government — after seven years of talk, promises and two elections — manufacturing output is still below the level it had reached when the Labour Government left office? If the right hon. Gentleman can explain that conundrum, he will be doing the House a great service.

Mr. Parkinson: When the Labour Government left office in 1979, certain industries were being maintained purely on the basis of colossal subsidies. At that time the Department of Trade and Industry was spending £2 billion merely on funding the losses of a selection of nationalised industries that were producing products that were incapable of being sold without huge subsidies. There was a substantial block of heavily subsidised production, and the hon. Gentleman's own Government had plans to reduce that capacity. It was not the Conservative Government who evolved the plan to reduce the steel industry to 15 million tonnes, it was the Labour Government, who did not have the guts to do it before the last election. Therefore, we had a lot of heavily subsidised production which the Labour Government were planning to cut out had they been re-elected, but they were not re-elected.

Mr. Brown: The right hon. Gentleman has entirely missed the point that I have been making, and I wonder whether he was listening to what I said. My point was that if this Government's record was anything to write home about, we might have expected them to be doing well in the new industries. We might have expected this Government to have had record trade surpluses in areas such as information technology, computers, electronics and petrochemicals. Yet the trade deficit in these industries is worse than in many of the traditional industries which the right hon. Gentleman says must be run down because of outdated technologies.

Like the Minister, the right hon. Gentleman has not explained why under this Government manufacturing output is still below the level of 1979 and, indeed, the three-day working week of 1974. It is hardly a record about which the Minister should boast. No country has had the financial advantages that this Government had when they came to office as a result of North sea oil revenues——

Mr. Kenneth Carlisle: I apologise for interrupting the hon. Gentleman, but when I presented the motion I was hoping that every Back Bencher who wished to air his views could participate. I hope that the hon. Gentleman will bear that in mind.

Mr. Brown: I am grateful to the hon. Gentleman, but the Minister spoke at some length about the sixth point of

his industrial objective. However, I have been deterred from completing my speech by the interventions of the right hon. Member for Hertsmere. I can assure the hon. Member for Lincoln that it is my intention to complete it now.

No Government have had the advantages that this Government have had as a result of North sea oil revenues. Those revenues should have gone into investment, training, research and development and science and technology. Instead, they have been wasted on funding ever-rising levels of unemployment, which in real terms shows no signs of falling as a result of Government policies. No Government have so systematically wasted the opportunities that have been placed before them. They have created an industrial desert. They have called it a recovery and have presented it as a triumph of monetarism.

The Opposition believe in the future of manufacturing industry. We will invest in it. We will pay attention to the needs of training, research and development, science and technology and the re-equipping of the vital industries that must win in the export markets if we are to succeed as an industrial nation. The country understands that, and it also understands that this Government have failed.

6.39 pm

Mr. Gerald Howarth (Cannock and Burntwood): So far we have had a good debate which has perhaps been somewhat dominated by the Conservative Benches. However, we were all interested in the exchange between my right hon. Friend the Member for Hertsmere (Mr. Parkinson), a former Secretary of State, and the Opposition spokesman, the hon. Member for Dunfermline, East (Mr. Brown). Clearly my right hon. Friend scored all the points in that exchange.

Unfortunately, it appears that the Opposition have learnt nothing. We have heard only a minute's worth of their proposals although we have learned that they are now in favour of robots. It is a pity that it has taken them so long to reach that view. When our industries were under their stewardship, they were unable to invest for the future and in robotics for British Leyland. Robotics has saved British Leyland from extinction.

I join hon. Members from both sides of the House in congratulating my hon. Friend the Member for Lincoln (Mr. Carlisle) on securing this important debate and on the terms of his motion, which I entirely endorse. As an international banker, I am not paid as highly as popular rumour would have it. I believe that international bankers are paid a proper rate for the job and I should like to see higher pay in industry. I am worried at the attempts that have been made to polarise the United Kingdom economy into manufacturing and service industries and pitting the one against the other. We need both and we must, as a nation, excel at both.

These days, in order to sell a power station to India or aeroplanes to Botswana, it is necessary to provide a potential purchaser with the finance. British architects earn valuable foreign exchange for services rendered to overseas clients and they enhance the opportunity for United Kingdom contractors to secure the follow-up business.

We can be justly proud of the achievements of our service industries in greasing the wheels of industry and in securing overseas business in their own right. London is the undisputed centre of the financial world with more than 500 foreign banks. Lloyd's is the principal insurance market, and foreign companies invariably seek to have their contracts governed by English law as they have the highest regard for our legal profession and for the administration of justice. I would like that spirit of enterprise, confidence and determination which is so evident in the service sector of industry now to pervade the industrial sector. Like my right hon. Friend the Member for Hertsmere I believe that we are approaching the new culture that we are trying to create.

Mr. Nicholas Winterton (Macclesfield): I have been following my hon. Friend's argument, although it has been brief so far, very closely. I am one of the Conservative Members who has considerable reserve about the positive position of the City of London. Can my hon. Friend explain why the City of London finds it possible to devote hundreds of millions of pounds to takeovers which do not produce additional jobs? Will he, further, tell me why the City can find so much time and expertise to invest money in other paper money by way of foreign currency transactions rather than investing in manufacturing industry? That is the few making a lot more money for the few and ignoring the real needs of this country which lie in manufacturing industry. There is so much money in the City. Why is that money not coming out of the City and into manufacturing industry?

Mr. Howarth: As always, my hon. Friend is very vigorous in his remarks. However, he fails to understand that funds are available. There is no shortage of funding for anyone who has a good idea. To talk about the recent spate of mergers and takeovers is a complete red herring.

Mr. Winterton: No, it is not.

Mr. Howarth: It is. I must tell my hon. Friend who is becoming agitated that I support him in most things. However, he has a perverse deviation on this point.

Mr. Winterton: Perhaps I should ask my hon. Friend to withdraw that remark.

Mr. Howarth: I am unable to support my hon. Friend in that deviation. The banks are falling over themselves to lend funds for any good product or proposition. It is simply not true —

Mr. Winterton: No, they are not.

Mr. Howarth: My hon. Friend says that they are not. If they are not, there are plenty of Government agencies which are willing to invest money. NCB (Enterprise) Ltd. in my constituency has £15 million at its disposal. It is anxious for anyone to come forward with a good idea which it can support.

Since entering the House in 1983 I have taken a close interest in manufacturing industry in my constituency and I have a special interest in the aerospace industry. Among the companies in my constituency there are Lucas Electrical, a major caterpillar dealer and a company which supplies sports boats around the world from a point which is the furthest from the sea in the United Kingdom — Fletcher International Sports Boats. The picture in my constituency and elsewhere in the west midlands does not accord with the description that I have heard from the Opposition Benches.

There is no doubt that industry has problems. However, there is also good news and that point was most forcefully made by my hon. Friend the Member for

[Mr. Howarth]

Lincoln (Mr. Carlisle) who moved the motion. I have seen a textbook revolution taking place in my constituency. There was clearly overmanning on a massive scale when this Government came to office in 1979. Under previous Labour and Conservative Governments the unions had been allowed to dictate the level of manning. The result was that the unions, anxious to maintain short-run jobs, ensured that industry was overmanned to the extent that it was completely unable to compete. This 40 years of failure by previous Governments to allow management the right to manage, has been at the heart of our problems.

In seven years we have had to do what our major competitors have done over the past 40 years. That is, we have had to adjust manning levels to the requirements of industry and the needs of the market. This change has been traumatic. Every week hon. Members see the results of this traumatic change in their constituencies. However, I believe it is to the great credit of the Government that they have at long last bitten on the bullet and taken the necessary action to allow management to manage so that at last we can start to rebuild.

Those who say that our economy is now wholly dependent on North sea oil should remember that it constitutes only some 8 per cent. of gross national product. It is not the most dominant sector of our economy. I liken it to Dunkirk. Just as the British Expeditionary Force was fortunate to have calm weather when the little ships returned from Dunkirk, so I believe that the Almighty has smiled on the British economy. He has given us oil, the most valuable commodity of its time, out of the most inhospitable waters, from which we have been able to derive resources which are now providing us with the cushion of opportunity to correct the economy.

We were suffering from overmanning and that has largely been resolved. New union agreements have been made whereby the work force is more flexible in its agreements with employers. Investment has risen by 39 per cent. since 1980-81. The hon. Member for Dunfermline, East referred to robotics. No doubt he has visited Austin Rover where robotics have made a substantial contribution to the revitalisation of that company. Since Jaguar came under new management in the early 1980s, the amount of investment to which my hon. Friend the Member for Macclesfield referred, has been about £100 million. That investment is producing results. Initially that investment displaced men. The move towards the introduction of robotics which was so strongly resisted by the unions and the Labour party stood in the way of progress in manufacturing industry. It is the shackles which outdated manufacturing processes have placed on manufacturing industry which have created the problems.

These changes together with the new determination evident in the industry not to rely on captive markets as in the past but to provide the products at the right price on the right delivery date, is turning the British economy round. The managing director of Jaguar has said that he will go for a zero defect car. It is no good producing an expensive car if people have to take it back to the dealer so many times that they are put off. I salute Jaguar's work in setting an example for the rest of British industry.

I have firms in my constituency which were in difficulty but which are now quietly confident. That is most encouraging. They are taking on new labour, although they are not making a great song and dance about it because they do not want their competitors to know and because there is unquestionably a reluctance to believe that there is a boom ahead. We want quiet confidence — a boom would destroy the manufacturing base because it would immediately suck in imports, and our industry cannot respond to such an increase in demand overnight.

Some of the calls on the Government to take action are right. It is now time for interest rates to come down. They represent a substantial burden on industry. My right hon. Friend the Member for Hertsmere was entirely right about interest rates being unreally low. They are now unreally high. My authority for saying that is discussions with foreign exchange dealers in the City who firmly believe that falling interest rates would be regarded as a sign of strength in the British economy and would not result in sterling going through the floor, thus creating inflationary expectations.

The Government have managed to reduce energy costs to industry by 8 per cent. That achievement has gone unremarked on the Opposition Front Bench. The reduction is largely the result of the Government's action in regard to the National Coal Board — they have ensured that it has become much more commercial.

I urge my hon. Friend the Minister to re-examine the European Community directive on product liability. It is causing industry, especially manufacturing industry, great headaches. It will add to their costs and it is likely to benefit the importer rather than the domestic producer.

I urge my hon. Friend not to relax the green belt. There is plenty of available space in other parts of the country not far from the south-east where there is relatively cheap accommodation. The Government must reconsider rent decontrol, which is vital.

It is not entirely up to the Government or industry to put their houses in order. Industry can do a lot, but I put in a special plea to the fourth estate — our friends in the media. Please will they stop knocking manufacturing industry? Journalists in France and Germany, for example, do not knock their industries. There is far too much knocking of British manufacturing, and less would be greatly appreciated. My message is that industry is prospering under the Government and I hope that it will continue to prosper even more.

6.54 pm

Mr. Michael Fallon (Darlington): Time is short. I make no complaint about that. I should have liked the hon. Member for Dunfermline, East (Mr. Brown) to have spoken longer as we did not hear enough about Labour's industrial policy. We heard very little, for example, of the extensive nationalisation that was promised in 1983. Has that now been jettisoned from the manifesto? We heard very little about the planning controls and agreements that were sought by the hon. Member for Liverpool, Wâlton (Mr. Heffer). I look forward to seeing how those discussions proceed. We also heard little about incomes policy and the present negotiations between the Labour party and the trade unions. We did not get quite the full picture of Labour's industrial policy that we expected.

Until the hon. Member for Dunfermline, East spoke, I thought that this had been a useful debate. I thought that it had finally dispelled two great myths about manufacturing industry — that it is doing badly and that the Government are not doing their best to assist it.

I cannot judge whether manufacturing is leaner or fitter than in the 1950s, 1960s or 1970s, but I know that it is a

lot healthier than Opposition Members suggest. I know that capital investment of £6·7 billion was made in manufacturing last year – 21 per cent. higher than in 1983, when I was elected to this House. I know, too, that engineering output was up 6·5 per cent. last year, that machine tool exports have increased by 20 per cent. during the past 12 months and that there have been considerable and formidable improvements in productivity in the steel and textile industries.

In the north-east, despite high unemployment and what the hon. Member for Jarrow (Mr. Dixon) told us, scores of manufacturing companies are doing well and making good profits. If there were not, we should not be getting 25,000 people off the unemployment register every month, as happened last year in the north-east. The hon. Member for Jarrow gave two examples, both of which I want to take up. He mentioned steel. He might have seen last Sunday's edition of the *Northern Echo* which ran and article on the Darlington and Simpson Rolling Mills annual results under the headline:

"Huge profits add 100 jobs."

The company sells steel profiles across Europe and into the heart of America. Profits last year increased by £800,000, or 16 per cent. The profits of £6·7 million have been ploughed back into the company. At the beginning of the year for which it reports, the company employed 645 people. It now employs 737 and will employ 837 people next year.

The hon. Member for Jarrow also mentioned NEI Reynolds and its anxiety about power station work. It is far more worried about the threat to the nuclear power station programme posed by the Labour party's conference resolution at Bournemouth last year. Not many people in NEI will be voting Labour at the next election and seeing themselves put out of work as a result.

It is simply not true that the Government are not helping industry. Some 28,000 jobs have been created by the new regional policy in the north-east alone during the past two years, and a further 10,000 jobs have been preserved. The Department of Trade and Industry's spending is now much better balanced. We get more for the regional aid money that is spent, and we get better spread of support between the new and the old industries. We also have enterprise creation measures which we never had under previous Governments.

Radical government cannot stand still. As well as creating the right conditions of low inflation and helping with the economy, the Government should do two other things to assist manufacturing industry. First, they should target regional policy even more effectively. I understand that a mini-review is going on at the moment. There are still distortions, not simply between assisted and non-assisted areas, but between assisted areas – between development areas and intermediate areas.

The Government must also improve the efficiency of the labour market. An unemployment rate of 13 per cent. is neither tolerable nor efficient, but 23 per cent. male unemployment, as in the north-east, is simply unacceptable, especially when we consider the skills that are wanted in the south and which are wasted in the north. There are men in the north who want to work but cannot because they are trapped in the north in private houses that they cannot sell or council houses that they cannot exchange. I am aware that not all want to move, but it is much more difficult now for people to move than it was in the 1930s or the 1950s, as the right hon. Member for Glasgow, Hillhead (Mr. Jenkins) said. If the Government do nothing else – there were signs last week that we will not do much else – they should radically improve the housing market by making it much easier, by decontrolling rents and relaxing green belt restrictions in the south, to provide opportunities for people in the north who are out of work and have skills to move to areas of the south-east where there are skill shortages.

Question put and agree to.

Resolved,

That this House agrees that manufacturing industry has a central part to play in the future prosperity of the United Kingdom, and, that, in order to succeed in a fiercely competitive world, it must use the most modern manufacturing methods, and market its products with skill; notes further, that the importance of manufacturing must be recognised by society generally and by schools and colleges in particular, so that industry can surmount the present shortage of skills; and believes finally that success in manufacturing can only be won in any enterprise through the united efforts of all the work force.

Press Gallery

6.59 pm

Mr. Eric S. Heffer (Liverpool, Walton): On a point of order Mr. Speaker. I have been sitting here throughout the debate. As hon. Members we are often criticised by the press for not being in our places. Throughout this important debate on the future of manufacturing industry in this country I could have counted on the fingers of one hand the number of people in the Press Gallery. Is it not possible to make some representations to the press to attend important debates of this kind?

Mr. Speaker: That is not among my many responsibilities. I think that I should confine myself to what happens on the Floor of the Chamber, not to what goes on behind me.

Tin Industry

Mr. Speaker: Before I call the Secretary of State to move the Prime Minister's motion, I must announce to the House that I have selected the amendment in the name of the Leader of the Opposition.

7 pm

The Secretary of State for Trade and Industry and President of the Board of Trade (Mr. Paul Channon): I beg to move,

That this House endorses the Government's response (HC 457) to the Second Report from the Trade and Industry Committee on the Tin Crisis (HC 305-I); regrets the difficulties brought upon the Cornish tin industry, the International Tin Council's creditors and others as a result of the failure of the International Tin Council to reach agreement with its creditors, despite the considerable efforts made by the Government, and welcomes the Government's package of measures to help employment in Cornwall.

I invite the House to endorse the Government's reply to the Select Committee on Trade and Industry. I note that a surprisingly large number of hon. Members wish to speak in this important debate and, therefore, I shall try not to take up too much time and I shall come straight to the point.

It strikes me that there are three main issues on which I suspect that the House will wish to concentrate. As the House knows, under difficult circumstances, to which I shall refer later, the Committee has produced a report which raises a number of important questions. The three main issues are, first, the constraints under which the Government operated in giving evidence to the Committee, secondly, the conduct of the Government both before and after the collapse of the International Tin Council in October 1985 and thirdly, the effect on the Cornish tin industry. My hon. Friend the Minister of State will deal with the problems of Cornwall more fully when he replies to the debate.

I should like first to deal with the constraints which the Government faced in giving evidence to the Committee. I must, however, reject any suggestions that, in giving evidence, Ministers or officials withheld information except where required to do so by international obligations, legal considerations or established conventions relating to the disclosure of information to Select Committees. In fact, the Government made every effort to provide as much information as possible to the Committee. In the case of the papers and proceedings of the International Tin Council — to which confidentiality attaches under the international tin agreement and the ITC rules — our delegates twice requested the council to agree to disclosure. Both those approaches were emphatically rejected.

The Committee also criticised our refusal to depart from the principle that advice given to Ministers by officials may not be disclosed. I must make it clear that the instructions given by Ministers and followed by officials in the course of this inquiry were no different from the rules that are generally applicable when civil servants give evidence to Select Committees. These rules are set out in the memorandum of guidance for officials appearing before Select Committees. They make clear the categories of information which officials must not disclose to Committees including, in particular, advice to Ministers. The purpose of such a rule is clear and well understood. It is to preserve the basis of confidence between Ministers

and their advisers. That is necessary for the effective functioning of Departments, and it underlies the basic principle that it is Ministers and not officials who are responsible to Parliament for the activities of their Department. Finally, we were constrained by the fact that the matters under investigation were the subject of legal actions in which the Crown may become involved.

Before I turn to the question of the conduct of the Government in the tin crisis, I shall tell the House the background to this debate.

In 1982, when the fifth international tin agreement expired, the Government had to decide whether to join the sixth agreement. There was considerable reluctance to do so, particularly as the two largest consumers, the United States of America and the Soviet Union, had announced that they would not join. So there was some question as to whether the consumer voice would be fully effective.

On balance, it was decided to continue as members of the ITC. I remind the right hon. Member for Swansea, West (Mr. Williams) that that was a decision the previous Government had equally come to in joining the fifth agreement. That decision was taken, first, because the Government at the time believed that it was in the interests of this country that there should be, as it was then seen, a stable international market in tin; secondly, because the majority of the Community member states wished to join; and, thirdly, it was thought that to refuse to join would have adversely affected our relations with the producing countries. There were also a number of subsidiary reasons in the Government's mind at that time, but it is fair to say that those were the three main reasons why, on balance, the difficult decision was taken to join rather than not to join.

Very early in the life of the sixth agreement the Government became concerned at the lack of information about the operations of the buffer stock manager. The Government made no secret of their concerns about the absence of proper control and accountability over the actions of the buffer stock manager. We tried hard, through the ITC, to establish proper accountability, but were not supported by other member countries. With between only 4 and 5 per cent. of the votes, our power to enforce proper accountability was limited. The nature of these efforts was explained to the Select Committee, and they are part of the published evidence.

The Select Committee was critical, in its report, of what it saw as the failure by the Government to insist on obtaining the necessary information from the ITC to enable everyone to understand what was going on. In my view the Committee was quite right to focus on the issue of accountability, which is one of the main lessons for the future to be learned from the tin crisis. However, with respect, it was wrong to lay the blame for the lack of accountability at the door of the Government. In this context I should like to refer to the Committee's assertion that either Ministers were informed about the crisis, in which case they should have acted, or were not informed, in which case they should have insisted on being so.

I believe that the view that it was within the power of Ministers to insist on having the information needed to foresee the impending collapse is based on a false assumption. It is perhaps not always fully appreciated that the ITC is governed by an international treaty between sovereign states. It therefore operates largely outside United Kingdom law. For example, the Companies Acts do not apply to the ITC. Therefore, it is not a body over which Her Majesty's Government could exercise control, nor even a supervisory function. International bodies of this nature are not subjected to such intervention by the Government of the host country.

The ITC made its own rules and within those rules our ability to obtain information was restricted. We tried hard to get the rules changed, but without success, and there was no way in which, unilaterally, as a member with between 4 and 5 per cent. of the votes, we could enforce our views on the council. Therefore, it was necessary to work on the basis of inadequate information, and the information which was available did not suggest impending collapse. Indeed the level of indebtedness declined between 1983 and mid-1985.

The members of the ITC did not, however, know that the buffer stock manager had been making substantial unpriced forward sales of tin. This meant that any reduction in the tin support price would have led to losses on these forward sales. It was not revealed until after the collapse of the ITC on 24 October 1985, that the buffer stock manager has contracted to sell forward 60,000 tonnes of tin on an unpriced basis.

Mr. Doug Hoyle (Warrington, North): I find it difficult to follow the Secretary of State. Why did the Government not know about that when representatives were there and, apparently, the buffer stock manager was warning all the time of the impending crisis?

Mr. Channon: With respect to the hon. Gentleman, that is not exactly right. I have been trying to explain to the House the great difficulty that Government representatives had in obtaining adequate information from the ITC, although we made attempts to do so, in which we had little if any support from other member states.

ITC members were not informed about the buffer stock manager's unpriced forward sales contracts, nor were full details of the scale and nature of his operations revealed until after the collapse on 24 October. Frankly, that is the crucial point. There was no way that we could discover what the exact position was. That would not have been possible unless the ITC had been prepared to release the information.

I should like to deal with some of the detailed criticisms of the Government's conduct in those affairs. I shall refer first to the warnings to the banks, brokers and United Kingdom tin producers. However, before doing so, I should like to refer to a wider issue that arose in this context.

I very much regret that the Committee thought it fit to criticise a named civil servant. However, I do not propose to discuss that issue today. It relates to questions of general principle, which are best considered in the context of the issues discussed in the seventh report from the Select Committee on Treasury and Civil Service, entitled "Civil Servants and Ministers: Duties and Responsibilities".

Mr. Robin Maxwell-Hyslop (Tiverton): He was useless, and proved that.

Mr. Channon: With respect to my hon. Friend, it is a little unfair for him, in the House of Commons, to attack a named civil servant who does not have the chance to reply. With respect to my hon. Friend, I feel very strongly about the matter. I resent that

Mr. Maxwell-Hyslop: If my right hon. Friend had had the courtesy to instruct his Ministers to give full

[Mr. Maxwell-Hyslop]

information to the Committee, the Committee would have been in a position to attribute blame to Ministers. As it was, he hid behind his civil servant and denied the Committee information to which it was entitled.

Mr. Channon: With respect, I do not agree with my hon. Friend's interpretation of events. I understand how strongly he feels about the issue. I have to say that, rightly or wrongly, I accept responsibility for my Department, and I continue to do so.

No warnings were given by the Government to anyone that the ITC was about to collapse. It would have been most improper to do so as we had no information to suggest, until shortly before the events of 24 October, that such a collapse was imminent. Even in September 1985 the producer countries were reported to have recommended to their Ministers the injection of additional funds in the agreement. Indeed, had the Government issued formal warnings to the banks, brokers and others, we would, by doing so, almost certainly have precipitated the collapse of the ITC. We would have been accused by all other members of sabotaging the agreement while moves to inject new funds into it were under active discussion. In such circumstances, most people would have believed that the Government had acted irresponsibly, and had brought about the collapse of the ITC deliberately.

What both the Bank of England and the Government did was, in response to concerns expressed by the London Metal Exchange, to warn that, if the ITC ran out of money, the brokers could not count on the ITC member countries stepping in to finance any shortfall. We also told the LME that we did not have adequate information about the financial position or the market activities of the buffer stock manager. In addition, in response to a question from the chairman of the London Metal Exchange in June 1985, Department of Trade and Industry officials made it clear that the United Kingdom Government would not unilaterally guarantee the LME brokers against a default by the ITC.

As I tried to explain earlier in referring to the unpriced forward sales, neither Her Majesty's Government, nor, I believe, any of the other member Governments, were aware of the potential scale of the ITC's default. For the reasons that I have given, it would have been entirely inappropriate to give warning either to the banks who were lending to the ITC — most of which were foreign owned — or to the Cornish tin producers. Indeed, Rio Tinto-Zinc has told us that it would have made no difference to its actions even had it been warned at the time when officials met the LME brokers.

I refer now to the Committee's suggestion that the Government's conditional agreement to contribute £50 million to help meet the costs of a solution to the crisis was not sufficient. I hope that the Committee will not mind me saying that I cannot accept that criticism and I find it difficult to understand the basis on which the Committee should describe the United Kingdom's offer as insufficient.

I must emphasise that the Government accept no legal liability for the debts of the ITC. We were prepared to contribute £50 million in addition to an amount proportionate to our original contribution to the buffer stock, which was about 4 per cent., in order to secure a return to orderly trading in tin. That would have been in the interests of all concerned, including the Cornish tin industry and the LME. We believed that, given the attitude of other ITC member Governments, a negotiated resolution to the crisis would not have been possible without a significant additional contribution by the United Kingdom. However, it would have been quite wrong to expect the taxpayer to provide a greater sum when the United Kingdom's share of the funding of the agreement was only 4 per cent. I must reject any suggestions of complacency on the Government's part. We are determined to draw what lessons we can from the failure of the ITC for other agreements of that type.

Even before the Select Committee reported, the Government had begun a study of their responsibilities to other international trading organisations and similar bodies. As a result we are reasonably satisfied that none is likely to develop problems such as those that occurred in the ITC, but they will all be kept under close review. It is not always easy to identify potential liabilities with precision in advance or to quantify the extent of the risk, which may change over time if the role or operation of the organisation changes. But our object must be to minimise those risks and avoid incurring fresh ones wherever possible. We intend to ensure that the operations of such bodies are reviewed regularly, and in considering our approach to future agreements of this nature, that will be one of the factors which will be very much to the fore in the Government's considerations.

The Committee, in its report and in its response to the Government's reply, draws attention to the importance of the tin mining industry in Cornwall. I fully understand — as I think the whole House does — the importance of tin to the Cornish economy, but the problem has to be looked at in the context of a fall in price in tin in recent weeks to well below £4,000 per tonne — less than half the price at which it was being supported under the international tin agreement. Those low price levels are the result of over-capacity and of the large tin stocks left in the market by the default of the ITC, and it may well take several years for the stocks to clear and for the price to rise to a level at which tin production capacity necessary to meet future demands can operate profitably. When considering applications for assistance, we have to make judgments about future market conditions, and we have accepted that decisions need to be taken about the future of the Cornish tin industry before the long-term price of tin is known.

Regrettably, we were forced to conclude that the proposals put to us by the Geevor mine did not offer sufficiently robust prospects of commercial viability to justify the unavoidable risks associated with any such project, particularly in view of the very large sums of public money that would have been required.

Mr. Dennis Skinner (Bolsover): Why do the Government seem to have adopted a different strategy to bailing out companies when they are in trouble from the strategy that they are adopting towards the tin mines? Why, for instance, in 1984 could the Government find £100 million of taxpayers' money to bail out Johnson Matthey Bankers without recourse to meetings other than the secret meeting in Threadneedle street? That was £100 million of taxpayers' money, with no guarantee of anything back in return. In the same year, the Government managed to find £250 million to bail out the bankrupt Common Market. On and on it goes. The Government

seem to bail out the parts of the casino economy that suit them while they do not care tuppence about the few thousand miners who work in Cornwall. How do they manage to come to different conclusions? Is it because their friends in the City have to be looked after but they do not care about miners?

Mr. Channon: I hope that the House does not expect me to answer the detailed points regarding Johnson Matthey. They are wholly irrelevant to what we are trying to discuss in what is inevitably a short debate. I am trying to outline the considerations which we have had in our minds on the tin problem and the work that is going on. My Department has offered to fund a study aimed at seeing whether a commercially viable project could be identified.

The Government recognise that the further contraction or closure of the Geevor tin mine would increase the already high level of unemployment in the Penzance and St. Ives travel-to-work area. In addition to existing measures of assistance made available from 1 July in the Penzance and St. Ives TTWA, a slightly amended version of the business improvements service package of schemes of assistance to small businesses which is currently operated by my Department will be available. This will help the local economy to diversify into activities other than tin mining and tourism. As the House knows, £1 million will be made available for this purpose.

Mr. David Harris (St. Ives): Before my right hon. Friend reaches the issue that is of prime consideration to me and my constituents, I must say that we accept that the initial application was for a large sum of money, and we are grateful for the £1 million that is being made available under the business improvement scheme. However, have the Government closed their minds completely to a contribution towards care and maintenance of Geevor mine for a period of two years? I am told that it would cost £150,000. That would be £150,000 well spent to keep Geevor mine going—to keep the pumps going—so that there is at least hope for Geevor and the people of west Cornwall who depend on it. Will my right hon. Friend address himself to that issue?

Mr. Channon: My hon. Friend raises an absolutely crucial point for Geevor. I pay tribute to him for his efforts on behalf of Geevor and those employed at Geevor.

Mr. Maxwell-Hyslop: We should like the answer now.

Mr. Channon: I shall give the answer now, if my hon. Friend will allow me to do so. The proposal put forward so far, which my hon. Friend the Minister of State will deal with in more detail when he replies to the debate, does not satisfy us as to being able to provide future viability for that mine. As I said a moment ago, I have offered to fund a study aimed at seeing whether a commercially viable project could be identified. I hope that that offer will be taken up.

Mr. Maxwell-Hyslop: Before my right hon. Friend progresses to that, is he aware of a telex sent by an official of his Department which said that the Government would pay to keep the mine dewatered to the end of August? I have seen the telex. Has the Minister not seen the telex, or is he reneging on his own Department's telex? If not, will that money still be paid to keep the mine dewatered to the end of August?

Mr. Channon: My hon. Friend has not described the terms of the telex accurately. The best that I can do, on the whole question of Geevor, its viability and the study that I suggest should be undertaken, is to say that any detailed points which my hon. Friend or other hon. Members wish to take up will be answered by my hon. Friend the Minister of State in the course of the debate. He has been involved in the discussions.

Mr. David Penhaligon (Truro) *rose*—

Mr. Channon: No, I shall not give way again. All I can say is that the interpretation of the telex to which my hon. Friend the Member for Tiverton referred is not one that I can accept, but let us deal with that in some detail.

Mr. Alan Williams (Swansea, West) *rose*

Mr. Channon: I shall willingly continue to give way, but does the House wish me to finish or not?

Mr. Alan Williams: Does the right hon. Gentleman realise that the information for which he has been asked is central to the debate? Many Conservative Members in particular will not know what to say and will not know how to assess what the Government's position is until they have the information that we are now told is to be given in the reply. The Secretary of State should give the information now. Is he saying that he is so little briefed on that subject that he does not know the answer?

Mr. Channon: With respect, the right hon. Gentleman is lowering the tone. I have already answered the question. The telex to which my hon. Friend the Member for Tiverton referred does not bear the interpretation that has been put on it. I have described in some detail the Government's policy regarding Geevor. I have said that we have offered to fund a study aimed at seeing whether a commercially viable project can be identified. Let us hope that that study can go ahead, and let us hope that a commercially viable project can be identified. I cannot go further than that at this stage.

Mr. Penhaligon: I use this rare opportunity to ask the Secretary of State, as opposed to his deputy the Minister of State, a fundamental question which worries many people. Within hours, and certainly weeks, of the original sad collapse, the Government machine made a decision to offer up to £50 million to put the agreement back together. I make no complaint about that. However, eight and a half months later we still have no clear declaration from the Government that they are willing to put money into rescuing some of the tin mines. It is true that they have not said no to all of them. But even now, there is no clear declaration of the sort of money that the Secretary of State is talking about. Will he confirm at the Dispatch Box tonight whether, if the criteria are right, he is willing to give the miners of Cornwall half of what he offered the dealers?

Mr. Channon: In consultation with Geevor, Rio Tinto-Zinc and others, we must try to identify whether there are projects that would be viable. So far, no project put forward for Geevor has been proved to be commercially viable. I have said that we have offered to fund a study aimed at seeing whether a commercially viable project could be identified. The Government are also discussing with Rio Tinto-Zinc the possibility of providing financial assistance to enable its tin operations at Wheal Jane and South Crofty, where about 1,000 people are employed, to continue. There are continuing discussions with Rio Tinto-Zinc to see whether a viable project can be identified.

[Mr. Channon]

In addition, we are considering applications from smaller tin producers in Cornwall. We shall particularly take into account the employment implications and the level of financial assistance necessary in each case but, as in the case of Geevor, we shall need to be satisfied that tin operations in Cornwall would be viable.

I think that the House will agree that the events in the tin crisis have been traumatic for all those concerned — those in Cornwall, those outside Cornwall, those in the tin industry itself, and the communities concerned with tin production.

Mr. Maxwell-Hyslop: And for the Department of Trade and Industry?

Mr. Channon: I am sure that for my hon. Friend it has been. We believe it is essential that we should do everything to ensure that such a position cannot be allowed to develop again. I hope that the House will agree. This will govern our approach to all future potential commodity agreements.

I invite the House to support the Government's motion and to endorse their response to the Select Committee.

7.27 pm

Mr. Alan Williams (Swansea, West): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

"rejects as utterly inadequate the Government's response (HC 457) to the Second Report from the Trade and Industry Committee on the Tin Crisis (HC 305-I); notes that the Select Committee highlights inherent faults of the International Tin Agreement which made it 'catastrophe prone'; considers that the Government failed to monitor these faults and so contributed to the failure of the International Tin Council and thereby to the consequential collapse of tin prices, to enormous losses by Tin Council creditors, to the closure of Geevor Mine and to the severe threat to the whole Cornish tin industry; and dismisses as derisory and pathetic the Government's so-called package of measures to combat unemployment in Cornwall."

With respect to the Secretary of State, the Government's response to the damning report that has come from a Committee on which the Government have a clear majority is pathetic. I recognise that the Secretary of State is not the person largely responsible for the events that we are debating. I know that he must accept the role of head of a Department, and we shall deal with responsibilities a little later. I accept that many of the problems with which we are dealing mere inherited rather than caused by the right hon. Gentleman, but I submit that the Department has caused many of those problems.

It may be improper to make the observation, but, as I look at the number of supporting officials that the Secretary of State has had to bring along with him this evening, I realise just how worried the Department must be. If the Secretary of State carries on like that, we shall soon need a double decker Box for officials. However, that is not surprising, having read the evidence, as most hon. Members have done. There is a three-year catalogue of buck passing, incompetence, inaction, lack of perception and lack of any sense of urgency. Having studied this exercise in ineptitude, I understand how the Department of Trade and Industry blundered into the Westland fiasco and the Leyland debacle. This is in the same category.

What are the consequences of the Department's three years of bumbling and bungling? The brokers and bankers stand to lose sums which cannot be quantified. The minimum is £160 million, but the City claims it will be as much as £600 million. The tin price and the tin market have collapsed. Already there has been the loss of the Geevor mine and we face the possible loss of the remainder of the 2,000-year-old Cornish tin industry. There is the urgent prospect of an extra 2,000 unemployed in Cornwall. Crippling damage has been done to London's reputation as a trading centre. All those consequences arise, in part, from the actions of the Department of Trade and Industry.

Two clear features emerge from an objective reading of the report. First, there has been the refusal, on an unprecedented scale, by a Department to supply information to a Select Committee. The Secretary of State must understand that those of a less generous disposition might feel that that savours of a cover-up or of an attempt to save someone's neck at the expense of another's. Secondly, the collapse need never have taken place. Ministers bear an overriding responsibility for the fact that it happened, as I hope to prove.

The Secretary of State referred to the suppression of information. I supported the setting up of the Select Committee system. I have never seen such a barricade of excuses to justify the refusal to give information which was essential to the work of one of our Select Committees. I shall give just a few examples of the excuses. We were told that the International Tin Council was covered by diplomatic immunity and confidentiality. We were told, "We cannot reveal the advice of officials to Ministers. We cannot give any information on the legal advice given to Ministers because it is wrong to disclose the advice given to clients."

We were told that some matters could not be discussed because they were sub judice and that others could not be discussed because they might be sub judice. Junior officials told us that the questions should be put to senior officials. Senior officials told us that Ministers had told them not to answer. Ministers said they had no intention of giving answers. One is left with the impression that even the luncheon vouchers in the Department of Trade and Industry are listed as classified documents. One could only wish that the Department had shown a less cavalier attitude when dealing with the odd letter or two from the Solicitor-General's office.

The permanent secretary acknowledged the embarrassment, answering question No. 697 by saying:

"I do not believe I have ever been under quite so many constraints in giving evidence to a Select Committee."

That is extremely serious when one considers the scale of the consequences.

Mr. Maxwell-Hyslop: They were self-imposed constraints.

Mr. Williams: Exactly. I shall come to that point.

That led the unanimous report of the Select Committee, in paragraph 13.1, to observe:

"As a result, we have been effectively prevented from discovering all the facts about one of the principal facets of our inquiry: the role of the Government in the crisis."

What is a Select Committee for? The Select Committee system was set up to enable the House to investigate the Executive. It was the check for the legislature on the Civil Service and on Departments. That is what the system is all about.

When a Select Committee Chairman, backed by hon. Members on both sides of the House, tells us that the

Select Committee was not able to obtain the information to enable it to draw proper conclusions on the Government's conduct, surely the House has a right and a duty to be concerned and to probe further. The concept of Select Committees is put at risk and is open to doubt if we allow the Department of Trade and Industry to get away with the absolute contempt with which it treated the Select Committee on Trade and Industry. It was extremely modest of the Select Committee to state:

"it seems unnecessarily obstructive of Ministers".

Even on the limited information revealed — we have been allowed only partial information, the worst bits having been swept under the carpet or kept in the cupboards — the Department and the Secretary of State have every reason to be cautious. In line after line of the evidence to the Select Committee they were pleading the fifth amendment. The evidence reveals without doubt that the Government are guilty of complicity by neglect.

The most damning evidence — that Ministers were aware of the risks before they entered into the agreement — has been endorsed by the Secretary of State. The right hon. Gentleman has given some of the reasons. In question No. 603 a civil servant gave this reply to the Chairman:

"I think the position is that Ministers in the very beginning were warned."

The Chairman asked:

"What is 'the very beginning'?"

The civil servant replied:

"The agreement came into force in June 1982, so before we entered into the agreement officials made clear to Ministers the risks that might be involved in entering it. Then subsequently they told them about the problems they had been having with the operation of the agreement."

That line was developed further by the permanent secretary, the Department's accounting officer, who, in answer to question No. 742, said:

"I think it was evident in 1982 before we even joined the Agreement; if was evident that if Brazil was not a member, and it was a low-cost producer which would be encouraged by the sort of tin prices at which the Agreement was aiming and it would be subject to no constraints in expanded production, it would place great strain on the Agreement. This was amongst the disadvantages of the Agreement which were known at that time."

If those facts were known at the time and it was known that there were grave disadvantages, what would hon. Members' sense of survival dictate if they were Ministers about to encourage the signing of such a treaty? Any Minister worthy to hold the title "Minister" would want to ensure that, having been warned of the risks, he protected the country, our traders and the Government from them. Why did Ministers sign up without obtaining a proper monitoring agreement? Where were the checks? Why did Ministers not demand a system of checks before signing the agreement? They had the muscle before they signed. Where was the requirement to be given adequate information?

The Secretary of State has said that they had much trouble in obtaining the information. As one who on various occasions has had to enter into agreements, I have wanted to be sure about their terms. I doubt that the Secretary of State would have entered into the agreement on its terms. It was incredibly irresponsible to act in that way. It is beyond belief that Ministers could have signed that document with that knowledge without taking safeguards.

In answer to question No. 714, the permanent secretary described the agreement as

"a recipe for an ever-increasing buffer stock . . . . it was necessary for . . . additional reserves to be made available"

He also stated:

"This agreement has suffered from its outset from an inadequacy of resources"

Surely it was suicidal for Ministers to enter into an agreement from which three major producers — Brazil, China and Bolivia — were absent, without ensuring that they built proper safeguards into the agreement. Yet Ministers of the day were not perturbed. Perhaps they should be here today at the Dispatch Box.

The ministerial guilt at the outset is further compounded when we consider the other warnings that came during the lifetime of the agreement. If ministerial alarm bells had not been ringing at the outset, it is bewildering that they were not alerted by what followed. Let us listen to the words of the buffer stock manager in a report which the Secretary of State refused to make available to the Committee but which it obtained from American sources. The buffer stock manager said:

"As we have reported over the last three years or so, the fact that hardly any cash was contributed to the Sixth Agreement was gambling on the good fortune of Buffer Stock operations, and so far the gambling by ITC members has fortunately paid off very well. It is mainly due indeed to our good fortune in the market, ie the increase in the US dollar. One may trust that the severe decline in the US dollar over the last two months will have clearly vindicated our message that the ITC should stop gambling on its good fortune in view of what is at stake, ie the fortunes of the entire tin-mining industry."

The buffer stock manager is saying that he had warned of the same hazards as some of the civil servants had warned at the outset. In that context it is remarkable, in view of what I shall mention soon, to read the evidence by the other Minister of State in the Department, who unfortunately is not here this evening, no doubt for good reasons.

Mr. Maxwell-Hyslop: Before the right hon. Gentleman makes that point, I would much prefer him to inquire whether the United Kingdom delegate, Mr. Lunn, passed the warning from the buffer stock manager to Ministers. It is all very well for Ministers to say that they take responsibility and that civil servants should not be criticised, but if they will not tell the Committee or the House whether the civil servants gave them the necessary information on which they could have taken action, we must assume that the civil servants were even more incompetent than they appear to be.

Mr. Williams: That is an interesting point, because the absent Minister of State had no compunction about trying to pass the blame down the line to his officials, however unconventional that is in terms of normal practices between Ministers and their officials. In answer to question No. 600, the Minister of State said:

"Ministers were not informed."

In answer to question No. 601, he said:

"I am not aware of particular occasions on which Ministers were informed."

In question No. 602, he was asked:

"Do you not find it unbelievable when this sort of financial risk and financial problem was becoming evident that Ministers were not informed? Is that not nearly beyond credence?"

The Minister replied:

"It certainly has proved to be unfortunate."

The Minister has a remarkable flair for understatement. He also seems to have a remarkable flair for inaccuracy or for inadequate memory.

[Mr. Williams]

It is important to remember that evidence was submitted by the permanent secretary which rebutted that claim by the Minister of State. One is bound to ask where Ministers were when that information was coming forward. Do they not read their briefs, or, if they do, can they not understand them? Rip Van Winkle is alive and well and sleeping in the Department of Trade and Industry.

Mr. Simon Hughes (Southwark and Bermondsey): Perhaps he was in his castle.

Mr. Williams: He may have been in his castle. I suspect that that is where he is tonight and that the drawbridge is up.

The permanent secretary wrote a letter to the Chairman and, through the Chairman, to the Committee in which he rebutted, not once but 15 times, the evidence given by the Minister. On 15 occasions between 1 July 1982 and 24 October 1985, reports and briefs were provided for Ministers. It is interesting to consider how they break down. Eight were provided up to March 1984. That is an important date, and I shall return to it. The other seven reports were provided between June and October 1985. So what happened during the 15 months in between? Why did Ministers not receive any reports? If they say that officials did not send them, in view of what the Secretary of State has said about the alarm before they entered into the agreement and in view of the warnings they had already received in 1983 about the inability to provide information, why on earth did no Minister have the nous to ask? As a Minister, one has only to ask and it will be provided. That is the system, but it seems that it did not occur to anyone. Not one Minister, in one of the most overstocked Departments in Whitehall in terms of Ministers — in numbers not quality — bothered to ask. Someone else will pay up to £600 million as the bill for their failure.

Mr. Stan Crowther (Rotherham): My right hon. Friend must not overlook the fact that, although 15 papers were sent to Ministers by civil servants, the permanent secretary would not tell the Committee whether there was anything in them. I asked him more than once.

Mr. Maxwell-Hyslop: Were they in invisible ink?

Mr. Crowther: They may have been. Whether they were in invisible ink or not probably made little difference to the content. I did not ask the permanent secretary to tell the Committee what information was in the reports because of the confidentiality rule. I did not say, "We want to know what is in them." I said, "Will you simply tell us whether there was any information in them at all?" He replied, "Oh, no. That is not a piece of information that I can give to the Committee. That is confidential."

Mr. Williams: My hon. Friend does not appreciate the fact that Ministers set the tone of a Department. As they were not reading the brief, no one else thought it was necessary. The permanent secretary was not being reticent; he was just reflecting the amount of attention that was shown by his ministerial masters. In answer to question No. 627, it was categorically said that Ministers gave no instructions about reports. Yet they had been informed and warned time and again. What were the Ministers of the day doing? The present chairman of the Conservative party was the Secretary of State at that time. What were they doing when all that was happening, when the entire system was rotting and they should have been aware that it was rotting? The tenor of the evidence that came from Ministers was not to deal with the fundamental questions, but contemptibly and outrageously to attempt to pass the buck down the Department, in most cases to the officials. In breach of the normal practices of Ministers, they apparently have never heard of ministerial responsibility.

Mr. Iain Mills (Meriden): The right hon. Gentleman has spoken for 20 minutes about Select Committee procedures and ministerial responsibilities. Will he make it clear whether, had there been a Labour Government in 1982 they would have signed that agreement? If they had, how would they have monitored the subsequent events and at what price would they have supported the price of tin? In view of his strident and sarcastic remarks, does he feel that in such a commodity market the Opposition would have coped any better?

Mr. Williams: I am sorry if the hon. Gentleman thinks I am sarcastic; I thought it was just fair comment. If anything, I am being slightly kind to a Department that has been guilty of unprecedented bungling. It is easy for the Opposition to stand here and say that we would not have signed it, but there is no way in which I would have accepted it. I have served in four different Departments and had the responsibility of making and standing by my decisions. I saved Wheal Jane, which is more than the Government did. I am telling hon. Members that I would not have been party to this agreement without adequate safeguards being built in before it was signed.

Mr. Hoyle: Does my right hon. Friend agree with Sir Winston Churchill, that the person who answers a hypothetical question is a bigger fool than the person who asked it?

Mr. Williams: I am not sure, but I shall plead the fifth amendment to that question.

In his opening speech, the Minister went out of his way to say that we could do nothing because we had little support from other member states, yet everything went quiet for 15 months from March 1984. In March 1984 the eighth session of the ITC, took place. The Canadian representative, Mr. Kepper, said:

"The Council, through a series of non-decisions and unwillingness to address essential issues facing it, has in effect given up control of key provisions in the Agreement. Two of these provisions concern the size of the buffer stock and its financing. The Council has effectively allowed the Buffer Stock Manager to redefine the size of the buffer stock through the use of forward transactions."

The Secretary of State implied that the Government became aware of the use of forward transactions much later. In March 1984, not only was this being pointed out, but the Government had what they said they did not have before — an ally. However, they went back to sleep again, deciding to keep a low profile. They not only had an ally, but they had been given a warning of the malpractice — the forward purchasing — of which they suggested in their evidence, they were unaware until much later.

What representations did Department of Trade and Industry Ministers make to other Departments? Did they alert other Departments at ministerial level, never mind at official level? Did anyone from the Department of Trade

and Industry talk to anyone at the Foreign and Commonwealth Office, the Treasury or the Bank of England?

Mr. Barry Porter (Wirral, South): One wonders whether the Foreign and Commonwealth Office ever talks to the Department of Trade and Industry. Because of the danger of entering into this agreement, when the storm signals must have been hoisted and when no information was forthcoming, I suspect that there must have been other reasons for keeping the agreement going and for the lack of activity. One can only believe that the Foreign and Commonwealth Office was saying, "Do not rock the boat," for other, wider reasons in connection with our relationship with purchaser countries.

Mr. Williams: If the Foreign and Commonwealth Office was saying, "Do not rock the boat," that was more communication between the two Departments than was shown anywhere in the evidence given to the Select Committee. I do not think that the Department of Trade and Industry knows where the Foreign Office is or what it is about, or vice versa. Ministers did not attempt to mobilise other Departments. Did any papers go to Cabinet Committees? Was any attempt made to alert the Government as a whole to the dangers that were present? Did Ministers make any approaches at international level to their counterparts to try to mobilise support? Was it all left to one official, who is now having to carry the can, to have discussions with other officials at a very low level?

Ministers should be ashamed of their record. They are trying to hide, quivering, behind their officials when there is no doubt where the constitutional responsibility lies. Why were no warnings given to those whose money was at risk? The Government, so they thought, were in for only £8 million, in a low-budget operation, and they made it clear that they intended to keep it as low as they could. Others, if we accept the evidence from the City, were in for nearly 100 times as much, yet nothing was done to alert them.

The Department of Trade and Industry's silence and the threat of alerting the other members could have been a sanction used by Ministers against the ITC. If they had gone to the ITC and said, "Unless you come to heel and give us the correct information, we will alert those who are funding the operation"—after all, it was someone else's money—they would have had greater leverage against the ITC. Yet, again, no one asked anyone or discussed anything. Instead, the Government, far from recognising that they are responsible, have tried in their evidence to pretend that they had some form of limited liability under the agreement. Unlike other international agreements in which limited liability clauses exist, no such clause was provided in this agreement. Anyone who has read the evidence would say that there is little doubt that the Government have a moral responsibility, which they should honour.

There is even a question about whether the London Metal Exchange was warned. The Department has changed its position on this. What happened in June 1985? An official said that the Department warned the LME to advise its members. The Department would not have advised them itself, but it suggested that the LME should advise its members that the Government would not stand behind and back any financial losses that occurred.

The chairman of the LME said that that statement was imprecise and worthless. In answer to question No. 877, the Secretary of State said:

"I do not think it was an official warning from the DTI."

Was it an aberration? It think it was the beginning of fear in the Department, the first step in trying to get out from underneath. The Department wanted to have it on record that it had said something. The warm and friendly hand on the shoulder had a blade up its sleeve. The Department was pretending to alert the LME and at the same time to protect itself if the LME later said that it had received no warnings. That is an unbelievable saga of failure and of evasion of responsibility by the Department.

The Department abandoned the bankers and brokers without any misgivings and without any show of conscience. Whether the sum was £160 million or £600 million, it was a devastating blow to the LME. It was also a devastating blow to the credibility of other commodity agreements. What is more, as the report points out, it is an astonishing example to set now, when the debtor nations could take advantage of Britain's precedent and plead that their obligations should be treated in the same way. The Government will say that there are no obligations, but Australia does not agree. The Australian Minister has said that his Government would expect to meet their obligations under the treaty.

Finally, let us come to poor Cornwall, which was ignored until the moment of catastrophe. It is the most innocent party of all in this tragic and avoidable debacle. Cornwall must consider today's debate as a non-event. On 3 June, the Minister of State said that he hoped a decision would be taken on the Rio Tinto-Zinc mine within five or six weeks. That is this week or next week. So why are we having the debate today? Why could we not have it next Monday when the Secretary of State could tell us what he is going to do? Why could we not have the debate on the Monday after that? I am sure that the right hon. Gentleman will be able to tell us then what he intends to do. If I were in Cornwall, I should regard the timing of our debate as ominous and disturbing.

We will not accept that the House should go into recess without a full statement about what the Government intend to do for the Cornish mines.

Mr. Maxwell-Hyslop: I may be able to help the right hon. Gentleman about the timing. The Minister of State said that he could not tell the House what future price he had assumed for tin while his decision on Rio Tinto-Zinc was outstanding. Clearly, knowing what price he has assumed is crucial to our judgment of the decisions for which the Government have called. By having the debate before the decision on RTZ is made, the Minister of State thinks that he can escape telling us what price he has assumed for tin. He would not be able to escape if the debate had been held after the RTZ decision. I hope that I am wrong, in which case my hon. Friend the Minister of State will tell us what price he has assumed.

Mr. Williams: I am reluctant to intervene in these internal doubts and questioning on the Government Benches. It is remarkable what the incident has done to the confidence of Conservative Back Benchers in their Front Bench. It is clear that the Back-Bench Conservative Members do not know what to trust or whether to trust; they do not know whether they are being conned or evaded. The timing of the debate leads me to think that a massive exercise in evasion is going on.

[Mr. Williams]

In the meantime, Geevor has gone, when it need never have been at risk if Ministers had been alert. The rest of Cornwall's 2,000-year-old industry is at risk, teetering on the edge of a precipice, but the Government are not even willing to tell us what they intend to do or allow us to have the debate when we could discuss their decisions.

The Government seem oblivious to the fact that another 2,500 people may be made unemployed in Cornwall, although the cost of keeping them unemployed will be lower than the cost of keeping them at work. [HON. MEMBERS: "Higher."] I am sorry. The cost of keeping them unemployed will be higher than the cost of keeping them at work.

It is a nonsensical situation. The Government do not seem to care about the import substitution or about the impact that decisions will have on a community as isolated as Cornwall if they go wrong. Instead, the Government passed a begging bowl around the Departments and it came back virtually empty. A feasibility study and £1 million is the Government's offer to Cornwall as a sop for abandoning the county's oldest and most traditional industry.

Let there be no doubt that if the Government abandon the tin industry, Cornwall's communities will be destroyed. The young will leave, the skilled will leave and the decision will be a death sentence to many of Cornwall's communities. That is why I do not understand why we are having our debate before the Government are able to announce their decision.

The Select Committee report reveals an unprecedented and unremitting succession of errors of judgment and failures to perceive the obvious. Ministers should come to the House not just in penitence, but immersed in shame for what the Department of Trade and Industry has done. In the words of the buffer stock manager, the Government gambled with the future of the entire industry. The Government lost the gamble but the industry has been left to pay the bill.

8.4 pm

Mr. David Mudd (Falmouth and Camborne): As I shall be following the right hon. Member for Swansea, West (Mr. Williams) into the Lobby, I hope that he will forgive me for not following his remarks. I wholly concur with all of them.

About 300 years ago a former MP for Falmouth was fed up with Whitehall because of its cavalier attitude towards Cornwall and the Cornish people. He stormed out of the Chamber and announced his intention of going straight back to Cornwall, where, he said

"I doubt not I shall find a good cause".

Tonight, a vital cause has come from Cornwall to the Chamber of the House of Commons.

Sixteen years ago, in my maiden speech in the House I accused successive British Governments of having created the best developed negative attitude of any nation towards its minerals industry. Tonight I use even stronger language. Despite the smug, camouflaged red-herring language of the motion, I suggest that there is abundant evidence that the Government were initially reluctant to acknowledge the local implications of the growing crisis in world tin, incapable of appreciating the magnitude of that crisis when it broke and unwilling to act as the economic and human holocaust moved onwards through Cornwall. The Government have been impudent, impotent and incompetent.

As applications from Carnon Consolidated, designed to keep 1,000 miners working at South Crofty, Wheal Pendarves and Wheal Jane, are still being considered, I shall say no more about those applications but that I hope that there will be a reversal of the refusal that has already cost 350 jobs and the death of Geevor.

I hope too, that the Department of Trade and Industry is now a little more geared up than it was on the unhappy afternoon of 14 May when I visited it. At that time Geevor was within three weeks of closure and protective notices had been served at the other three mines. When I asked at the meeting on 14 May what commitment the Government would give, I was told that it was hoped

"that the uncertainty could be talked through as quickly as possible."

I was told that, although the Government would come to their own conclusions, aid would have to fall within EC criteria. Yet 48 hours earlier, a report from the Community had written off the Cornish tin industry. When I asked the Department for the figures against which the possibility of aid would be considered, I was told that at that time — seven months into the crisis — no projections existed on what bracketing of best and worst possible prices aid would be assessed against.

The tin crisis and the tin industry are unique. The crisis, although it costs jobs in Cornwall, is not locally or even nationally inspired. No blame whatsoever can be levelled against the companies or the unions, or against the management or the men. No other British industry can claim to be wholly dominated by external factors, and no other industry can claim a closer and more consistent collaboration between employers, unions and men in cutting costs and in a constant search to increase efficiency and productivity.

Carnon Consolidated has already cut its break-even cost to just under £6,500 per tonne and will reduce that by another £250 per tonne within the next three months — with the possibility of another £1,000 per tonne off that price if it can get the support that it is seeking from the Department of Trade and Industry. In simple terms, £5,250 per tonne from the Cornish mines would undercut a very significant percentage of worldwide producers. South Crofty and Wheal Jane are already listed in the top 20 world ratings for contained tin.

Is there a world need for tin? If there were not, and if it were not a strategic mineral, the United States and the Soviet Union would not be hell-bent on increasing their stockpiles at the present rate. If there were not a need for tin, a demand for tin and a future for tin, I cannot believe that the Government of Malaysia would be using its Primary Industry Ministry as the banker to provide 6 per cent. loans to cover the difference between production costs and the realisation price of tin.

However, encouraging though it may be to look to the world future of tin, let me paint the House a picture of the record in Cornwall which the Government's motion seeks to conceal. Let me remind the House that that is against a local record of unemployment that has already engulfed one person in four.

My right hon. Friend the Secretary of State talked about turning attention to "smaller producers". Let us look at the smaller producers. Cornish Tin and Engineering at Tuckingmill developed a tin flotation

process that made it possible to extract tin oxide from low grade feed materials. At the turn of the year that enterprise and innovation meant 24 jobs. Now the plant is closed. There are no jobs.

Concord Mineral Processors at Tolgus was on the verge of creating 120 jobs, subject to winning a technical appeal on discharges well out to sea. We shall not now see those jobs.

Just before Christmas Medway Tin at Brea was worth £1 million as a company. It developed a new technology to slash processing costs to be profitable even against a low price of tin. In December 1985 it was worth £1 million and had a direct work force of 35, plus 20 subcontractors. Now there are three in that company, including the managing director. The machinery is useless. There is nothing to process. It cannot be sold because mining equipment cannot be given away these days. For two years, against a prospect of nil activity, the company will continue to have to pay rent on the ground that it operates. From December 1985 to June 1986 the value of the company has fallen from £1 million to zero. Now, day by day, it inexorably slides further into the red.

Even Camborne School of Mines, for generations one of the world's greatest centres of research, development and training in new technologies, could become a phantom centre of excellence and academic promise in a landscape of moribund mineral activity.

Against that reality, we suddenly find the incompetent Department of Trade and Industry coming forward, with a new-found boy scout enthusiasm, with its latest helpful idea—one based on ethos rather than experience. It has come up with the idea that not much would be lost if the pumps were turned off and the mines allowed to flood for possible resurrection at some future date.

Mr. Dennis Skinner (Bolsover): What does the hon. Gentleman expect when three Ministers in the Department of Trade and Industry are millionaires?

Mr. Mudd: I am grateful to the hon. Gentleman, but I shall not follow him that closely. I am sure that he will reserve his observations for later in the debate.

If it is the considered view of the Department of Trade and Industry that the water can be allowed to rise in the mines to be pumped out one day and that all will be well, I can only assume that Methuselah is alive and well and is now the Department's special consultant.

The fact is that no major Cornish tin mine has ever recovered after flooding. In the tiny minority where reopening was achieved, it was in the olden days when a Cornish pump stood over the shaft and could be reactivated with comparative ease from the surface. Modern electrics and technological equipment are so many fathoms underground that they would be lost for ever were the waters allowed to cover them.

We Cornish people do not cry out for charity. We are too proud, too realistic and too individualistic for that. To us, employment, often at low rates of pay, is a badge of dignity and responsibility. Tear away that badge and there will be grief, disillusionment and anger. There will be the social consequences of drink, violence and broken homes.

The words that I find most appropriate tonight come from the German protestant pastor, the late Martin Niemoller. He summed up eloquently what I am trying to say. He said:

"First, they came for the Jews. I was not a Jew. I was silent. Then they came for the Communists. I was not a Communist. I was silent. Then they came for the trade unionists. I was silent. I was not a trade unionist. Then they came for me . . . There was no one left to speak for me."

In the House there are no Cornish quarrymen, farmers or fishermen, no Cornish shipyard workers and no practising Cornish engineers. We have been silent as their jobs have been taken away. Now "they" are coming for what is left and we in Cornwall look to the House for help and protection before it is too late.

8.14 pm

Mr. David Penhaligon (Truro): As a non-practising Cornish engineer, it is particularly appropriate that I should follow the hon. Member for Falmouth and Camborne (Mr. Mudd).

If those of us who live in Cornwall, and feel, breathe and are a part of the community, were a long way down the other end of the line listening to this debate on the radio or television, we would have found the first hour of it quite remarkable. We have discussed what has happened and the background to it and I make no complaint about that. The one spark of anger, outrage and anguish that the Secretary of State showed—he may have been justified, I do not know—was when he turned on the hon. Member for Tiverton (Mr. Maxwell-Hyslop), who attacked an innocent civil servant. I know not the background of the argument. It may well be that the hon. Member for Tiverton was outrageous, but one innocent civil servant was given that level of defence by the Secretary of State.

We are talking here about hundreds of innocent Cornish miners. They are innocent to the point of naivety. They are hundreds of miles away from the origin of the crisis. Yet they have to look to the House to resolve their dilemma because they have no one else to look to.

A great deal was made of whether there have been prophecies regarding the collapse of the international tin price. The irony is that the whole strategy of those running the mines in Cornwall over the past three years has been based on the assumption that the international tin agreement could not survive for a great deal longer. Whether it was Geevor, Crofty, Wheal Jane or Pendarves—all in their own way were spending the profits that they were at that time generating on improving their mines so that they could compete in a free market. I do not believe that any of them expected the collapse to take place as suddenly or as far as it did, but the idea that no one was aware, at least at my end of the industry—I speak positively for my end of the industry in this debate—that a collapse was imminent is simply not so.

Well, we are where we are. Eight and a half months have rolled on and at least two Members of the House have made so many speeches here about tin that it is difficult to think of something else to say.

There is a future for hard rock mining in my county. I cannot help but remember that in 1984, in sheer tonnage, we had the largest output of tin that we have had this century. The international price at the moment, of less than £4,000 per tonne, cannot provide the world with the tin that it wants and requires. Therefore, one can with some confidence predict that the price of tin will increase.

It would be interesting to ask the Minister—clearly the Government must have studied this by now in great depth, since a number of us have been shouting at them for about eight and a half months—what percentage of the current world tin output the Department of Trade and

[Mr. David Penhaligon]

Industry believes is being mined profitably at the current international price. [HON. MEMBERS: "None."] I am willing to give way to the Minister. We have some time. What percentage of the world's tin is being mined at a profit? My friends in Cornwall are more modest than those who say none. They admit that there may be one or two mines somewhere staggering on at those sort of prices, but certainly the figures that I have heard suggest that the figure is less than 5 per cent. of the world's output.

Five per cent. of the world's output is currently profitable. Therefore, the international price for tin must increase substantially. I cannot say to the Minister that I know how far or how quickly, but since the Department did not seem to guess that the collapse would be anything like as far or quick as it was, I cannot be blamed for that.

The present mines cannot sustain their position for that much longer and my county wants to know whether the Government are willing to give some money or to provide a building block to re-establish the industry and give it another chance. May I spell out the cost of saying no? It is 1,500 men. By Cornish standards they are well paid, and I make no secret of that. As the hon. Member for Falmouth and Camborne said, the unemployment rate in the area is about 25 per cent. That is the level all the way from the west of Truro to Land's End. That means there are no other jobs for those men. Perhaps one or two may find work, but they will do that only by dispossessing other people.

Some 1,500 men out of work will cost the Government about £6,000 each a year in loss of tax and supplementary benefits. That gives a total of £9 million a year. Next year they will want another £9 million, because the first year's £9 million will have produced absolutely nothing. I know that the arguments are being presented to the Department of Trade and Industry by the companies that keeping the mines open is considerably cheaper than the costs of the first two or three-year closure. I do not know why a little more encouragement could not be given to the local applicants. It will cost the Government £9 million a year to say no, and of course the nation will inherit nothing.

It is worth spelling out what is produced. The mines produced 5,000 tonnes of tin, 7,000 tonnes of zinc, 750 tonnes of copper and 2·5 tonnes of silver in 1984, the last real mining year. That will be lost for a long time. If a mine floods, there is no law of logic which says that it can never be dried out. One thing that I have learnt in my 12 years as a Member of Parliament is that if one wishes to survive one never says never, but we are getting as near to never as I can possibly imagine.

In an odd way, the difficulties of drying out a mine today are more complex than they were 50 years ago. Clearly we have the technology to make it easier, but when the mine floods one destroys much more valuable equipment than was destroyed some 50 years ago. It will cost Rio Tinto-Zinc, the company that owns these mines, a lot of money to shut them. The one redeeming feature for Cornwall is that we know Rio Tinto-Zinc will not go bankrupt and will not renege on the commitments that the Cornwall mines place upon it. It will cost the company a lot of money to close the Cornish mines. I have heard various figures, but £10 million or £12 million is the sort of money that it will cost. The company is saying to the Government, "Why cannot we use that £12 million as a contribution towards giving the mines another chance, as opposed to giving the mines no future whatever?" That is the argument put to the Minister.

It is quite probable that once again the miners in my county will be willing to make a contribution towards saving their mines. Perhaps "willing" is an adjective that slightly stretches reality, but when the crunch comes, I suspect that the miners in my county will be willing to make a contribution towards saving their mines and their future. There is a commitment from the company and the work force, against whom no criticism can possibly be levied. Are the Goverment willing to put the third leg in the stool? The stool cannot stay up unless it has three legs. Two have been provided, but the Government will need to supply the third.

The Cornish mining industry is not looking for charity. The biggest mining company in my constituency — English Clays, Lovering and Poching, or English China Clays, as it is called now — does not mine tin. To be candid, the English part of the title grates on me, but last year that company made a profit of £75 million. I admit that not all that profit came from the claypits in my constituency, but certainly two thirds of it came from there. Some £50 million must have been generated by mining clay in my county.

All we are asking — I suppose that one has to say that, after eight and a half months, we are begging — the Government to do is to use some of that great tax income that they have had from the mining of china clay in one part of Cornwall to make a contribution towards alleviating the difficulties of miners in another part of Cornwall. It is not inconceivable that in 20 years the argument may be the other way round, because in the long run mining is an up-and-down world.

In his 30-minute speech that opened the debate, the Minister said little that was encouraging. The Minister of State, the hon. Member for City of Chester (Mr. Morrison) will sum up the debate and I hope that he will give us a few more details upon which to make a judgment. When I look at the three Ministers on the Front Bench, I wonder which of them is the poorest and which is nearest to the real poverty that my constituents are about to experience if the final collapse takes place.

Can the Minister give us a couple of sums? What does the Department believe the tin price will be in two years? If the Minister does not have a figure for the price in two years, what about three years? I am an optimist, and if the figures do not fit, I will settle for an estimate of the price in four years' time. The Minister must have a figure in his mind. He must have had a figure before he rejected the application for the Geevor mine. Let us hope the Department did not reject it without at least having some figure in mind upon which to base the rejection of that application.

Let us have a figure of what the Government believe the international tin price will be and a clear assurance from the Minister that after eight and a half months someone will have the courage to tell the House that at least half the £50 million that they were willing to give the tin dealers will be used to save the great historic hard rock mining industry in my county. Without that sort of money, the industry will die and will never be replaced. The history of the community will be destroyed, and in the long run Britain will lose an extremely valuable part of its economy.

8.27 pm

Mr. David Harris (St. Ives): The hon. Member for Truro (Mr. Penhaligon) has repeated an inaccuracy and I believe that he knows that it is an inaccuracy. He said that the Government were willing to give £50 million to the tin dealers, but he knows perfectly well that that is not the case. In part at least, that money was to be used to ensure an orderly disposal of this wretched stock of tin that is overhanging the market and has cast such a shadow and brought such devastation to Cornwall. I hope that the hon. Gentleman will acknowledge that that is the position.

I should like to concentrate on the Geevor mine in my constituency, because throughout this crisis it has rightly been my preoccupation. I recognise the wider issues in the debate, but Geevor is my concern and, sadly, right from the outset, it was clear that that was the most vulnerable of all the Cornish mines. It was vulnerable on two grounds: first, because of the geological and mineral nature of the mine, and, secondly, because it was owned by a company that was standing by itself and with its shareholders. It did not have the mighty resources of Rio Tinto-Zinc behind it.

When the people from the media descended in their droves and the television cameras and the newspapers wanted folksy articles, they beat a track to Geevor. We welcomed that, because at least it focused attention on the plight of that mine and the community — that small isolated community of St. Just and Pendeen, just seven miles from Land's End. Apart from Geevor, there is very little else in that area. Now Geevor is to close.

My hon. Friend the Member for Falmouth and Camborne (Mr. Mudd) is wrong. Geevor is not dead. Geevor is closed. The pumps are still working in Geevor. My concern tonight is to try, with all the power that I can muster, to get it into the heads of my right hon. Friends on the Treasury Bench that those pumps must be kept going. That is what the argument is about. We have gone through the agony of the lay-offs. The day when the last shift came up was one fo the saddest days in Cornish history that any of us can remember. Subsequently Geevor's second application was rejected by the Government and the lay-offs were then converted into redundancies. The anguish and uncertainty of the last few months has caused untold pain.

I pay a willing and genuine tribute to the management and men of Geevor. First I pay tribute to the management, in particular to Mr. Ken Gilbert. At times he is not the easiest of characters, at least in his dealings with Ministers and civil servants. However, his only concern during the long months since 24 October when this crisis first burst upon us has been the future of the mine, the men and the community. The board has not done everything that I should have wished it to do, but it has acted from the very highest motives and from a desire to ensure that the mine survives, if it is at all possible for it to survive.

I felt that I could not criticise my hon. Friend the Minister of State when unfortunately he and the Government rejected Geevor's second application, and I should like to say why. The sum involved was very large. Although I wished that it could have been otherwise, I could not say, with hand on heart, that they were absolutely wrong in rejecting that application. However, what I desperately tried to do and what I shall continue to try to do is find a way through the crisis. I wish, as I have wished many times during the past few months, that the Department of Trade and Industry and Geevor could sit down around the table and that the DTI could say, "That is not on, but we might be able to try this, so let us try to do it this way." Throughout these long months that is what has been missing.

Geevor told me during the past week that if the Government will put up £150,000 — a piffling sum — Geevor, from its own resources — limited, goodness knows, as those are now — and from the activities that it will be able to generate, will keep the pumps going for two years. That is a bargain that the House and the Government should not reject. It is a very small sum, but it would keep hope alive for Geevor and for the community. Above all else, that is what the community of St. Just and Pendeen now want. Reluctantly and with a sense of resignation I believe that they have almost accepted that there will have to be redundancies, grievous though they are, as are the implications of those redundancies. I have already referred to the effect of redundancies on the community.

The vicar of St. Just has unfortunately had to carry a tremendous burden for his parishioners. That has played havoc — I hope temporarily — with his health. That is one example of the kind of stress that has been caused to the community and to the families of everybody who worked at Geevor. This House and the Government owe it to the community to ensure that every means is found to enable the pumps to be kept going for £150,000.

I pay tribute to my hon. Friend the Minister of State for his patience and for his efforts on behalf of the industry. He has come in for a great deal of unfair criticism tonight. I pay tribute to him for the many occasions upon which he has willingly seen me and everybody from Cornwall and for all the efforts that he has made. However, I am expecting something else from him tonight — £150,000 to keep the pumps going for two years. I do not care much how he does it. If he has trouble with the rules, regulations and officials, let him find another way round the problem. I am sure that if Governments have a will there is a way. I shall listen with the utmost care to my hon. Friend when he winds up the debate. Unless he can show good intentions and offer some hope to Geevor by providing that amount of money, I am afraid that I shall be unable to support the Government tonight in the Lobby.

8.35 pm

Mr. Stan Crowther (Rotherham): I listened with a great deal of sympathy to the speech of the hon. Member for St. Ives (Mr. Harris). I should feel the same sympathy for any hon. Member whose constituency had been so badly let down by a Government of his own party. In due course we shall see which way he votes. I feel that he may have to vote against the Government, because there is not much likelihood of any positive assurance coming out of tonight's debate. If such an assurance were to be given, I think that we should have heard about it at the beginning of this debate.

I am a sponsored member of the Transport and General Workers Union, which represents virtually the whole of the work force in the tin mining industry. I do not believe that Ministers, however much they may protest their innocence, can escape responsibility for the crisis that has now put all those jobs in jeopardy and, in the case of Geevor, has actually destroyed jobs.

[Mr. Stan Crowther]

What makes the social consequences for this industry particularly serious is its geographical location, a matter to which the hon. Member for Truro (Mr. Penhaligon) drew our attention. Geography is so much against the area in which these mines are located that there seems to be little possibility of new industry being attracted to it and creating jobs on the kind of scale that would compensate for those that are now being lost. In my area of south Yorkshire, which has the geographical advantage of being in the middle of the country and at the heart of the motorway network and of having full development area status, we cannot attract new industry. The unemployment rate in the Rotherham-Mexborough travel-to-work area is 23 per cent. If my area, with all those advantages, cannot attract jobs, the future for parts of Cornwall is very bleak.

What has happened is nothing short of tragic. One of the points which came out most clearly in the Select Committee inquiry was the amazing dedication of the work force to the industry. It is proud of the industry, it is very knowledgeable about it and it is devoted to it. When representatives of the TGWU gave evidence to the Select Committee, I felt a great sense of personal pride because of the quality of that evidence. I was proud to be a member of the same union. It is wrong that the people they represent, who have made a great contribution to the country and who will do so again, if given a chance, should be placed in such appalling difficulties by the machinations of an international cartel.

After we had produced our report, I was somewhat dismayed to find that, even then, the management of both Geevor and the RTZ mines had still not submitted their proposals for Government assistance to the Department. While members of the Committee, trade unions and local authorities were working hard to try to find a way to save the industry, the management did not produce its own proposals for the consideration of Ministers. I was rather upset by what appeared to me to be their dilatoriness.

Mr. Harris: That is a serious point, but it should be said in defence of the management that its difficulty in framing its applications was the same difficulty of the Government in considering the applications, which was the uncertainty about what was likely to be the future price of tin. I have seen the Geevor applications, and I assure the hon. Gentleman that an enormous amount of work went into them. It was not simply a matter of preparing those applications, as some people think.

Mr. Crowther: I am sure that it is not a simple matter and I would not suggest that it is. However, I still think that the management took rather longer than it should have done.

As has been said, it was an extremely difficult inquiry because of the virtual refusal of the Government — Ministers and civil servants — to give us any information. We could not even discover whether they had any information to give us. We have found out many things since then. This is the first time that I have been involved in an inquiry in a Select Committee where we have discovered a lot more things since we produced the report than we did while we were holding the inquiry. For some reason, the publication of our report and the Government's response to it have stirred up something of a hornet's nest and people are now pouring in information that we did not have before.

It is now crystal clear, as a result of information that has come to light, and that was held back from us before, that there has been a gigantic international fraud. I see no other word for it. It is a fraud in which the conspirators are not shady profiteers and speculators but representatives of supposedly responsible Governments. I find that astonishing. The tin mining industry, the brokers and the creditor banks have all been victims of a confidence trick, and one in which the British Government were either a knowing or unknowing participant. I do not know whether they knew. I find it difficult to believe that those who represented the British Government in the affairs of the International Tin Council were so ignorant that they did not know that a massive fraud was being prepared. I am saying that deliberately, and that is the inescapable conclusion from the information that has come to us.

In their observations on our report, Ministers have said things to us that they did not tell us when giving their evidence. Unfortunately, it appears that at least two of the new things that they have said are not true. For example, they say in paragraph 23 that the Bank of England

"advised the ME . . . that they"—

that is, the brokers—

"should not count on the ITC member governments standing behind the ITC if the Buffer Stock Manager were ever unable to meet his commitments."

The chairman of the London Metal Exchange has told us bluntly that that is not true. He has quoted information that we did not have before from confidential minutes taken at the time to prove that what Ministers have told us in their response is not true. That matter will have to be gone into again.

Supposing that it were true, and the Bank of England, on behalf of the Government, warned the brokers that they

"should not count on the ITC member governments"—

which means Her Majesty's Government, along with the others, standing behind the ITC—the ITC consists of its own members because it cannot consist of anybody else—

"if the Buffer Stock Manager were ever unable to meet his commitments."

In other words, if he went into contracts and finished up owing money that he could not pay or he was defrauding the people with whom he was doing business, they should not count on the member Governments to stand behind the ITC.

As I have said, the LME chairman says that that is not true, but if it were true why did the Government say that? The only possible conclusion is that they were already preparing for a fraudulent position to arise. What other implication can there be? They are saying that the Bank of England said to the brokers that if the buffer stock manager had signed contracts with the brokers that he could not honour, and finished up owing million of pounds, the ITC is not to be counted on to do anything about it, although it is his employer. Why should the Government say that, if such a position were not already being planned or at least forecast? We shall need to know about that.

Again, in their response to our report, Ministers claimed that the LME had access to all that was going on and had representatives with the DTI at the ITC meetings. Again, the chairman of the LME simply says that that is not true. I do not like Select Committees being told in Government statements things that are not true, and this will have to be exmined in some depth.

My right hon. Friend the Member for Swansea, West (Mr. Williams) has already mentioned the rather remarkable statement from the Minister in answer to question 600 when he said that Ministers were not informed about what was going on. However, the civil servant referred to, Mr. Lunn, later on in the same sitting of the Committee said something different. He said that Ministers were frequently informed, especially the Secretary of State. It was difficult for us to discover the true position. It is hard to believe that Ministers did not know what they now tell us the Bank of England knew. If the Bank of England knew it, why did not Ministers know it? These mysteries remain.

When I heard about the debate, I thought that the Government would announce some assistance for RTZ. I thought that they would not have given us a debate in Government time unless they had some goodies to hand out. I now share the fear that has already been expressed that the fact that they have not announced any advantage to RTZ may mean that it will not get any assistance and it will go the same way as Geevor.

Sooner or later, the country must have a Government who will stop this endless running down of British industries, which has gone on for far too long. Sooner or later, we must have a Government who are prepared to adopt policies to stop this pattern. I fear that it will not happen before the next general election but it must happen then because it will be our last chance to be once again a great industrial nation.

8.48 pm

Mr. Kenneth Warren (Hastings and Rye): What magnificent speeches we have heard from the men of Cornwall tonight. I was proud to be in the House when they made those speeches, from both sides of the House. I hope that my right hon. Friend the Secretary of State and my hon. Friend the Minister heard them not for the party politics but for the representations of how people feel about not just the tin industry but all industry and our concern for it.

The report from the Trade and Industry Select Committee was unanimous, and I ask my hon. Friend the Minister to understand that. It came after some careful hearings. When one seeks to catch your eye, Mr. Deputy Speaker, it is to make an apt speech that one wants to make. Tonight I do not want to make this speech, but I have to make it.

The Committee made the decision to investigate this matter of its own choice. My hon. Friend the Member for Tiverton (Mr. Maxwell-Hyslop) was instrumental in making sure that we seized on the need to investigate the crisis, but it was my right hon. Friend the Prime Minister who said that the House

"recognises the competence of departmental Select Committees of the House of Commons to consider issues raised." — [*Official Report*, 15 January 1986; Vol. 89, c. 1090.]

So the endorsement of my right hon. Friend the Prime Minister is behind this inquiry, as it is behind every other Select Committee inquiry.

It is regrettable that we have seen the time bomb explode. The time bomb was built into the 1982 agreement which should never have been accepted by the Government. With Brazil, China, the United States outside the agreement, it was only a matter of time before it destroyed itself. Indeed, it is remarkable that in the Government's reply to the Select Committee report we were accused of obtaining documents from the United States Government under their freedom of information legislation. Unfortunately, that was not the reason why we got the information. It was because the United States' Government were still on the circulation list of the last tin agreement as nobody had bothered to cross them off. That which is marked confidential in the United Kingdom, is not confidential in the United States.

Difficult problems arise for me when I receive letters such as I have received today from an eminent City banker with a strong record of work and devotion to the Tory cause. He said:

"We are deeply shaken at the change in Her Majesty's Government's position from one of accepting obligations to help aggrieved parties to one of denying all issues, as has been made clear both in the Government's reply to the Select Committee and in private conversations this bank has had with the Government."

I turn to the broad problems facing the Department of Trade and Industry on the eve of the 'big bang'. I am worried that at best the Government's position appears not to be relied on to favour enterprise and a free market. At worst they tell the country that market forces rule and that if one lives to regret it, that is one's loss, whether it be one's job or savings. If that is not the case my right hon. Friend the Secretary of State must demonstrate in this one vital industry that he can rise above the mere dogma which too often appears to be behind Government policy. I cannot believe that the Governments of France, West Germany, Japan and the United States would allow one of their key industries to go to the wall as we are doing.

My right hon. Friend the Secretary of State may say that this is unkind of me, one who has loyally supported the Government for many, many years. I could not believe that they would come to this style of government regarding industry. I have had a lifetime in industry and I now believe that we are sapping the will of business and industry to succeed. This is a test case and we could easily devote limited resources to a cause which is essential to us. We must get tin from somewhere. In 18 months the buffer stock will have been used up. Where will the tin come from? What about import substitution? Are we willing to pay £25 million a year for that? Is it not better to do the sums and look across the the Departments of Health and Social Security, of Employment and of Trade and Industry to analyse how much it will cost in value terms to keep those men in their jobs now? In 18 months we shall need every one of them to help us.

We should not believe that we cannot do anything. The Department of Trade and Industry is supposed to be a Department of enterprise. It is not acceptable that Ministers should have instructed their most senior civil servants—men of considerable ability such as Sir Brian Hayes, the permanent secretary, and Mr. Murray, both of whom have demonstrated their effectiveness—to appear before a Select Committee and not to answer questions. Mr. Murray had to remain silent while flanked by two Ministers who did not rise to defend him, and Sir Brian Hayes said:

"Whether or not I gave advice is advice itself",

and therefore would not answer the question. It was a parody of "Yes Minister" and a farce. Indeed, it was less funny than "Yes Minister".

It was not until we concluded our inquiry and people saw the standard of information that we had been given by the Government that information began to fall off the

[Mr. Kenneth Warren]

backs of lorries by the skipful. People said that they were fed up with confidentiality which was costing them their jobs and savings, and that they wanted to be heard. It is regrettable that the concept of the "word is my bond" of business and the City must be broken for the truth to emerge.

Indeed, warnings about the tin stock went back to 1982. The position was not new. It was not a case of the Government signing an agreement and telling everyone what the agreement was. One of the documents tells us — I am willing to place this before the Select Committee, if it chooses to reopen the inquiry, as it may do:

"We now learn from ITC documents that, because not all the countries invited to participate in the 6th ITA actually signed the treaty, the normal buffer stock was established at 19,666 tonnes . . . This important fact was never made public."

If it was not made public and people were invited to invest in the agreement, what were the standards to which the Government were working within that agreement? The document continues:

"you might think that the omission to publish that fact was a fraud on those who were engaged in business with the ITC."

I understand that that will be challenged in the courts.

The position was even worse than that. The statistics were manipulated and at best the member states did not understand and at worst, what they understood, they chose to ignore. Another confidential ITC document, the report dated 8 November 1985, which was prepared for the ITC by its auditors, Peat Marwick Mitchell, stated that the existing contracts of the manager were not for about 19,000 tonnes but for more than 63,000 tonnes. Unfortunately, the auditors did not know all the facts and the ITC's total risk position was 120,819 tonnes. That is ludicrous. There were 15 billet-doux or, as my hon. Friend the Member for Monmouth (Sir J. Stradling Thomas) said billet-don'ts. I am delighted that my hon. Friend is doing well after his recent accident and we look forward to welcoming him back. We shall never find out what they said.

One thing is certain—exposure of the Government is much greater than the Government appreciates. What was thought to be £100 million is probably £600 million. One wonders what happened to those billet-douxs and billet don'ts. Miss Edith Jones, an excellent lady who gave evidence to the Committee, was moved from her job. Why was she moved at a critical time when the Government were having trouble with Malaysia on international student fees? That strange country has featured in the newspapers during the past 24 hours most unfortunately. The previous Committee did a great deal to try to remedy the "Buy Britain Last" slogan of Malaysia by publishing a report on Trade in ASEAN. There has also been a battle over Concorde flying rights there. Were we listening to the Foreign and Commonwealth Office and not to the Department of Trade and Industry about the international tin agreement? Now we have neither Concorde flights nor an international tin agreement.

On 1 July the Governor of the Bank of England kindly wrote me a letter. I had written to him saying that the Government had told me, properly, that the Bank of England knew all about the matter and that I should ask it. The Governor replied:

"we always work on the assumption that a Committee of the House of Commons will tell us if they want to see us or to receive evidence from us; indeed, we were not aware of any precedent for an organisation like us taking steps to initiate an appearance before a Committee."

I could tell him that the Kerrier district council and the TGWU in Cornwall heard the shouts of tin miners as they marched through the City and that if the Governor had had his window open, he too would have heard the shouts of those miners appealing for help. It is not at all satisfactory that the Government should place the Bank of England — and the Bank of England should seek to place the London Metal Exchange—in a position where it is all their fault but nothing to do with us.

The tin mines of Corwall are a strategic industry for this country. While all recognise that, why did not the Government tell the London Metal Exchange exactly what was going on? The Government's answer is that the LME must have known because two of its members were trotting around with the DTI into all the meetings of the International Tin Council. However, in these documents that keep coming to us in skipfuls, we discover that these two members were required to be there as advisers to the DTI and were not allowed to tell the LME what they heard. Furthermore, when money was mentioned, they were thrown out of the meetings.

Given the Government's reply, my right hon. Friend will understand the scepticism of the Select Committee through the words of hon. Members who have already spoken as well as others who will no doubt do so.

We should listen more clearly to the words of the London Metal Exchange. Mr. Jacques Lion wrote to us on 24 June in a document circulated to the Select Committee and said:

"If the DTI had fully appreciated the situation in June 1985 (and it claims to have done so even earlier) why were there not high level discussions and consultations taking place between the Government, Bank of England, LME and Banks to try to avoid or mitigate this disaster? It is absolutely incredible that the UK Government, with great influence and large resources at its command, simply issued a few delphic warnings and then sat back and waited for the time bomb to explode".

It may be argued, "Well, of course, there are no precedents." But a report on Concorde was published by the predecessor Committee of which I am now Chairman, in 1981-82. Paragraph 265 on page 68 showed that the Government accepted that it was far better to keep 3,000 Concorde workers in work than it was to put them on the dole. The sums were given, and all the arithmetic shows quite clearly that whatever the merits of Concorde, the Government of the day looked across the DHSS, the Department of Employment and the DTI and said that it was better to keep those men in work producing things that other people would need than to put them on the dole.

There were 3,000 of those workers—there are only 2,000 Cornish tin miners. The precedent exists. I hope that the Government will listen. As the hon. Member for Truro (Mr. Penhaligon) pointed out, it is cheaper to keep them at work than to throw them on the scrap heaps and slag heaps of Cornwall.

In a case such as this, one might ask what a commercially viable project is. In 18 months the world tin stock will have run out, and more will be required. I regret that tonight I doubt whether the Government will secure my support in the Lobby. But I appeal to my friends in the Government to look again and again at this sad and staggering situation. It goes far beyond the world of tin.

I hope that they will see through the mists of silly secrecy in which this inquiry has been enveloped. They should understand that this House must have the truth from the Government at all times. Ministers must prove that civil servants are not hiding from the truth or from Ministers. The only and essential truth is that Ministers must go from the House and find for us all in Cornwall—in city and country—a method of bringing together the institutions and the people to make a success of the tin enterprise. This is a test case for the Government. They should hear those who are now crying to them, even if they do not support the Government in the Lobby.

9.3 pm

Mr. Doug Hoyle (Warrington, North): It is a pleasure to follow the hon. Member for Hastings and Rye (Mr. Warren), who is Chairman of the Select Committee of which I am a member. On both sides of the House so far there seems to be a clear understanding that the Government have not given us all the information that they should have given. Indeed, I go further and say that if the Secretary of State's opening remarks are anything to go by, they have been very shifty. The right hon. Gentleman was either ill-briefed, or he was no more prepared to tell the truth now than he was during the Select Committee inquiry.

An important principle is involved — the work of future Select Committees. It cannot be stressed often enough that we were not after the advice given to Ministers or what they did about it. We wanted the information given to Ministers. That was refused to us, and that is the charge that we make against the Government.

If the Government are not prepared to be influenced by Opposition Members, I hope that they will be influenced by the number of Conservative Members who have said that they cannot support them. Some of them have gone even further and said that they will vote against the Government.

The reality of what we are discussing is known to us all — the crisis that has been created in the tin mining industry — and that reality comes home to us all when we talk about Cornwall. People in Cornwall are being thrown out of their jobs. As we have heard from hon. Members who represent constituencies in Cornwall, these people are suffering.

Why did this crisis happen? We have not received an adequate reply to that question. To find the answer, we must consider the level of the buffer stock. The ITC buffer stock was 30,000 tonnes and that was financed by contributions from member states. Therefore, we start with a basis of 30,000 tonnes. To that must be added 20,000 tonnes financed by the borrowing on the security of tin warrants or on Government guarantees. The total stock should therefore have been 50,000 tonnes. It is evident that that was not the position. It is also clear that nothing was done to correct that position. The council was allowed to make other arrangements to supplement these resources.

We heard in the Select Committee from the Department of Trade and Industry that the Government's contribution amounted to the cost of 19,666 tonnes. I suggest that the arithmetic is wrong. The figures do not add up. When we consider the Government's contribution of 19,666 tonnes, it is evident that 27,700 tonnes were bought from the buffer stock of the fifth international tin agreement. After that, there were only 11,900 tonnes to be bought. This is where the arithmetic does not add up. The buffer stock manager told the economic and public review panel that he had bought on the strength of the contribution for 19,666 tonnes. He therefore exceeded the limitation.

That is only part of the story. We now also know that it is almost certain that the buffer stock manager was not content with that. He was buying far more tin—and this is the important point—than the ITC had funds for. Indeed, 120,000 tonnes was at risk including 50,000 tonnes sold on "unpriced sales". Obviously these stocks were not sold. In the light of that, the buffer stock manager said that the idea of buying only as much tin as there were contributions was both impractical and untenable. However, we know where this folly has led. It has led to the crisis and to some of the good people of Cornwall being put on the scrap heap.

Someone must answer for this. Someone must be responsible. The Government have said tonight that they did not know—we had no means of determining in the Select Committee whether they did or did not know—what was happening, but doubtless they knew about the shortage of subscriptions to the sixth ITA. We have heard that the Ministers did not know about the borrowing and lending activities of the buffer stock manager which I have just described. I find that difficult to believe. The facts that are available show that the possibility that the buffer stock manager was borrowing tin other than on tin warrants without authority from the council was, as the hon. Member for Hastings and Rye has said, suspected as long ago as 1982. It does not add up for the Government to claim that they had no knowledge of what was happening when it was suspected as long ago as 1982. Either the Government did not know what was happening in the Department or they did know and chose to ignore what was happening.

We know that the United Kingdom delegates were told not to press for more information as that might prove counter-productive. The hon. Member for Hastings and Rye has speculated on some of the reasons for that advice. Nevertheless, the information existed, so how can Ministers tell us that they do not know? According to Sir Brian Hayes, the Permanent Secretary to the Department of Trade and Industry, there were 15 reports to Ministers between 1982 and 1985. We do not know what was in them, but we know that they were made. I should have thought that it would have been prudent for the Government to have taken some action on the basis of those reports.

I do not believe that it is any use putting the blame on the London Metal Exchange. The Bank of England's advice was that the LME should not expect the Government to stand behind the International Tin Council if the buffer stock manager was unable to meet his commitments. A Bank of England letter said that, in the event of the buffer stock manager's funds becoming exhausted, it should not be assumed that any Government would step in with additional finance. We now have skip loads of such letters. They are adding to the rubbish that is part of the other clean-up campaign which the Prime Minister has initiated. We heard from the LME that it did not take the Bank of England's advice to mean that the Government would not stand behind the buffer stock manager's current contract. There is something gravely

[Mr. Doug Hoyle]

wrong there, and it should have been gone into. We now learn that the LME representatives were not representatives or party to some of the most important decisions.

This is a sorry tale. It will not do for the Government to shelter behind their civil servants, saying that they were given the wrong advice, that they knew nothing or that they should not be blamed because it is just one of those things. That is not the behaviour of a responsible Government. Somebody must accept liability. The Secretary of State did not try to provide any answers. In spite of the Select Committee's difficulties, it is clear that action should have been taken far earlier.

We cannot escape the fact that responsibility must lie with the Government. I am pleased that the Minister for Trade, who should bear responsibility for the dealing with the ITC, is on the Bench. I should like to hear his explanation. We know about the problems in his Department and that there have recently been resignations. I quite understand why it does not want any more, but he is the Minister responsible, and he should give us some explanation about his conduct. Why did he not act? Why did Ministers prevent civil servants from giving the Select Committee the information that it needed?

The Government should take on board the fact that the Select Committee report was accepted by all members of that Committee, Conservative as well as Members of the Opposition. I will go a little further than that. All the Members of the Committee felt that the special report, which was issued after the reply we received from the Department of Trade and Industry, was an inadequate response, had not been thought out and did not answer the queries we put to them. That should be worrying the Government. They should not be taking flippant regard of what the House is expressing tonight — I am not suggesting that they are—because it is serious. We are now facing a House of Commons in which it is said that nobody bears responsibility for this kind of crisis. That is not good enough. Ministers who are responsible should accept that responsibility.

I am sorry that we will not be hearing tonight from the Minister responsible for the civil servants who attended the ITC. I am sure that this is not the end of the matter. It cannot be washed away in this fashion. Sooner or later I hope that we will get the truth about what occurred and the truth as to why no action was taken sooner, why no warnings were given and especially why the tin producers of Cornwall were not warned. I am sure that if such action had been taken something could have been salvaged from the mess we find ourselves in tonight. We are facing the possibility that tin mining might be coming to an end. We cannot allow that to happen. The Government should take some action to help protect Cornish tin mines. Also, some Minister should be prepared to accept responsibility for the mess we find ourselves in.

Several hon. Members *rose*——

Mr. Speaker: If the four hon. Members who are now rising speak for about eight minutes each, I shall be able to call all of them and still leave adequate time for the Minister.

9.17 pm

Mr. Tim Smith (Beaconsfield): Since the buffer stock manager ceased operations seven months ago I have followed developments in the tin industry with growing concern. Important issues of principle are at stake. Apart from the legality of it, which is a matter for the courts, it is totally unacceptable that 22 member states should simply have abandoned the international tin agreement. As the Select Committee said:

"if prosperous countries walk away from their collective debts because of a cloak of immunity, there can be no reason for us to expect poorer nations to pay their debts."

The Government have said in reply that they would be concerned if the failure of the International Tin Council was to be taken as a precedent by any country. Of course it is a precedent. It is a precedent for every country and for every international trade agreement. It is also a thoroughly bad example to set the City of London.

Reading between the lines, I am clear enough about what happened. Before October 1985 all those concerned — the member states, the banks, the brokers and the producers — believed that the council had unlimited liability. If it ceased to trade, it would pay its debts. It was a gilt-edged agreement because sovereign Governments were parties to it. Its debts were sovereign debts.

I am sure that that was a widely held assumption. It was only after October that Governments backed away from it. If they had always taken the view that they had no liability, they should have said so earlier. In that case, the agreement would have been stillborn, for no one would have dealt with the manager. That is why it is so disingenuous of the Government to say that they warned the metal brokers via the Bank of England that they should not count on the member Governments standing behind the Council if the manager were ever unable to meet his commitments, but that they could not have given a similar warning to the banks or the Cornish tin industry because it would have precipitated a crisis and probably the collapse of the buffer stock operation. Had the brokers actually been warned—it is clear that they were not—they would have stopped dealing with the manager at once and the buffer stock operation would have collapsed.

The fact is that the operations of the manager had got completely out of control. He was in breach of the articles of agreement and he was gambling with other people's money. It was double or quits. For a remarkably long period he kept on doubling, even after his stock was exhausted. In the end he quit, leaving a trail of gambling debts behind him.

He was able to get away with it for so long because his operations were secret for good commercial reasons. There was no way in which those dealing with him could know that he was acting so recklessly. Had they known they would simply have stopped dealing with him and the crisis would have been precipitated that much earlier, but they would still have assumed that the council would pay its debts. They would have reached that conclusion after examining the public documents—the agreement itself, the headquarters agreement and the order of 1972. A study of those documents discloses that the council had legal personality, that the council enjoyed immunity from suit, and that the manager had authority to operate the buffer stock operation on behalf of the council.

The council existed under a United Nations treaty with the objective of carrying out the political, social and economic objectives of the member states, which declared their intent to support a minimum price for tin by a buffer stock operation. There was nothing in the agreement that limited the liability of the member states. It was a

reasonable assumption that if member states, joined by international treaty, were determined to implement certain objectives, that were largely political, using a buffer stock operation, those member states would ensure that the resources and facilities of the manager were sufficient and adequate to carry out those objectives in a manner consistent with international commercial conduct and accepted international standards of sanctity of contracts.

Article 21 of the sixth agreement provided that the council was to maintain a normal buffer stock of 30,000 tonnes, funded at all times by Government contributions, and an additional buffer stock of 20,000 tonnes, maintained by borrowing. In other words, the paid-up share capital of the council was to be 30,000 tonnes of tin and the maximum borrowing permitted was to be limited to the amount required to purchase 20,000 tonnes. The gearing ratio was established at 3:2. Now we have heard from hon. Members on both sides of the House that, in fact, not only was the permitted buffer stock lower—it was 19,666 tonnes because not all the countries invited to participate in the agreement signed the treaty—but in any case the buffer stock manager easily exceeded the 50,000 tonnes of buffer stock on many occasions in the three years of the agreement.

The situation was made even worse because the member states did not proportionately reduce the borrowing power of the council to maintain the gearing of 3:2, but instead maintained the same borrowing level, which completely distorted the gearing ratios approved by the agreement. From the very outset, therefore, third parties dealing with the council had no idea that the gearing of the council was far worse that that authorised by the agreement. Notwithstanding the limitations imposed by the agreement on the total tonnage of the buffer stock, the buffer stock was allowed to exceed those limits on many occasions during the life of the agreement.

The overall picture of what actually happened discloses a lack of political will in the face of mounting evidence of financial collapse. The member states had to lower the floor price to a more realistic figure or provide the manager with additional resources, or proceed to an orderly closure. As they would do none of those things, in order to carry out the policy imposed upon him by the member states the manager had to resort to questionable trading practices and manipulation of statistics.

In a paper prepared for the European Community working group on commodities in December 1982 by the Department of Trade, there was an analysis of the obligations of the manager and the manner in which those obligations were being evaded or ignored. The paper requested the Community to instruct its spokesmen to put certain questions to the executive chairman of the council at the meeting to be held in December 1982. After describing certain operations conducted by the manager, the paper concluded:

"The manager has no powers to engage in it"—

the transaction—

"since the tin in question will not be tin forming part of the buffer stock and the operations will not constitute a buffer stock operation of a kind authorised under the agreement and he has no authority to purchase tin except for the buffer stock".

At the second meeting of the council, held in London in September 1983, the Australian delegate expressed concern about the

"continual reports being received from the buffer stock manager indicating that the situation of buffer stock operations was very delicate and there was even a risk of total collapse".

At that same meeting the manager referred to previous reports in which he had requested the council either to give him new resources by new contributions or to provide resources in other ways. Also at that meeting, the delegate from Norway was reported as having said:

"The manager had time and again warned the council that unless . . . measures were taken, the very existence of the International Tin Council would be threatened."

The report of that meeting also records the fact that by September 1983 eight countries had still not paid outstanding contributions of £12·4 million. It is no wonder that the council was short of capital. That was another fact that was not disclosed to those doing business with the council.

Other examples have been recited during the debate of how, at meetings of the International Tin Council, the position was made entirely clear that the buffer stock manager was continually operating in extremely difficult circumstances. The member states knew that the manager was acting in excess of the authority given in the agreement. There was no attempt to curtail his activities. The member states knew what was happening and they allowed it to continue.

In the interests of time, I shall conclude without reciting the other examples that I had intended to recite which show clearly that the Government knew throughout, from the meetings of the International Tin Council, exactly what the position was. The council documents speak for themselves. All member states knew what the position was. They knew that the manager was exceeding his authority and that he did not have the money to pay his debts. That can mean only one of two things: either the member states knew and accepted that they would have to put up additional financing to meet the obligations of the manager as they fell due, or, alternatively, they knew that they would not or could not put up those funds, in which case the manager and the delegates had participated in fraudulent trading. There is no other answer.

When the manager ceased operations, the Government did try hard to secure agreement on refinancing. Ministers responded with commendable speed to the crisis. On 1 November last year my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan) issued a statement in which he declared the objective of the United Kingdom Government to be

"to enable all legal commitments outstanding at 29 October 1985 to be met."

The implication was clear. The Government accepted a legal obligation to put up their share of the council's debts. I hope that they will now, once again, take the lead by accepting their responsibility in this regard and pressing other member states to do likewise. The EEC presidency offers an opportunity to take a lead. At a time when the Government are promoting higher standards in the City through the Financial Services Bill, nothing less will do. A precedent has been created and an example must now be set.

9.27 pm

Mr. Tim Brinton (Gravesham): I support so much of what my hon. Friend the Member for Beaconsfield (Mr. Smith) has said that I need not speak for long. My constituency is in Kent, not Cornwall. I have listened with

[Mr. Tim Brinton]

admiration to the fluent advocacy of hon. Members from Cornwall making the case for the miners and the mines that are in such peril. A company in my constituency is very important to me. As an employer in my constituency, which has an unemployment rate of 18 per cent., Britannia Refined Metals Ltd., through a wholly owned subsidiary, burnt its fingers considerably. Some hon. Members may feel that those who chance their money are not in the same bracket as miners in Cornwall, but I remind hon. Members that without their money, my constituency will not have so many jobs if that firm fails.

I shall summarise what happened to the company Henry Bath and Son. On 24 October 1985 the company purchased, on behalf of the buffer stock manager, 2,000 tonnes of tin at an average price of £8,680 per tonne. At the LME "ring-out" price of £6,250 per tonne, the company is owed £4·85 million, plus loss of interest, plus costs. If the "ring-out" price is struck down in the course of next year, the debt owed by the ITC to the company will increase by a further £5·14 million, taking today's price for tin of £3,680.

If one were dealing commercially that could be accepted, but as a non-expert in such technical and highly skilled fields I have listened tonight to a story which I, as an amateur, can only describe as a story of carelessness and recklessness. Above all, it is a moral issue. The Government must bear moral responsibility, at least for their part in this disaster.

I am a free market man and I cannot for the life of me imagine why we thought of signing the sixth international tin agreement. It seemed to be outside the Government's perception, but we signed it. Information came and went. I have served on a Select Committee and know of the difficulties sometimes faced in obtaining information. It is clear from what I have heard tonight and what I have read that warnings were given and that the Government, the Department, Ministers, the Bank of England and almost everyone in the City concerned with this matter knew that something was rotten in the state of tin.

On 5 May *The Times* reported that the British representative at the United Nations, Sir John Thomson, said that it was not right for the United States or the Soviet Union to breach their international obligations by withdrawing part of their contribution to the United Nations budget. He said:

"It is not acceptable or right for the superpowers to set such a poor example."

Those words are appropriate tonight.

9.30 pm

Mr. Robin Maxwell-Hyslop (Tiverton): Three issues are before the House in only a three-hour debate—the fate of Cornish tin, the events leading up to the collapse of the international tin agreement and the Government's activity, or inactivity, and responsibility.

It is all very well for Ministers to say that critical references should not be made to civil servants but, beyond a shadow of doubt, Mr. de Koning, the buffer stock manager, was dealing fraudulently. It was evident to Government representatives that the buffer stock manager was trading outside any authority and beyond his resources. The Select Committee was entitled to know whether that was reported by the Government's representatives, Mrs. Jones and then Mr. Lunn, to Ministers. If Ministers want to exculpate their civil servants, instead of merely saying, "I accept responsibility" — a meaningless utterance — they must tell us whether they were aware that the buffer stock manager was trading fraudulently. Either they were or they were not —there is no third choice.

It is no good Ministers saying that they had 15 reports if those reports merely had the date at the top of the page and stated, "I attended a meeting on behalf of Her Majesty's Government," and were signed either my Mrs. Jones or Mr. Lunn. That is meaningless. The House needs to know whether the civil servants concerned reported to successive Ministers that the buffer stock manager was trading fraudulently and that he was entering into commitments which he had no resources to honour. If a company did that, its directors would go to goal. In doing that, the credit of tin producers was put at risk because they were selling metal at the London Metal Exchange price—the future price. They therefore borrowed money from their banks in the certainty, as they thought, that money for the tonnes of tin sold would be coming in at the LME price.

Mr. de Koning did not undertake his trading secretly. We received ample information, despite the Government's attempts to ensure that we did not, to show that the buffer stock manager was worried about what he was doing. He made sure that the representatives of the 22 signatory Governments, including the United Kingdom — Mrs. Jones and then Mr. Lunn — knew what he was doing. Either those civil servants reported the facts unambiguously to Ministers and ensured that they knew, so that they could take appropriate action or they did not do so. The Select Committee was entitled to be told whether they had done so. This is nothing to do with advice; this is about facts.

My right hon. Friend the Secretary of State referred to a memorandum. Hon. Members may care to look at the Procedure Committee report and compare that memorandum of guidance with civil servants to the memorandum given to the Select Committee by Sir Richard Barlas, whom many regard as an authority beyond question. Those of us who studied Sir Richard's performance right up to the time when he was Clerk of the House would have no hesitation in preferring his written evidence to that of an anonymous memorandum which does not constrain civil servants.

Moreover, Ministers have ample authority to release their civil servants from any constraints in the interests of a Select Committee, which is reporting to the House, ascertaining true facts, without which Select Committee reports can be misleading and unjust in their criticisms.

Only truth leads to justice. If truth is concealed by a Minister saying, "Only I will answer; I will not permit my civil servants to do so," and then refusing to answer, the House and the Select Committee will be frustrated in getting at the truth.

Many people know little of mineral mines. Some are apparently concentrated within the Department of Trade and Industry. They believe that mines flood with pure water. In fact, they flood with salt water—as in the case of Geevor—and they flood with highly acid water—as in the case of South Crofty, Wheal Jane and Pendarves —which will destroy the entire electrical systems of the mines and even destroy steel rails in next to no time.

There is no question of a mine filling up with water and being pumped out. Inundation renders the levels

crumbling and unsafe. It cannot be pumped out so that men can be sent in. The men know that they have an excellent chance of being killed by collapses.

Anyone who goes to Geevor to see the model that shows the labyrinthine levels and the connections between them will appreciate that trying to block them off with concrete plugs, as the most senior placed idiot in the Department of Trade and Industry has recommended, is not a solution. To imagine that the levels can then be unplugged, having filled up with water and been rendered unstable, so that, yo ho ho, in five years' time mining operations can recommence is unrealistic. I wonder whether the people who give that advice would care to undertake such mining operations themselves.

Some mines have been reopened, but there have been hideous losses to human beings — hideous avoidable accidents, including drownings and cavings-in. We do not want that sort of future for Cornish mining.

It may be said that hon. Members on both sides of the House have agreed at various times to the closure of coal mines. Indeed we have, but we are talking now about the whole of Britain's remaining tin production, which is capable of meeting half Britain's needs for tin. We are not talking about closing peripheral areas; we are talking about heavy unemployment in areas of already heavy unemployment.

That is the position in a nut. The Government have a responsibility towards international integrity which they have not discharged. They have a responsibility towards the House which they have not discharged.

The collapse of the ITC was entirely predictable and it was a cartel where consequences were entirely predictable — that it would draw in new producers who were not members of the cartel and encourage tin users to use alternative metals such as aluminium. That is predictable of any cartel that sets out to raise and permanently support the price of whatever commodity is being dealt with above the cost of the marginal entrant or the marginal cost producer. That follows as night follows day. There is not news in that.

The ITC did not cause the collapse of Cornish tin. Cornish tin was due to be in difficulties when the world price of tin fell below the cost of mining it in Cornwall. But the Government could — as they have done with steel and British Leyland, where, incidentally, the Select Committee on Trade and Industry is due to go immediately after the Division tonight — as they are permitted to do under the EEC rules, supply refinancing to lower the cost of production so that which is not presently viable can become viable and sustain itself.

That is why we do not ask that Ministers should have a crystal ball which nobody in the world possesses. We do not ask that they should see the price of tin in three year's time when all the bankers have got rid of their tin warrants which secured the loans that they made to the London Metal Exchange while the ore which gathered at the pit heads and the other sources of production, while international trade was in disarray, is got rid of. That is the other rule of the equation.

What the price will be in three years' time we do not know and we do not expect Ministers to know either. What we do say is that the men will still be unemployed in three years' time. There is nothing else for them to do. It is a reasonable dedication of taxpayers' money to keeping the water out of the mines, including Geevor, and to putting them in a posture where they can move back into profitable production when the world price of tin has stabilised. That is what we ask of the Government.

The latest Geevor request is for only £175,000 to keep the water out for two years — part of the cost will come from the shareholders — and that is the absolute minimum that the Government should do. They should come to an agreement with Rio Tinto to refinance those mines which need reshafting and a considerable amount of other work so that their economic future, and the smelter at Capper pass, which depends on Cornish tin — it cannot use alluvial tin — is assured as well. That the Select Committee recommended after intensive hearings. That it still recommends to the House and it asks the House to assert that that is what the Government should adopt and execute as their policy.

9.43 pm

Mr. Iain Mills (Meriden): I regret that so much of the time of the House tonight has been spent on sterile and caustic remarks about the Government's conduct during the tin crisis. Those are most unhelpful remarks, coming mainly from the Opposition, but, I regret, also from some of my hon. Friends.

What does society and the United Kingdom expect of the Government and Ministers in high-risk commodity agreements? Should the business of the House be talking about the minutiae of civil servants, minutes, Ministers and dates instead of about the valiant efforts to establish Newco and to find solutions? I hope that if Select Committees wish to be accepted as credible by hon. Members such as myself they will not get tied up in procedural matters on important occasions such as this on the eternal examination of the bones.

Let us get to the heart of the matter. Tin is a problem to my hon. Friends who represent constituencies in Cornwall, and they honourably put the case for their constituents. I back them in their efforts — *[Interruption.]* If Opposition Members do not wish to intervene, I wish that they would keep quiet. We are talking about an important matter that affects the life and livelihood of many people. Let us treat the subject seriously and talk not about procedures but about realities. Most people must have realised that after 1982 and the signing of the agreement this was a high-risk matter.

In an intervention I asked the right hon. Member for Swansea, West (Mr. Williams) what he would have done. He gave a slightly diffuse reply. According to my information, we signed the agreement along with Belgium, Canada, Denmark, Finland, France, West Germany, Greece, Ireland, India, Italy, Japan, the Netherlands, Norway, Poland, Sweden, Switzerland, Australia, Indonesia and many other countries. Let us not say that signing the 1982 agreement was foolish. The world had to have an agreement to control tin and what happened is now a matter of history.

Having signed the agreement, the Government made great efforts to secure reform and to make sure in discussions that those who were party to the agreement were trying to make it clearer and more communicative. There is no point in some hon. Members shaking their heads, because if they had signed the agreement along with all those countries they would have found that it is not just a simple matter of going in and blasting one's way through and making the agreement simple and easy to understand.

[Mr. Iain Mills]

This is a highly complex matter affecting consumers and producers throughout the world, and there are no easy answers. It is a shame that after the problems ensued the highly innovative solution of Newco, about which many of us were briefed in the House by the LME and by Mr. Kestenbaum and others, was not successful.

Credit is due to the Government and to our Ministers for supporting the Newco solution. Nobody has given the Government credit for that and I suggest that it is because most right hon. and hon. Members want to be negative about it. The Government tried to support Newco and had committed themselves to funds for Newco. It was not the fault of the Government that Newco failed: it was the fault of others. As a result of that failure, Cornishmen may lose jobs. I have to tell the House, because no other hon. Member has done so, that people in the City may also lose jobs. I supported Newco and did my best to lobby Ministers, as did some of my hon. Friends.

I pay tribute to hon. Members in all parts of the House who signed the letter jointly with me that we sent to Germany. At one stage, West Germany was not in favour of proceeding with Newco. The ambassador's No. 2, the Baron von Stein, sent me a letter which said that his Government would support Newco. At the end of his letter he said:

"Like most other signatories to the International Tin Agreement, the Government of the Federal Republic of Germany takes the view that the member countries are legally not liable for the ITC's obligations."

I wish to ask my hon. Friend the Minister of State a few questions. I do not expect him to answer them tonight, but I should be grateful for a memorandum that would help me to answer questions that are being put to me by those who have expressed an interest in these matters. The Federal Republic of Germany has said that it is not convinced that it has legal responsibilities. I ask my hon. Friend to let me know in writing what are the legal obligations of members of the ITC, including her Majesty's Government, to meet in full the ITC's indebtedness.

What is Her Majesty's Government's view about the request for formal liquidation of the buffer stock, in accordance with article 26 so that the respective portions of the ITC's liabilities falling upon members may be calculated? Do her Majesty's Government distinguish between the failure of ITC members to meet the indebtedness of the ITC and its members and the failure of any other Government to meet their international loan obligations? *[Interruption.]* I was about to say that the crisis has led directly to the loss of 200 jobs. I am sorry that Opposition Members find that funny or amusing. Their hilarity and criticism is most suspect. I shall be grateful if my hon. Friend is able to say that the Government are willing to consider an innovative approach in order to find a solution to this most difficult crisis.

9.51 pm

The Minister of State, Department of Trade and Industry (Mr. Peter Morrison): First may I say to the right hon. Member for Swansea, West (Mr. Williams) that there is nothing sinister about the timing of today's debate. He will recall that his right hon. Friend the Leader of the Opposition asked for a debate on several occasions during questions on the business statements. He has rightly reminded me that by the time of the debate I had said that I hoped that I would be able to respond to all the applications relating to Cornish tin mines. I regret as much as he does that it has not been possible to make that response today.

I agree with the Chairman of the Select Committee, my hon. Friend the Member for Hastings and Rye (Mr. Warren) that there is nothing funny about the events of the past 12 or so months. As my hon. Friend the Member for Meriden (Mr. Mills) said, if we had not signed the 1982 agreement, many of the problems that we are discussing this evening would not have had to be discussed. However, as my right hon. Friend the Secretary of State for Trade and Industry explained in his opening speech, for reasons that he gave to the House it was decided at that time that on balance it was best to be part of the agreement. However, that decision did not affect the situation in Cornwall. Indeed, it could be strongly argued that because we were a member of the agreement we had more room for manoeuvre because of the effect of the agreement on Cornwall.

My hon. Friend the Member for Beaconsfield (Mr. Smith) said that no Government could have tried harder to resolve the crisis, once it broke. That is quite correct. My right hon. Friend the then Secretary of State for Trade and Industry sent personal messages to all other members of the agreement asking them to follow our lead. At that time we did everything that we possibly could to try to find a solution. We believed—and the House backed us—that an orderly return to trading in tin was the best way to proceed.

The hon. Member for Truro (Mr. Penhaligon) and my hon. Friends the Members for St. Ives (Mr. Harris) and for Falmouth and Camborne (Mr. Mudd) described the position in Cornwall. The hon. Member for Truro asked me why the Government did not do something immediately the tin agreement collapsed. The answer quite simply is that if we had done something, and subsequent negotiations had been successful, there would have been no need for us to do so. Therefore, we could not proceed until we had had an application and an application did not arrive in the Department until after the final collapse of the tin market.

The House knows that every effort was made to find a solution to the problem of the collapse in the price of tin and at that stage, in November and December of last year and the first two months of this, all our principal efforts were concentrated, although considerable thought was going into the likely impact on the tin mines in Cornwall, to see what we could do to ensure an orderly return to trading in tin.

I have said before that when those efforts failed, immediately our attention turned to see what can be done to help the Cornish tin mines. We have been told in vivid terms of the difficult unemployment situation in Cornwall. We are told that if the mines cannot re-open, what is a difficult situation becomes a very difficult situation, not least because of Cornwall's remoteness. I understand that alternative employment is not easy to find there, and that is why every effort was, and continues to be, made to see what can be done to assist the continuance of tin mining in Cornwall.

My hon. Friend the Member for St. Ives, in whose constituency Geevor is, will recall that it proved impossible to accept the first application. Against considerable difficulties and odds we were prepared to set aside what

I agree is only a small amount of money, some £40,000, for care and maintenance so that the second application could be examined. As the House knows, I made a statement a few weeks ago that it was also not possible to accept that application. The reason is that a test of viability needs to be applied. One has to take into account the cost per job and the amount and proportion of taxpayers' money that is going in.

We also examined ways of giving an operating subsidy, but again it was not possible to give one. My hon. Friends the Members for Tiverton (Mr. Maxwell-Hyslop) and for St. Ives talked about care and maintenance, but this time round we were not able to give an offer for that. However, I am in close contact with my right hon. Friend the Secretary of State for Employment to see whether something can be done through a Manpower Services Commission scheme, and not on a normal basis. As my hon. Friend also knows, we are prepared to offer a sum of money for a consultant to study the future viability of the mine.

I agree with the points made by my hon. Friend the Member for Falmouth and Camborne about Carnon Consolidated and RTZ. I should like to be able to make an announcement but, as negotiations are still going on and the sums are substantial, it is not possible to do so at the moment. The right hon. Member for Swansea, West has raised his hand at me. I point out to him that the company has not yet made any point to me about delays. This is the right way to proceed. We shall want to help it as far as we can. The right hon. Gentleman will hear about these things in the normal way, and I was happy to inform the House about Geevor.

This has been a sad and sorry saga. The Government do not accept that they have a legal obligation to pay the debts of the ITC. As there are threats of writs, the House will understand that I cannot elaborate on that point now.

Question put, That the amendment be made:—

The House divided: Ayes 149, Noes 242.

Division No. 244] **[10 pm**

AYES

Alexander, Richard
Alton, David
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Beckett, Mrs Margaret
Beith, A. J.
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dormand, Jack
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Garrett, W. E.
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKelvey, William
MacKenzie, Rt Hon Gregor
McWilliam, John
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy
Maxton, John
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon J. *(Aberavon)*
Mudd, David
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Owen, Rt Hon Dr David
Park, George
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Powell, Raymond *(Ogmore)*
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Strang, Gavin
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Torney, Tom
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
Williams, Rt Hon A.
Winnick, David
Woodall, Alec

Tellers for the Ayes:
Mr. Allen McKay and
Mr. Derek Fatchett.

NOES

Adley, Robert
Aitken, Jonathan
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Beaumont-Dark, Anthony
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den

Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Emery, Sir Peter
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harvey, Robert
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hill, James
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howell, Ralph *(Norfolk, N)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCurley, Mrs Anna
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marlow, Antony
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mayhew, Sir Patrick
Merchant, Piers
Mills, Iain *(Meriden)*
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Nelson, Anthony
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Pattie, Geoffrey
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powley, John
Prentice, Rt Hon Reg
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rost, Peter
Rowe, Andrew
Sackville, Hon Thomas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shersby, Michael
Silvester, Fred
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Steen, Anthony
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Twinn, Dr Ian
Viggers, Peter
Wakeham, Rt Hon John
Walden, George
Ward, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Wiggin, Jerry
Winterton, Nicholas

Tellers for the Noes:
Mr. Tim Sainsbury and
Mr. Michael Neubert.

Question accordingly negatived.
Main Question put:—
The House divided: Ayes 237, Noes 152.

Division No 245] **[10.15 pm**

AYES

Aitken, Jonathan
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Beaumont-Dark, Anthony
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Budgen, Nick
Bulmer, Esmond
Burt, Alistair
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harvey, Robert
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Higgins, Rt Hon Terence L.
Hill, James
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howell, Ralph *(Norfolk, N)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew

Hurd, Rt Hon Douglas
Irving, Charles
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCurley, Mrs Anna
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Major, John
Malins, Humfrey
Maples, John
Marlow, Antony
Mates, Michael
Mather, Carol
Mayhew, Sir Patrick
Merchant, Piers
Mills, Iain *(Meriden)*
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Pattie, Geoffrey
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powley, John
Prentice, Rt Hon Reg
Proctor, K. Harvey
Raffan, Keith
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rost, Peter
Rowe, Andrew
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shersby, Michael
Silvester, Fred
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Speed, Keith
Spicer, Jim *(Dorset W)*
Steen, Anthony
Stevens, Lewis *(Nuneaton)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Trippier, David
Twinn, Dr Ian
Viggers, Peter
Wakeham, Rt Hon John
Walden, George
Ward, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Wiggin, Jerry
Winterton, Nicholas

Tellers for the Ayes:
Mr. Francis Maude and
Mr. Gerald Malone.

NOES

Alton, David
Anderson, Donald
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Beckett, Mrs Margaret
Beith, A. J.
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Dalyell, Tam
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dixon, Donald
Dormand, Jack
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Garrett, W. E.
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter
Harris, David
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Heffer, Eric S.
Hicks, Robert
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Hoyle, Douglas
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McCrindle, Robert
McDonald, Dr Oonagh
McGuire, Michael
McKelvey, William
MacKenzie, Rt Hon Gregor
McWilliam, John
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy
Maxton, John
Maxwell-Hyslop, Robin
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon J. *(Aberavon)*
Mudd, David
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Owen, Rt Hon Dr David
Park, George
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Powell, Raymond *(Ogmore)*
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rowlands, Ted
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Strang, Gavin
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Torney, Tom
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
Williams, Rt Hon A.
Winnick, David
Woodall, Alec

Tellers for the Noes:
Mr. Allen McKay and
Mr. Derek Patchett.

Question accordingly agreed to.

Resolved,

That this House endorses the Government's response (HC 457) to the Second Report from the Trade and Industry Committee on the Tin Crisis (HC 305-I); regrets the difficulties brought upon the Cornish tin industry, the International Tin Council's creditors and others as a result of the failure of the International Tin Council to reach agreement with its creditors, despite the considerable efforts made by the Government, and welcomes the Government's package of measures to help employment in Cornwall.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Latent Damage Bill *[Lords]* and the Education (No. 2) Bill may be proceeded with, though opposed, until any hour.—*[Mr. Lennox-Boyd.]*

Orders of the Day

Latent Damage Bill *[Lords]*

Not amended (in the Standing Committee), considered.

Clause 1

TIME LIMITS FOR NEGLIGENCE ACTIONS IN RESPECT OF LATENT DAMAGE NOT INVOLVING PERSONAL INJURIES

10.26 pm

The Solicitor-General (Sir Patrick Mayhew): I beg to move amendment No. 1, in page 2, line 14 leave out

'any potential plaintiff first had'

and insert

'the plaintiff or any person in whom the cause of action was vested before him first had both the knowledge required for bringing an action for damages in respect of the relevant damage and a right to bring such an action.

(5A) in subsection (5) above "the knowledge required for bringing an action for damages in respect of the relevant damage" means'.

Mr. Speaker: With this it will be convenient to take Government amendment No. 2.

The Solicitor-General: On 24 June, in our debates in Committee, I undertook to give further consideration to subsection (5) of new section 14A of the Limitation Act 1980 following expressions of concern raised by the hon. Member for Newcastle upon Tyne, East (Mr. Brown) and the hon. and learned Member for Montgomery (Mr. Carlile) about the references in that subsection to "any potential plaintiff". That reflected concern about the drafting of the provision rather than its substance. I explained to the Committee that if the Government considered it necessary to clarify the position we would do so. The two amendments fulfil the undertaking that I gave to the Committee.

Amendment No. 1 is the substantial amendment and the other is consequential. The purpose of subsection (5) is to define the starting date for reckoning the three-year time limit from discoverability or, to put it more strictly, from knowledge of the damage. The amendments are intended to remove the doubts expressed in Committee and in another place. They make it clear that the only person whose knowledge is relevant is any person in whom the plaintiff's cause of action was vested before it came to the plaintiff, and the plaintiff himself. I can now reassure the House that, in cases involving multiple plaintiffs, time will not start to run against any particular plaintiff only because another person has discovered separate damage to himself arising out of the same act of negligence. Thus, in the case of a negligently drawn will, for example, the knowledge of one beneficiary that he has suffered damage will not of itself cause time to start running at large against other beneficiaries. Each has his own separate cause of action against the wrongdoer.

I am pleased to tell the House that the Law Society, whose concern about subsection (5) was reflected in speeches made during debates in another place, now considers that the amendments give exactly what is needed to remove a source of potential uncertainty in the Bill.

I am grateful to all those who have drawn attention to a certain lack of clarity, which has proved to be capable of being remedied. The amendments are purely drafting ones. I commend them to the House.

10.30 pm

Mr. Nicholas Brown (Newcastle upon Tyne, East): This issue was raised in Committee. I had the opportunity to discuss it with the Solicitor-General the day before the Committee sat. Our fear, as expressed in Committee, was about the drafting of the clause rather than about the Government's intention. I am grateful to the Solicitor-General for coming back with the amendment that he promised us in Committee. It is not a question of the Government's intention. It is a question of the ambiguity of wording. The new clause meets that to everybody's satisfaction.

Mr. Alex Carlile (Montgomery): I add my thanks to the Solicitor-General. The right hon. and learned Gentleman met with alacrity and, I think, enthusiasm, the reservations which he knew were held throughout the Committee on the wording of the clause. In my view, the new clause gives the Bill a clarity which that area of the law has lacked in the past. It is most important that plantiffs should know not only where they stand but who they are. In my view, the new clause helps to achieve that.

Question put and agreed to.

Amendment made: No. 2, in page 2, leave out lines 19 to 23.—*[The Solicitor-General.]*

Clause 2

PROVISIONS CONSEQUENTIAL ON SECTION 1

Mr. Peter Thurnham (Bolton, North-East): I beg to move amendment No. 8, in page 4, line 19, leave out 'subsection' and insert 'subsections'.

Mr. Deputy Speaker (Mr. Harold Walker): With this it will be convenient to consider the following amendments: No. 10, in page 4, line 20, after '(5)', insert 'Subject to subsection (6) below,'.

No. 11, in line 25, at end insert—

'"(6) Where, in any action to which subsection (1)*(b)* above applies, the deliberate commission of the breach of duty referred to in subsection (2) above was performed by a servant or agent of the defendant (or any person through whom the defendant claims or his agent), such that the defendant neither knew nor had reason to know of the breach of duty at any time prior to the expiration of the fifteen year period referred to in section 14B of this Act, then section 14B of this Act shall apply to such action, notwithstanding the provisions of subsection (5) above.".

Mr. Thurnham: The amendment concerns deliberate concealment, which we discussed in Committee on 24 June. Hon. Members will notice that *Hansard* refers to the date of the first sitting as 24 March, which can hardly be correct. As has been said on a number of occasions, the principles of the Bill are laudable. Its shortcomings lie in the proposed manner of implementation. Nowhere is that problem more acute than in the provisions regarding deliberate concealment. Regarding construction work, the provisions are such that, in the majority of cases involving latent defects, the 15-year cut-off will not apply. That is not because the defendant in a construction case has been guilty of some special misconduct; nor do those who

support the amendment believe that the Law Reform Committee deliberately set out to victimise the construction industry.

Having studied my noble Friend the Lord Chancellor's responses in the debates in the other place, I feel less sure about his intentions. The Law Reform Committee commented on the matter in paragraph 4.20 of its report and recommended that where there had been

"fraud, deliberate concealment or mistake"

the defendant should not benefit by the 15-year cut-off. That lumping together was somewhat misleading, especially with the moral overtones involved, as neither fraud nor mistake is relevant to the Bill, as both would involve quite seperate causes of action.

The only element of relevance is "deliberate concealment". In that respect, I criticise the Law Reform Committee for entering a field where specialist knowledge is required. The definition given of "deliberate concealment" in the 1980 Act is such that most latent defects in construction will, by their very nature, automatically fall into that category. The Law Reform Committee probably did not realise that it was on difficult ground, but what it needed was careful discussion jointly with an engineer, an architect and a lawyer specialising in construction law. The matter could then have been sorted out. Unfortunately, that did not happen. Consequently, we have provisions in the Bill that will render the 15-year cut-off inoperative as regards most latent defects in construction.

Because the Law Reform Committee did not appreciate the practical problems inherent in the concept of deliberate concealment, it saw it only as a moral issue. As it said in its report, it considered that it would be wrong to allow someone to benefit from immoral behaviour that went beyond mere failure to comply with legal obligations. Expressed in those simple terms, its conclusion seems quite reasonable.

The Bill was criticised in that respect in the other place by the noble Lords Hacking and Wilberforce, who adduced careful argument to back the criticism. As in the case of many other matters concerning the Bill, my noble friend the Lord Chancellor did not address the arguments that had been put to him, and they still lie unanswered. I find that frustrating when the arguments were put by a Law Lord of the eminence of Lord Wilberforce, who is a Cross-Bencher and was not representing any outside interests. He was simply offering useful and constructive criticism, based on his wide experience in dealing with such cases. However, reason seems to have little relevance in effecting changes to the Bill.

In Committee in the House the arguments were presented again and were developed in more detail. In this instance, it is fair to say that my right hon. and learned Friend the Solicitor-General tried to deal with some of the points and undertook to consider them further. Had the Committee stage continued for two or three sittings, as would have been appropriate in view of the concern expressed in the House over the Bill, instead of being rushed through at great speed for no good reason, sufficient dialogue could probably have developed to enable the matter to be properly considered. Regrettably, however, with this Bill one has to do very much more than convince just my right hon. and learned Friend.

The criticism of the Bill in this respect has two branches —one concerning the drafting and the other a matter of principle, which is related to this. I shall take the drafting point first. Clause 2(2) has the effect of ruling out the 15-year cut-off where there has been deliberate concealment of any fact relative to the plaintiff's right of action. On the fact of it, this seems reasonable, until one finds that the Limitation Act 1980 defines "deliberate concealment" in such a way that the majority of latent defects in construction work by their very nature fall into that category.

In Committee, some 10 examples of latent defects in construction were given to illustrate that point and there is no need to repeat them now. When that matter was brought up on Second Reading by my hon. Friend the Member for Chipping Barnet (Mr. Chapman), my right hon. and learned Friend the Solicitor-General sought to answer him by saying that the situation would only arise where, in the wording of the 1980 Act, there had been a

"deliberate commission of a breach of duty"

and that most cases would not be of this category. That answer was opportune because, as I endeavoured to demonstrate in Committee, the situation will be the opposite because most cases of latent defects will arise through an employee not following his instructions. His act or omission will be deliberate and, as a consequence, by the principle of vicarious liability, his employer will be guilty of so-called deliberate concealment and the 15-year cut-off will not apply.

This means that, despite the Lord Chancellor and my right hon. and learned Friend the Solicitor-General introducing the Bill as giving a balance between the interests of plaintiffs and defendants and providing a long stop that will bar proceedings after 15 years, it does no such thing — at least it may for solicitors and accountants, but it certainly does not for architects, engineers and contractors. It is a myth. This Bill gives with one hand and takes away with the other. One has to put the question: is this the result that the Government desire?

I turn to the other branch — that of principle. The justification given by the Law Reform Committee for ruling out the benefit of the 15-year cut-off where there had been so-called deliberate concealment was that it would be unconscionable to allow some one to benefit from his immoral behaviour. But what further wrong has the employer done? He knew nothing of the act or omission and, if he had known of it, it is likely that he would have stopped it or had it rectified. What unconscionable thing has he done to lose the benefit of the 15-year cut-off? The answer is that he had done nothing and the Committee's argument just does not apply.

My right hon. and learned Friend the Solicitor-General attempted to give us some comfort at the end of the Committee stage by suggesting that there would be a difficult burden of proof upon the plaintiff to show deliberate concealment. I wish that that were so, but, with all respect to my right hon. and learned Friend, it seems to me that the wording of the 1980 Act plus the normal circumstances of construction work add up to a situation where most latent defects will automatically fall into that category. The Act is too recent for case law to help, and cases based on the earlier Act endorse our misgivings.

It is clear that where a defendant might benefit from the 15-year cut-off, the plaintiff will go for deliberate concealment. I believe that he will have little or no difficulty in establishing this, but, if hon. Members doubt this point, they should consider the litigation that is likely to follow. There will be doubt and argument as to what "deliberate" means in the circumstances of the particular project. Many parties may have been involved, one way or

[Mr. Thurnham]

another, with one defect and "deliberate" may apply to some employees and not to others. All this will be 15 years or more after the event, when people have dispersed, records no longer exist and memories are unreliable. As with arguments about the starting date, it reads like a lawyer's benevolent fund.

The proposed amendment was tabled in two alternative forms. The first, which was tabled as amendment No. 9, followed that of Lord Hacking in the other place and was my preferred amendment. It said simply that the provisions of the 1980 Act relating to deliberate concealment should not apply. Amendment No. 11 removes the unfairness that arises through vicarious liability and allows the defendant employer to benefit from the 15-year cut-off where he did not know of the breach of duty.

I snall be pleased to hear what my right hon. and learned Friend can say to help us in this matter. Does he believe that sufficient notice was given to my noble Friend the Secretary of State for Employment, whose duties include the promotion of enterprise and deregulation, of the burdens on business which are implicit in the Bill? Is he familiar with the documents "Lifting the Burden" and published last year, "Building Businesses not Barriers", which was published in May? This Bill has undone much of the good proposed in those White Papers.

Mr. Neil Thorne (Ilford, South): My hon. Friend the Member for Bolton, North-East (Mr. Thurnham) has expressed well the anxieties of many people about this matter. I have given much thought to the clause, and today I had the good fortune to discuss it with my right hon. and noble Friend the Lord Chancellor, who satisfied me on several issues. The important point that he made was that the intention of the clause relates entirely to one's own agents and that it does not affect other people's agents. Therefore, it would go a long way towards exonerating other professional advisers from responsibility for the actions and behaviour of the servants of other interested parties. That is a considerable assistance.

I am reassured that inadvertence is not deliberate concealment, and that culpability must be beyond mere inadvertence. If that is the case, we can be reassured that engineers, architects, surveyors and others will not have problems erupting in their faces 10 or 15 years later. The problem is serious, because the contractors who are liable to be carrying out such work seem to go for company reconstruction about once every seven years. If the contractor no longer exists, the plaintiff is likely to look for other possible defendants. In those circumstances, it is natural that the professional advisers who were involved in any such scheme would be extremely worried, not only during their active lives, but during their retirement.

At present, the professional person is insured only for the year for which he pays the insurance premium. That is common in many policies that are approved by professional institutions. In future, professional bodies should ensure, through the insurance market, that it is possible for their members', to obtain insurance to cover subsequent claims on actions that take place during the year of the insurance. If a professional person retires and has to continue to pay for an insurance policy, which might cost about 10 per cent. of turnover, it will be a very heavy burden, particularly if, as I understand is the case after retirement, the cost could not be offset against tax.

10.45 pm

It would seem essential that the Government should stress to the professional bodies that they should reappraise insurance arrangements to ensure that such a burden would not descend on people at the time of life when they are least able to cope with it. I understand that even the estate of a deceased professional adviser could be affected and, if the estate had not been settled, his widow could be affected. That could lead to considerable press publicity and would not be a good advertisement for the Bill, which contains a number of definite advantages.

I have been given assurances by the Lord Chancellor, but, bearing in mind the anxieties eloquently outlined by my hon. Friend the Member for Bolton, North-East, I hope that my right hon. and learned Friend the Solicitor-General will give us further assurances on this important matter.

Mr. Nicholas Brown: I come to the debate without a professional axe to grind, which is something new. I cannot say that I come to it with an open mind, because I heard the arguments thoroughly trawled in Committee.

I have to tell the hon. Member for Bolton, North-East (Mr. Thurnham) that his arguments are no more impressive now than they were in Committee and that his briefs have not improved with time either. The engineering associations that have been briefing the hon. Gentleman have had since the Committee stage to amend their briefs—it was a grievance in Committee that there had not been enough time for hon. Members to be briefed—yet their arguments have not changed.

We must remind ourselves that we are considering how the law will affect deliberate concealment and whether a 15-year cut-off should advantage a person who is charged with deliberately concealing something that has disadvantaged someone who felt that he had a right to rely on that person's professional competence.

The hon. Member for Bolton, North-East argued in Committee that these cases were difficult in law. That may be so, but that is no reason to say that we should not make laws to deal with difficult cases, which seems to be the broad thrust of the hon. Gentleman's case. He is asking that people standing accused of deliberate concealment should be able to take advantage of a 15-year cut-off. That seems morally unfair.

Deliberate concealment might be difficult to prove in court, but that is what the courts are there for. That is what the case would be all about. A person who has done something that is obviously wrong should not be able to take advantage of a cut-off point. The whole Committee, with the exception of the hon. Member for Bolton, North-East, accepted that argument.

I take exception to the hon. Gentleman's claim that we rushed through the Committee stage. He was supplied—admittedly lately—with copious briefs from all sorts of professional associations that presumably did not have enough confidence in their members to feel that the Bill would not disadvantage them.

Mr. Neil Thorne: Is it not grossly unfair to say that professional associations cannot rely upon the competence of their members? After all, we heard from my hon. Friend the Member for Chipping Barnet (Mr. Chapman) that of

the total paid out by way of damages, about 50 per cent. went in lawyers' fees. That is a strange situation, which would suggest to the layman that there were difficult cases to consider but that, nevertheless, the legal profession was benefiting far more than the person who was harmed.

Mr. Brown: Yes. I shall deal in a moment with whether one should resort to litigation. I am arguing at the moment that the option to go to law should be there for the party who feels injured. I shall come to whether the legal profession is the main beneficiary. My remarks about the confidence which professional associations have in their members was meant lightly and I hope that they are taken in that way. That was not a serious charge.

However, I do take exception to the charge that the measure has been rushed through Committee. If the hon. Gentleman had wished to hold the Committee up he had only to read his briefs a little more slowly and he could have kept us there for hours. Indeed, it is not unknown to the House for Members to detain Committees for hour upon hour. The Committee stage was not rushed through; because there was a broad consensus. That is why there was only one sitting. The hon. Gentleman was the only person to object, and he could have made his arguments at length, but he did not want to. His point about rushing through the Committee stage is rhetoric which is only for the record.

There is no more substance in that charge than in the charge that the Law Commission was composed of all lawyers and therefore has "fitted up" the report on which the Bill is closely based in order financially to advantage the legal profession. I asked in Committee how the gap between the 10-year period, wanted by the professional associations for which the hon. Gentleman is speaking, and the 15-year period, which the Law Commission recommended, could enormously advantage the legal profession.

Are we really being asked to believe that a retired Law Lord and other senior members of the legal profession would, when trying to strike a balance between the rights of plaintiff and defendant, somehow adjust the law solely to the financial advantage of lawyers, perhaps in other branches of the profession? The argument borders on the ludicrous. I am not a lawyer, and I do not see it as my role to speak for the profession. As I made clear in Committee, I see it as my role to speak for the consumers of legal services. Yet it is utterly unacceptable, and impossible to substantiate the charge that somehow the Law Commission has deliberately recommended legislation in order to advantage the profession.

Mr. Thurnham: The hon. Gentleman says that he speaks for consumers, but will he accept that the burden of the cost in the Bill will be imposed upon consumers in the prices that they are charged? That is why the construction industry is arguing. The cost here can only be carried by consumers.

Mr. Brown: I accept that these cases are complex and may be expensive, but the hon. Gentleman's remedy is that they should not be heard at all and that advantage can be taken of the longstop. That seems even more unfair than having an expensive law case. I am sorry that it is expensive, but to say that the solution is to have no remedy at all cannot be just, and that is what the hon. Gentleman is advancing.

The hon. Member for Ilford, South (Mr. Thorne) spoke of professional people retiring and having the threat of an action hanging over their heads for 10 or 15 years. As he probably realises, the difference between 10 and 15 years is a contentious issue. The Law Commission recommended 15 years as striking a balance between 10 and 20 and the professional associations representing engineering industry said that they would prefer 10. The parliamentary Liberal party has struck a balance between 10 to 15 and has said that it would prefer something between 12 and 13.

Mr. Alex Carlile: Twelve.

Mr. Brown: The hon. and learned Member for Montgomery (Mr. Carlile) says 12. The alliance veers towards the employers rather than the plaintiffs.

The House must consider seriously whether it wishes to reject a decision by the Law Commission and substitute something based on no more than splitting the difference or backing up the professional associations against the arguments put on behalf of the consumers. The consumers have rights too, and it worries me that all the arguments advanced from the Government side on Second Reading were on behalf of the professional association. Nobody said a word about the consumers, who would be the plaintiffs in such actions.

We did hear highly dubious and contentious theory that somehow it was not in the consumers' interests that the professions be disadvantaged by this legislation. That was the thrust of the argument, but not one Government Member said that the consumers' point of view is the right one and that the special pleading from the professional associations had to be resisted. No Government Member urged the Solicitor-General to resist that pleading, although the Opposition did.

The matter of professional insurance was raised in Committee, and the hon. Member for Ilford, South raised it in this debate. It is an important question, but why is it much more difficult to get professional insurance for 15 years than for 10 years? Nobody is saying that it is impossible to get it for 10 years. If it can be obtained for 10 years, it can surely be obtained for 15 years. I accept, based on an actuary's calculation, that it would be more expensive, but it is possible. Therefore, the argument rests solely on cost.

Mr. Neil Thorne: The hon. Gentleman has got the situation wrong. I said that when a person retires he gets no tax relief on his premiums. For that reason, the insurance should work in a different way and should be on the basis of when the work was carried out and not on the basis of when the defect is found. I am not arguing that there should not be insurance. There should be, but it should be on a different basis, and at present the professional institutions organise insurance for their members on the basis that it must be continued into retirement. That is wrong.

Mr. Brown: My right hon. and learned Friend the Member for Aberavon (Mr. Morris) whispers in my ear that, quite rightly, it depends on how the policy is framed. Nobody will be able to take out professional insurance after a cause of action has been discovered. I can see that and I am sure that the hon. Member for Ilford, South can see it. The professional indemnity is known to other professions and is usually arranged through professional

[Mr. Brown]

associations, or arrangements are made for it. That has to include an indemnity to cover all forms of action which might arise in the period envisaged in law.

Actions can now be pursued in law. I find it difficult to understand that for the first time we are legislating for the concept of a longstop. This should put many retired people's minds at rest. They will know that there will come a time after they have ceased their professional activities when, unless they have done something really wrong, they are beyond the threat of actions of this sort. The Solicitor-General should be thanked for that and it should be welcomed by the profession. Instead of that, it is being resisted.

On Second Reading and in Committee the Opposition welcomed the Bill. We asked the Solicitor-General to resist amendments of the kind that have been moved this evening and that were also moved in Committee. We are grateful to the Solicitor-General for resisting that special pleading and for his even-handedness towards both the consumers and the professions, as the Law Commission asked him to be.

11 pm

Mr. David Crouch (Canterbury): As there seems to be unanimity of thought on the two Front Benches, I wondered at one time whether the Bill was being presented by the Opposition or by the Government. My hon. Friends the Members for Bolton, North-East (Mr. Thurnham) and for Ilford, South (Mr. Thorne) have argued the case tonight very cogently. It was not very latent.

I am distressed by the way in which the Bill is being rushed through the House, compared with what happened in the other place. I have read every word of the proceedings in the other place, and I have been immensely impressed by the legal views that were advanced there. It distresses me that the Bill is being discussed so late in the day. The Committee stage lasted for two hours and it took place after midnight. I tried to obtain a copy of the Committee proceedings, but I did not succeed. It was impossible to obtain a copy from the Vote Office. I was abroad during the Committee proceedings, otherwise I should have liked to be on the Committee.

The Bill has been rushed through this House. The lawyers are trying to push it through, and we shall end up with bad law. *[Interruption.]* Oh, yes. The House is always packed with lawyers late at night, and somebody must say that the lawyers do not always make good law. The result is that we end up with bad legislation. I said this at Second Reading and I say it again now.

Both Front Benches have said tonight, although it was resisted a little by my hon. Friends on these Back Benches, that the Bill is designed for housebuilding. It will protect house purchasers against contractors who build houses, and I commend it for that reason, but at Second Reading I put it to my right hon. Friend and learned Friend the Solicitor-General that the Bill should not apply to massive contracts for the building of chemical and process plants. That is entirely different from the building of houses.

I must declare an interest at this point. I am a consultant, and have been for many years, to the British Chemical Engineering Contractors Association. (HON. MEMBERS: "Ah."] There is nothing "Ah" about that. It is a very interesting profession that makes a great deal of money for this country. There is a great deal at risk. If things go wrong in chemical or process plants, the damages can run into millions or billions of pounds. The contractors therefore need to be protected.

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman will address himself to the specific amendments that are before the House.

Mr. Crouch: That is always very difficult for me, Mr. Deputy Speaker, at this hour of the night, particularly when I am seeking to make almost a Second Reading speech again, because my last Second Reading speech did not make as heavy an impact as it ought to have done.

Perhaps I have said enough already. It must go on record that the Bill does a good job, as far as it goes, for the housing construction industry, but it should not cover the massive activities of chemical process plant builders. That is an entirely different matter. That is why I sought to catch your eye tonight, Mr. Deputy Speaker, and not to get you on your feet.

Mr. Roger Moate (Faversham): I do not know whether it can be said in truth that the Bill has been rushed through, but I think that there will be some surprise in later years when people look back at the proceedings in this House and find that it was passed after a fairly perfunctory debate. In years to come I believe that the Bill will give rise to very many complications and considerable controversy. I should have welcomed a fuller exchange and more flexibility and movement by the Government in response to many of the submissions.

The case that has been put forward by my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) merits far more consideration than has been given to it by the Government and the Opposition.

Mr. Nicholas Brown: We have had this in Committee and other debates. It is one thing for the hon. Gentleman to say that he does not agree with what has been said by the Opposition and Government Front Benches—that is what democracy is all about. It is another thing to say that proper consideration has not been given to the points of view. That point was made in Committee against the Law Commission, and it is now being made against the Opposition Front Bench, and presumably against the Solicitor-General. That is unfair.

Mr. Deputy Speaker: I remind the House that we are discussing specific and narrow amendments. We are not on either Second or Third Reading.

Mr. Moate: With respect, Mr. Deputy Speaker, I was addressing the particular point about deliberate concealment, as the hon. Gentleman was in his intervention. I am not an engineer or an architect, but we have read considerable submissions from people very learned in that sector, who have studied the law in that regard, and to dismiss out of hand, as seems to have been done, their belief that a vast number of construction claims could be described as having been caused by deliberate concealment by an employee, not by the principal, merited considerable concern. For any construction organisation or professional undertaking working today, the possibility of an unlimited time during which it might be held liable presents it with insuperable insurance problems.

On this as on all other amendments, with the exception of the technical amendments that were accepted earlier, and which I did not follow, the Government seem to have made no fundamental concession to the many professional

and sincere submissions that have been made to them. I hope that my right hon. and learned Friend the Solicitor-General will reply on this point at greater length.

The hon. Member for Newcastle upon Tyne, East (Mr. Brown) has got it fundamentally wrong. Nearly every hon. Member who has spoken on this subject, throughout the debates on Second Reading and in Committee, was representing the interests of the consumer and the producer. The great test to be applied by the House and by the professionals is not the profitability of the contract or profession—that does not apply because most costs can be passed on — but the sheer practicality of legislation such as this. Many hon. Members have got this wrong. They believe that simply by extending the period, with a long stop in this case, they are helping the consumer. This is gesture politics which does not help the consumer. In practical terms it will not help, and it is delusion. We should have paid more attention and respect to those professionals whose job it is to build houses or give people advice because they are concerned with the practicalities.

Something fundamental was missed on Second Reading, and is being missed tonight. The consumer is not the house buyer, to whom my hon. Friend the Member for Canterbury (Mr. Crouch) referred, or the small man. Over a 15-year period, it is most unlikely that the small consumer or the house buyer will be in a position to sue the original cause of that error. It is most likely that this amendment to the statute of limitation will be used mostly by the big institutions. They will be able to calculate more precisely who caused the error 15 years or more before, if they can adduce wilful concealment.

In this case, the big buyers of products such as chemical plants, Government buildings and the like, are the Government or local government. They will most likely be able to harness the forces of law to prove their case. The big commercial organisations will be the biggest beneficiaries of the Bill if it becomes law. This is important, because if one is trying to protect the consumer who suffers through the purchase of a false product, or a house buyer, one does not look to legislation such as this to do it. One should look to more specific insurance.

Mr. Deputy Speaker: Order. The hon. Gentleman is addressing himself to a clause in the Bill rather than to the specific amendment. I hope that he will address himself to the amendment.

Mr. Moate: I apologise, Mr. Deputy Speaker. I was also making the mistake of responding to some points made earlier by Opposition Members.

In conclusion, I shall deal with a fundamental point about the practicality because many hon. Members——

Mr. Deputy Speaker: Order. The hon. Gentleman cannot do that. He must address himself to the group of amendments.

Mr. Moate: Indeed, Mr. Deputy Speaker, and the practicality is about these amendments. Many hon. Members have said that one would simply insure against the additional exposure that occurs as a result of the amendment. The amendment seeks to extend the period during which claims can be brought if individuals can be deemed to be guilty of wilful concealment. Often it is not practical to do what those hon. Members suggest because the whole insurance world is endeavouring to move from that type of coverage. In professional indemnity insurance cover is limited to policies under which claims must be made during that particular year. The insurance world is moving away from cover which can take one back over many years to the year in which the error first occurred. In the United States the old "claims occurring" basis is the basis of insurance and that has caused millions of pounds worth of claims today and has virtually caused that type of insurance to dry up.

If we seek to protect the consumer, it is important that we should be practical. Often in this debate we have lost sight of the practicalities. Therefore, I do not think that hon. Members, no matter how sincere, will achieve the objective which they seek.

The Solicitor-General (Sir Patrick Mayhew): My hon. Friend the Member for Bolton, North-East (Mr. Thurnham), in moving these amendments on deliberate concealment, has provided the House with the opportunity to examine clause 2(2) and its effects, following earlier discussions on Second Reading and in Committee.

The intended effect and the effect of his amendments is to provide a defendant employer with a defence in the form of a time bar in negligence proceedings which arise from his vicarious liability for acts or omissions deliberately committed by an employee or agent so as to keep the plaintiff out of his knowledge of his right of action.

Without transgressing your ruling, Mr. Deputy Speaker, I must say a word about the allegation that this part of the Bill has been rushed through. I hope that it was not suggested — I do not think that it was — that I responded in Committee cursorily to the points fully made by my hon. Friend. I was worried that I might have taken rather too long. Although I took a generous time in response to each debate there was still a substantial amount of morning Session to run when our business was concluded. That cannot be laid at the door of the Government.

My hon. Friend the Member for Canterbury (Mr. Crouch) speaks of the Bill being rushed through and attributes it to the fact that lawyers always pack the Benches at this hour. I could see some force in that, were the number of lawyers so great that there was no room for anybody else, but on looking round I see that charge is not substantiated. The truth of the matter is that we have answered every point made, and if they have not been made over an extended period, it perhaps derives from the fact that the House as a whole and the Committee wished to see the recommendations of the Law Reform Committee implemented.

Clause 2(2) has a limited objective. It gives effect to the Committee's recommendation that the long stop should not apply in cases of deliberate concealment or deliberate concealment of a breach of duty. But the long stop will come into play in those cases of latent damage where there has been negligence by inadvertent or careless acts or omissions. That is the crucial distinction between inadvertence on the one hand and the deliberate commission of breach of duty on the other.

11.15 pm

Every point made by my hon. Friend the Member for Bolton, North-East was by implication answered by my hon. Friend the Member for Ilford, South (Mr. Thorne). I am grateful to him for his reference to his conversation with the Lord Chancellor, which he said had satisfied him

[The Solicitor-General]

on a number of matters. Those were the matters which my hon. Friend the Member for Bolton, North-East dwelt upon in moving these amendments, to which my hon. Friend the Member for Ilford, South had put his name.

The amendments would permit a defendant to plead the long stop — in other words, 15 years have gone by, therefore the action is time barred — in cases where unbeknown to him his agent had deliberately committed a breach of duty with the intention of putting a plaintiff out of his knowledge of his right of action. Therefore, the defendant would be able to rely on the law of limitation to avoid proceedings in respect of alleged negligence for which a defendant may be held vicariously liable.

The key to this debate lies in whether the House of Commons was or was not right when it passed section 32 of the Limitation Act 1980, because the provision in this Bill does no more than build upon section 32.

The ordinary rule of limitation in relation to actions for negligence is that one has six years in which to bring one's action. But because that was widely perceived to lead to injustice, the House of Commons most recently in section 32(1) said that if:

"any fact relevant to the plaintiff's right of action has been deliberately concealed from him by the defendant . . . the period of limitation shall not begin to run until the plaintiff has discovered the fraud, concealment or mistake".

That is the general rule in the 1980 Act. Parliament went on to legislate in the terms of subsection (2), which provides that:

"deliberate commission of a breach of duty in circumstances in which it is unlikely to be discovered for some time amounts to deliberate concealment of the facts involved in that breach of duty".

If it was right in 1980 to make that provision — which prevents a defendant from relying upon the time bar — how can we possibly justify allowing him to rely upon the new time bar of 15 years, which for the first time is introduced into the law by this Bill? Are we to allow the defendant to take advantage of it, notwithstanding the deliberate commission of a breach of duty which amounts to deliberate concealment of the facts involved? I cannot see how that can be justified.

The interesting thing is that when we consulted upon the recommendations of the Law Reform Committee, very few people indeed suggested that there should be any amendment to the provisions of section 32. That is the answer to this point. Of course I recognise the proper concern of my hon. Friends for the consumer who has to pay more in terms of the cost of additional insurance, but I do not agree that we have been neglectful of the interests of consumers. Time and again the Law Reform Committee and everyone who has spoken in the House has acknowledged that there is a conflict between the interests of the consumer of services, including the consumer of lawyer services — and I stress that point for the benefit of my hon. Friend the Member for Canterbury — because lawyers' opinions are caught by this as much as the constructor of some chemical plant.

Mr. Crouch: Like the rest of the House, I am listening to my right hon. and learned Friend because no one can explain these detailed points of law better than he can. However, on the point about the statutory period of limitation as it affects contracts in the process plant industry, where such contracts ensure that the liability of both parties is well defined and that the contractor's liability terminates absolutely — fraud apart — after a determined death defined period, usually of 12 months, after the successful conclusion of a performance test, we are considering a scientific and industrial world where that is the practice. Does my right hon. and learned Friend think that it is wrong that the statutory period is not a statutory period but and agreed period between the contractor and the purchaser or operator of only 12 months? Will that be overridden by the important Bill that we are debating tonight?

The Solicitor-General: I am grateful to my hon. Friend for his helpful intervention. However, it is all a matter of contract. It is a matter of what the two parties to an agreement have agreed upon. It is open to parties to extrude their own liability for their own negligence provided that they do so in absolutely explicit terms. They can agree between themselves to limit their liability in terms of time, provided that they do so in the most explicit terms. Where they have not done that, the law has for centuries imposed a period of limitation — and that period has varied over the years — for liability in relation to actions based upon negligence or other breach of duty.

That is the key to the debate. On the one hand, we must take proper care for justice and what we have called the consumer. Equally, the employer must be protected to a reasonable extent from stale claims. I hope therefore that my hon. Friend the Member for Bolton, North-East believes that I have not dealt summarily with his points. The Committee consulted extremely widely and so has my right hon. and noble Friend the Lord Chancellor. I hope that my hon. Friend the Member for Bolton, North-East does not seriously mean that reason has had little relevance to the way in which the Government have responded to various amendments to the Bill.

My hon. Friend the Member for Ilford, South made an important point about insurance and that is a matter for the industry. I am glad that these important matters are now being considered within the industry and with those who advise the industry on insurance matters.

My hon. Friend the Member for Faversham (Mr. Moate) felt that there had been no concessions in the Bill. I had hoped that I demonstrated that I had listened carefully to what was said about the lack of clarity in the Bill and the first two amendments that we have dealt with tonight represent my response to that. That response has been generally welcomed.

There is a good deal more to the concept of vicarious liability than the idea that that is simply a matter of social convenience as my hon. Friend the Member for Bolton, North-East described it upstairs in Committee. That lies far beyond the law of limitation in negligence cases involving latent defects with which the Bill is concerned.

I believe that the Bill represents a fair balance of the conflicting interests and I urge the House, although it has listened with the usual care to my hon. Friend the Member for Bolton, North-East on a matter in which he is deeply concerned and experienced, not to accept the amendment.

Mr. Thurnham: I am grateful to my right hon. and learned Friend the Solicitor-General for his courteous and attentive replies both in Committee and on Report. I am not a lawyer and I am advised that some of the issues about which there is doubt will have to be tested in law. Time will pass before these matters are resolved; in other words, we shall have to wait and see. Accordingly, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 4

TRANSITIONAL PROVISIONS

Amendments made: No. 12, in page 6, line 8, after 'above', insert 'sections 1 and 2 of'.

No. 13, in page 6, line 11, at end insert—

'(3) Section 3 of this Act shall only apply in cases where an interest in damaged property is acquired after this Act comes into force but shall so apply, subject to subsection (4) below, irrespective of whether the original cause of action accrued before or after this Act comes into force.

(4) Where—

(a) a person acquires an interest in damaged property in circumstances to which section 3 would apart from this subsection apply; but

(b) the original cause of action accrued more than six years before this Act comes into force;

a cause of action shall not accrue to that person by virtue of subsection (1) of that section unless section 32(1)*(b)* of the 1980 Act (postponement of limitation period in case of deliberate concealment of relevant facts) would apply to any action founded on the original cause of action.'.—*[The Solicitor-General.]*

11.25 pm

The Solicitor-General: I beg to move, That the Bill be now read the Third time.

The Bill is a compromise — that has always been acknowledged — and we have been engaged in the difficult task of striking the right balance. The Bill came before us after having been examined carefully in another place, and it has received clear and careful scrutiny in this place from hon. Members on both sides of the House. The House will be especially grateful to my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) for bearing the heat and burden of the day for those with legitimate concerns in construction and other industries. He has been assiduous in drawing our attention to a wide range of problems that is faced by industry and I appreciate his concern. I hope that I have dealt sensibly and fairly with it.

The Bill will ensure, as far as possible, that potential defendants may confidently feel that after a definite period they may regard as finally closed incidents which might have led to claims being made against them. It is understandable that in the course of our debates reference has been made to the problems of insurance. I have taken up those references in what I have said to my hon. Friend the Member for Ilford, South (Mr. Thorne). These matters are currently under review as part of a separate initiative by the Building Economic Development Committee.

Finally, I thank the hon. Member for Newcastle upon Tyne, East (Mr. Brown) for expressing the Opposition's support for the Bill. That is based, as the hon. Gentleman has made clear, upon their support for the careful consideration and recommendations of the Law Reform Committee.

The Bill will bring about a substantial improvement to our law on the limitation of actions and I commend it to the House.

11.27 pm

Mr. Nicholas Brown: The Opposition welcome the Bill and wish it a speedy passage on to the statute book. It attempts to strike as fair a balance as can be struck between the interests of plaintiffs and those of defendants. That has been achieved by our efforts and, as I have said, I wish the Bill a speedy passage into law.

11.28 pm

Mr. Thurnham: Perhaps my right hon. and learned Friend the Solicitor-General will comment on whether the burden that he kindly referred to my carrying through the heat of our proceedings in Committee might have been shared a little earlier with the Government Department which it is intended should lift the burden from business in general.

11.29 pm

Mr. Neil Thorne: I thank my right hon. and learned Friend the Solicitor-General for his unfailing courtesy during our consideration of the Bill, as in all matters with which he deals, and for drawing the attention of the House to the fact that every hon. Member who has contributed to our debates on the Bill has had the interests of the consumer at heart. His acknowledgement of that fact is important, because it is ultimately the consumer who pays the bill. If professional advisers are not forthcoming because they find the burdens too great or because they cannot find adequate insurance, as has happened in certain spheres in the United States over recent years, it is the consumer who suffers. Perhaps on some future occasion it will be necessary to look into whether 15 years or 10 years is the right figure, because I understand that in the European Community there is a figure of 10 years. That is a matter for the future, and I am sure that my right hon. and learned Friend and his colleagues will follow that important aspect most carefully.

Mr. Moate: During these proceedings some of us have made specific criticisms and suggestions in relation to the Bill. However, I hope that we will not lose sight of the fact that I and everybody else initially warmly welcomed the Bill in principle and welcome the new precision that is brought into matters that have been somewhat confused by various judgments in past years. Whether it remains precise once the courts have had yet further bites of the cherry remains to be seen.

I should like to address a specific question to my right hon. and learned Friend, and I am sure that, as usual, he will give me a specific answer. Will one of the implications be that henceforth all persons in commerce and Government should keep full records for a 15-year period? If that is so, can he confirm that Government Departments will, in future, keep all records for 15 years?

The Solicitor-General: In answer to the point raised by my hon. Friend the Member for Bolton, North-East (Mr. Thurnham), I have already confirmed that all relevant Government Departments were apprised of the provisions of the Bill before its introduction by my noble Friend the Lord Chancellor in another place and over a substantial period of years, there has been ample opportunity to comment upon matters that were within the purview of the Law Reform Committee.

The keeping of records is a matter of prudence. I am a humble representative of the smallest Department in Government. Therefore, it is not for me to lay down rules of practice for greater Departments of State than any for which I have responsibility. It is obviously a matter of prudence for those who are responsible for work which may be liable to latent defect.

[The Solicitor-General]

I am not terribly moved by criticism of a provision which, for the first time, brings a long-stop into our law. Under the present law, in theory it is possible for anybody who is responsible for a latent defect in work done for a consumer to be liable indefinitely. The Bill provides a long-stop. After 15 years, red railway signals flash and they prevent the plaintiff's train from leaving the marshalling yard from then on, subject to the one exception concerning concealment which we have already discussed.

This is a benefit to employers and those who are in business. Everything that has been said has tended to suggest that it is some wicked imposition upon them. It is a benefit for which I feel that the Government have had scant credit——

Mr. Nicholas Brown: Not from me.

The Solicitor-General: From Conservative Members then. I am grateful for what has been said and for the care with which is has been expressed. I hope that what I have been able to say in answer to my hon. Friend the Member for Faversham (Mr. Moate) will satisfy him, at least for the moment.

Question put and agreed to.

Bill accordingly read the Third time, and passed, with amendments.

Education (No. 2) Bill

As amended (in the Standing Committee), considered.

New Clause 1

REGULARISATION OF POOLING ARRANGEMENTS

'(1) The Secretary of State shall make proposals, and any necessary consequential regulations required to implement such proposals, to ensure that the ILEA receives financial compensation for the difference between the contributions it has been required to make to the costs of advanced further education on the basis:—

(a) as prescribed by section 6 of the Block Grant (Education Adjustment) (England) Regulations 1984; and

(b) as prescribed by the equivalent regulations for earlier years;

and those that would have been payable for those years had the basis of calculation for those years been that provided for in section 6 of the Block Grant (Education Adjustment) (England) Regulations 1986.

(2) Subsection (1) above has effect in relation to the year 1982-83 or any subsequent year.'. — *[Mr. Andrew F. Bennett.]*

Brought up, and read the First time.

11.34 pm

Mr. Andrew F. Bennett (Denton and Reddish): I beg to move, That the clause be read a Second time.

I was told when I started to look at the Bill that it was a simple Bill, that it was non-controversial and that it was merely there to rectify anomalies. I accept that it is non-controversial. However, I do not accept that it is all that simple. What is a little more worrying is that it does not seem to have rectified all the anomalies which exist, especially in the pooling arrangements. For example, the 1981-82 pool has not yet been closed because there is doubt as to whether the Government have the legal powers to do it. In spite of pressure from the Association of Metropolitan Authorities and the Association of County Councils, the Government are still dithering. Will the Minister tell us whether he intends to deal with that in the House of Lords? It is an example of the way in which some local education authorities have been unfairly left worse off as a result of the pooling arrangements.

The new clause deals with the specific way in which the Inner London education authority has lost out within the pooling arrangements since April 1982. In fact, after quite a lot of pressure from the ILEA, through the various committees that deal with pooling, it finally took action in the courts in 1985 and, of course, it won. In Committee, the Minister said that ILEA had not complained before it took court action. I am sure that he realises now that that was nonsense, and that the ILEA had raised that issue much earlier. I have letters to establish that, but I do not think that I need to read them to the House. I am sure that the Minister will accept that point.

Since then, ILEA has been pressing not only that it should have got the money, which it did get, from the courts but that it should have got money for earlier years. Apparently the Government's argument is that they are not sure about whether they have the legal powers to make those retrospective payments. I hope that the Minister will accept that ILEA has been pressing for some time, and that letters went backwards and forwards between the Department and ILEA as early as 1983. The earlier representation was referred to in the court case, when it came on. Since ILEA was pressing much earlier, it has a

strong moral case for some retrospective payment. At least the new clause is an attempt to deal with the problem. The Government do not now have the excuse that there is no legislation. There is legislation before the House now. The Government have the chance to deal with it, and I hope that they will.

I hope that the Government will also make it clear that they will use the Bill to clear up the rest of the pooling problems, particularly the 1981-82 pool, either now by accepting the new clause, or in the House of Lords, where the Government could draft it in a different form but retain the spirit of it. Perhaps by introducing another new clause to deal with the 1981-82 pooling arrangements, they can get rid of all the nagging anomalies in pooling and make good use of the measure.

The Parliamentary Under-Secretary of State for Education and Science (Mr. George Walden): The hon. Member for Denton and Reddish (Mr. Bennett) has ingeniously raised two points under one new clause, but as I am in a generous mood, I shall deal with both.

The first point concerning the 1981-82 pool. As the hon. Gentleman knows, advanced further education is financed through the AFE capped pool. The Secretary of State determines in advance of each financial year the total of AFE expenditure eligible for pooling. He also decides on how much of that total should be allocated to each local education authority following advice from the National Advisory Body. Exceptionally, in 1981-82, the method used involved the recalculation of the allocations once authorities' actual expenditure on AFE was known. The relevant information is now availble. But in the meantime it has come to light — this is the point that the hon. Gentleman made — that the legislation under which the capped pool is operated may not allow the recalculation to be carried through in the way that was originally envisaged. My Department is therefore examining ways forward in consultation with representatives of the local authorities in the pooling committee.

The hon. Gentleman's point was: why should we not clear up the matter in the Bill? The problem over the 1981-82 AFE capped pool has come to light only recently. The Department put a proposal to the most recent meeting of the pooling committee, which did not find favour with local authority representatives. My right hon. Friend the Secretary of State was asked to look again, and that consideration is now under way. It may or may not point to a need for new legislation in due course. I hope that the hon. Member will note that. Therefore, it would be premature to seek to cover the point in the Bill. We are seeking much more important changes to pooling legislation — changes that are needed urgently if the pooling system is to continue its function.

In other words, we must decide, first, whether legislation is needed, which is not yet established, and, secondly, whether time will allow that legislation to be appended, as it were, in another place to the Bill. Thirdly, we must beware of doing anything that for the reasons that the hon. Gentleman will be aware of could delay the progress of the Bill. There is a question of urgency which we discussed in Committee.

Mr. Andrew F. Bennett: It seems to me that it would be possible to take powers to make regulations. I am not a great enthusiast for regulations. The Minister must accept that, in sorting out local government finance in the year 1981-82, there is a certain measure of urgency that we do it within five or six years of the expenditure occurring.

Mr. Walden: The hon. Gentleman is drawing a fine distinction between retrospective urgency and the more pressing urgency today, to which we are all subjected. I hope that he will take notice that we are having discussions on the subject. The real point of the hon. Gentleman's amendment lies elsewhere.

Last year, ILEA obtained judicial review of the decision of my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) not to change, in respect of 1985-86, the formula which apportions contributions to the AFE pools among local education authorities. The Divisional Court ruled that that was an unlawful decision in that my right hon. Friend had had regard to an irrelevant consideration. In recognition of that judgment, my right hon. Friend amended the relevant regulations to produce a new formula with effect from 1985-86. The new formula apportioned the contributions pro rata to the number of AFE students originating from each LEA area. That change had the effect of reducing ILEA's contribution by £31 million in 1985-86, and will have continuing effect. I should note, for completeness, that the new regulations are the Block Grant (Education Adjustment) (England) Regulations 1985, not 1986 as the new clause states.

Last August, ILEA asked the Department to incorporate in the new formula to be applied in 1985-86 an allowance to rectify the injustice which the authority claimed to have suffered over a number of years as a result of the operation of the formula which the court had held to be unlawful. I describe that request in the authority's terms, not my own. My right hon. Friend the Member for Leeds, North-East refused. It has been asserted today that he did so on grounds that he lacked the powers to meet the request. The hon. Member for Denton and Reddish has moved the new clause to provide the necessary powers. However, I tell the House that my right hon. Friend considered ILEA's request carefully at the time. He refused it not only because he lacked the power to accede to it, but because he did not think it right to accede to it.

Let me take the issues of law first. The primary legislation governing the education pools is schedule 10 to the Local Government, Planning and Land Act 1980. The schedule empowers the Secretary of State to make regulations specifying the "appropriate contribution" of each local eduction authority to the pools. The Secretary of State does not enjoy an unfettered discretion to determine what may be appropriate. The principle which the Divisional Court decided should be used in respect of 1985-86 was that the contribution should be related to the demand for AFE which an authority met in the discharge of its statutory responsibility. It is incompatible with that principle to incorporate in the formula a notional assessment relating to earlier years. That is not within the spirit of the court judgment which ILEA prays in aid.

A further objection in law is that schedule 10 envisages the making of regulations to deal with AFE expenditure and contributions thereto year on year. It makes no provision for re-specification of contributions paid in respect of past years. The new clause is intended to change the position, but I ask the House to consider the consequences of a change with the retrospective effect which ILEA desires. First, there would be the technical difficulty — perhaps impossibility — of collecting the data

[Mr. Walden]

necessary to re-specify contributions originally made on a different basis. Then there would be financial disruption to all other local education authorities as a result of the financial transfers stemming from the revised contributions.

What is the justification for asking other LEAs to put up with this disruption? I doubt whether the hon. Member for Denton and Reddish really means that the Secretary of State should ask them to do so. True, the new clause would put the Secretary of State under a duty to make proposals but he is under a duty also to implement them, apparently irrespective of the views of the parties to whom they are addressed. In all events, the Government must consider the effect on other LEAs, even if the Opposition apparently do not.

The regulations in force in the years before 1985-86 were made in good faith and were laid before Parliament. They were not subject to legal challenge at the time. I should like to clarify what I said in Committee. I meant that the regulations were not challenged during the year when they were in force.

Local authorities, including ILEA, took account of the pooling adjustments due under those regulations in fixing budgets and issuing rates or precepts for the years in question.

Mr. Andrew F. Bennett: I am sure that the hon. Gentleman will accept that he received a series of letters from ILEA about that point before the court judgment. Surely, he would not expect local authorities to go to court first in such a complicated matter. They would normally make representations first, and only if they did not succeed would they go to court.

Mr. Walden: The hon. Gentleman has answered his own question. I am grateful to him for doing so.

The Government consulted the associations of county councils and of metropolitan authorities on the matter at the time. They were clear that a retrospective refund for ILEA from the pools would disrupt the finances of their members. In the light of their responses, we do not think it right to ask other LEAs to bear this burden, which would amount in total to a loss of about £75 million for all other authorities.

The hon. Member implied that there would be no need to affect other LEAs if the Government made a special payment to ILEA from the Exchequer. But pooling is a system of inter-authority payments and an Exchequer payment of the kind envisaged would be unprecedented. If, as I have argued, there is no justificaton for asking other LEAs to bear this burden, still less would there be justification for imposing such an obligation on the taxpayer.

Clauses 2 to 4 are essentially designed to enable the pooling system to continue to operate in a way that enjoys a consensus of support among local education authorities. The Bill as a whole is uncontentious and the House has treated it as such. It is not a suitable vehicle for enacting provisions which would be highly controversial among those whom they would effect, even if there were a case in principle for doing that.

For those reasons, I ask the House to reject the motion.

Mr. Andrew F. Bennett: I have listened to the Under-Secretary of State with considerable interest. I am not certain that he is being fair to the Inner London education authority. The authority does not get credit for the good educational provision that it makes which benefits other people through the United Kingdom. It seems to have paid an undue proportion. It would have been helpful if the Government had considered a way of compensating it. The Government seem to be more enthusiastic about criticising the ILEA for what is provides rather than about meeting its finances.

I do not believe that it would be appropriate at this stage to press the clause. I beg to ask leave to withdraw the motion.

Motion and clause, by leave withdrawn.

11.49 pm

Mr. Walden: I beg to move, That the Bill be now read the Third time.

The Bill deals with two separate topics. In both cases, its provisions are technical and uncontentious. I am grateful for the co-operation of the House in expediting the Bill's progress, and I shall not try hon. Members' patience by reiterating the technicalities and complexities to which the hon. Member for Denton and Reddish (Mr. Bennett) referred. I commend the Bill to the House.

11.50 pm

Mr. Robert Rhodes-James (Cambridge): Although I warmly welcome the Bill, I must repeat the point I made in Committee in relation to clause 1(2), which states:

"In making a grant under this section the Secretary of State may impose conditions for any purpose mentioned in subsection (3)"—

which are detailed—

"and may also impose such other conditions as he thinks fit."

As I said in Committee, that gives a Secretary of State excessive powers.

My hon. Friend the Minister may say that there are precedents. Many years ago, when I was a Clerk in the House, I was on the Consolidation Bill Committee, which discovered that there was a precedent for the £5 note being illegal. It had been made illegal in 1914 and Parliament had forgotten to repeal the legislation. Millions of people had been illegally trading in £5 notes. This is not a trivial point. Giving powers to any Secretary of State in such terms requires careful consideration. Of course, I shall support this fine Bill, but I ask my hon. Friend the Minister seriously to consider with his colleagues whether, in the future, such powers should be incorporated into any Bill.

11.51 pm

Mr. Walden: I am aware from the remarks made in Committee by my hon. Friend the Member for Cambridge (Mr. Rhodes-James) and his anxiety about this phrase. In raising this matter, he is demonstrating a characteristic and commendable vigilance in relation to the way in which such phrases are used, and I sympathise with his sensibilities, to the point where I went back to my Department and asked why that wide-ranging phrase was used.

In Committee, I tried to explain that the conditions in question are set out in the financial memoranda mentioned in the Bill. The Department draws up those memoranda in advance of the payment of grant to which they relate in consultation with the bodies concerned and with the agreement of the Treasury. My right hon. Friend the Secretary of State needs power to vary the conditions over time, because the circumstances—financial and other—

of the grant recipient may change. So, too, may the administrative and financial practices applicable to the expenditure of public funds. But I assure my hon. Friend that the Government do not make arbitrary or retrospective changes in conditions, nor would we alter the financial memoranda without giving the body concerned an opportunity to make representations on the proposed change.

I hope that, with that assurance, my hon. Friend will be content with the clause. I have before me a formidable list of precedents with which I shall not bore the House, save to mention that the Education Act 1944 states that payment by the Secretary of State may be dependent on the fulfilment,

"of such conditions as may be determined by or in accordance with the regulations."

Mr. Rhodes-James: That is different.

Mr. Walden: My hon. Friend says that that is different. I refer him—it will be very much to the forefront of his mind—to section 45 of the Sea Fish Industry Act 1970, concerning the herring industry board, which may make grants,

"subject to such conditions as may be determined."

I hope that I need not continue with the three pages of precedents and that my hon. Friend will be reassured by my remarks.

Question put and agreed to.

Bill read the Third time, and passed.

BUSINESS OF THE HOUSE

Ordered,

That, notwithstanding the practice of the House as to the intervals between stages of Bills brought in upon Ways and Means Resolutions, more than one stage of the Finance Bill may be taken at any sitting of the House.—*[Mr. Peter Lloyd.]*

Horticulture (Lea Valley)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

11.54 pm

Mrs. Marion Roe (Broxbourne): I sought this debate to draw attention to a number of important matters that affect the horticulture industry and particularly the glasshouse sector in the Lea Valley in which my constituency lies.

The fortunes of the glasshouse industry have been steadily improving since the disastrous year of 1981 when all commodities in the sector traded very badly. Despite the fact that current trading profits are marginal, significant renovation and rebuilding of glasshouse structures, improvements in the efficient use of fuel and advances in marketing initiatives and co-operation have helped the industry to face the future with increased confidence. Much of that has been the result of enterprise by growers, but I stress that Government grant aid to the industry has also played a significant part.

However, the trading position of growers is getting worse in relation to foreign competition. The figures for penetration of imports are worrying. Between 1976 and 1985, imports of cucumbers and tomatoes nearly doubled and those of lettuces and endives became seven times as great.

The Lea Valley produces 43 per cent. of the United Kingdom's output of cucumbers. Indeed, two thirds of growers' acreage is given over to them and such an increase in imports is bound to damage the industry. Similar figures can be given for imports of carnations, chrysanthemums, roses and other cut flowers.

The biggest worry for growers is the accession of Spain and Portugal to the EC. Although there will be a 10-year transitional period, during which the trade barriers between Spain and the Community will be dismantled, the horticulture industry still feels that it will be at a significant disadvantage at the end of that period. The reasons are obvious. The Spanish industry is far larger, Spain enjoys substantial climatic advantages, so crop heating is not significant, and labour costs are lower.

Ancillary to the problems caused by the enlargement of the EC are the additional arrangements being made with Mediterranean countries outside the EC in respect of imports of horticultural produce into the Community. That adds problems to a situation in which many horticultural products in this country are often in a state of seasonal oversupply.

Two examples illustrate the difficulty. In early April this year, the Community reference price for tomatoes was not published. A large quantity of Canary Islands and other third country tomatoes flooded our market at a time when demand was low owing to exceptionally cold weather and at precisely the time that the United Kingdom grower requires high prices to compensate him for the high energy use that winter and spring necessitate. The high countervailing duties now imposed illustrate the degree to which those imports were undercutting United Kingdom prices. Added to that problem was the fact that there were insufficient Her Majesty's inspectorate staff to ensure that the quality of tomatoes was properly maintained.

Secondly, in the week before St. Valentine's day, such large numbers of flowers were imported from Israel that the market for United Kingdom growers was ruined and

[Mrs. Marion Roe]

it has also been regularly disrupted on other occasions. It was an extreme example of the difficulties faced by growers when imports depress prices to such an extent that those growers cannot compete and stay in business.

The accession of Spain and Portugal to the EC is a fact. There can be no question of trade barriers within the Community. But the industry needs to know what attitude the Government have towards EEC Commission proposals to give further concessions to non-EEC Mediterranean countries. In order to give sufficient protection to Community growers, there should be quantity limits on all products which benefit from tariff concessions and there should be an effective price safeguard for those products not covered by the reference price system.

With regard to the expansion of the EEC, it is worth examining in what ways the industry can be assisted so that when the full impact of the membership of Spain and Portugal is apparent, growers are in the best position to compete.

There are already a number of mechanisms for the support of United Kingdom horticulture. United Kingdom growers voted substantially in favour of a Horticulture Development Council, and I welcome the setting up of the council to finance horticultural research and development. The council will have a majority of grower members—that is only right since it is growers who will pay the levy. It is heartening to see the commitment that growers have shown to the future by investing in research and development. Horticulture is setting an example to the rest of agriculture.

The Government, too, should demonstrate their commitment to the industry's future through publicly funded research, development and advisory activities. The Lea Valley growers very much regretted that the Government did not fully consult the industry before making cuts in ADAS activities such as the recently announced closure of the plant pathology unit and a reduction in other work at the Lea Valley Research Station. They hope that in future there will be close co-operation between the public sector decision takers and the industry—as represented by the National Farmers Union and the Horticulture Development Council—over such matters.

As I mentioned earlier, schemes for grant aid have been a crucial factor encouraging investment in the glasshouse industry over the last five years. Current schemes come to an end in 1988, and while much work has been done, the task of bringing the industry up to date will take much longer. I hope that arrangements to provide grant aid beyond 1988 can be made. I should like to raise one point for consideration within that.

There is a trend towards rationalisation in the industry, as larger operations are more competitive and are better placed to face the future. Given this, the current investment limit, for the purposes of grant, of £136,009 is not appropriate. It is barely enough to rebuild one and a half acres of glass, which is not significant for growers with a larger acreage. I therefore urge the Government to try to persuade other Community members to adopt a more realistic grant ceiling.

Other incentives should be given through the tax system. In the United Kingdom, the depreciation allowance for tax purposes of glasshouses is set at an annual rate of 4 per cent.; for plant and equipment, it is fixed at 25 per cent. The small budget concession that on sale or destruction the remaining value of buildings can be written off is welcome for agriculture, but it is not significant for the glasshouse sector, especially when placed alongside arrangements that exist in competitor countries.

In Holland, the Dutch may write down annually 18 per cent. on glasshouses, 23 per cent. on heating systems, irrigation and other machinery, and 30 per cent. on lighting, CO_2 generators, thermal screens and climate control computers. Those figures give a proper incentive to gear up and modernise, and we would do well to consider something similar. Perhaps this problem can be addressed in conjunction with the discussions between glasshouse manufacturers and the Ministry of Agriculture, Fisheries and Food relating to a new British Standard for glasshouses which will redefine both specifications and the life-span of buildings.

A final point needs to be addressed. With the defeat of the Shops Bill recently, hopes for sensible arrangements for nursery and garden centre trading hours received a severe setback. I need not run through the arguments with which we are all too familiar. Suffice it to say that Sunday is the most important day of the week for garden centres.

Gardening is a major leisure activity, a fundamental part of the modern family Sunday. The enterprise of growers who sell their produce and the so-called inanimate products that go with it such as peat, compost, tools, fencing and other things, should not be stifled under the weight of more contentious arguments. The expansion of the industry, the jobs of those who work in it and the satisfaction and pleasure that their produce bring, all depend upon reform. I hope that the Ministry of Agriculture will give firm backing to any proposal to achieve such reform.

Mr. Deputy Speaker (Mr. Harold Walker): Does the hon. Gentleman have the consent of the Minister and the hon. Member for Broxbourne (Mrs. Roe)?

12.3 am

Sir John Wells (Maidstone): Yes, Mr. Deputy Speaker. I shall be brief.

I support my hon. Friend the Member for Broxbourne (Mrs. Roe) in all that she has said. She has described her Adjournment debate as being limited to her own constituency, but everything she has touched upon affects horticulture throughout Britain.

Although under the rules of the Adjournment debate we cannot ask for legislation, it is open to Back Benchers to bring in ten-minute Bills or behind-the-Chair Bills and such like under our own steam. I hope that my hon. Friend the Member for Broxbourne or some other hon. Member will endeavour to remedy the defects that my hon. Friend spoke about in the last few sentences of her admirable speech.

The present Sunday trading ban is deplorable in its effect on horticulture, because horticulture is suffering from increasing competition from agriculture generally, and all our friends in horticulture are fearful of the pressures coming upon them. It behoves the House as a legislature in whatever sphere of activity it is operating to assist that sector of agriculture that gets minimal support from Government. The people in the industry are not using taxpayers' money but are doing a good job and they need our support.

12.9 am

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): I congratulate my hon. Friend the Member for Broxbourne (Mrs. Roe) on her fine speech and on the skilful way in which she brought the glasshouse industry in the Lea valley and the challenges it is facing to the attention the House.

I am also mindful of the comments of my hon. Friend the Member for Maidstone (Sir J. Wells). He was assiduous, as was my hon. Friend the Member for Broxbourne, in defence and support of horticulture. The Government are, of course, aware of many of the points mentioned by my hon. Friends and I am glad to have this opportunity to explain the Government's attitude to them.

I assure the House that the Government are fully aware of the value of a healthy and prosperous glasshouse industry, both nationally and particularly to the local economy of the Lea valley. Of course, the industry operates within a market economy and the prime determinant of its success is the ability and enterprise of those directly engaged in it. I congratulate the industry on its contribution to our economy, both nationally and in the Lea valley, where it is especially important. While the Government can help in particular ways, I regard our role mainly as one of ensuring that the industry is able to operate in conditions of fair competiton to meet the demands of the market place in terms of both quality and quantity.

I should like to mention some of the specific ways in which the Government provide help to the glasshouse industry. They provide capital grants, the full repayment of excise duty on oil used for glasshouse heating and soil sterilisation, a concession not available to any other sector, a comprehensive programme of research and development and technical advice through ADAS.

In the context of Government aid I should like to dwell a little on capital grant schemes. In our manifesto we made a particular commitment to

"help the glasshouse industry to sell more fruit and vegetables, and to make use of the best possible arrangements for heating and insulation".

In November 1983, my right hon. Friend announced that enhanced rates of grant would be available for a limited period to encourage the more efficient use of energy in the glasshouse sector. Such grants cover the replacement or improvement of existing heated glasshouses, including thermal insulation. Grants of up to 50 per cent. are available for this work within an investment ceiling, as my hon. Friend quoted, of up to £136,000. Although grants on machinery and plant and equipment generally were removed at that time, those for boilers and energy-saving equipment for glasshouses and facilities for the market preparation of harvested horticultural produce being sold fresh were retained. The House will be aware that last October new capital grant regulations were introduced to implement the new EC structures directives. Although the general rate is 15 per cent., with an investment ceiling of £50,000, we were very pleased to be able to continue the favourable rates and the ceiling available to horticulture.

We introduced these grants in recognition of the special needs of the glasshouse industry to re-equip itself with modern energy-efficient glasshouses. The situation of our glasshouse industry did improve, as my hon. Friend agreed, but last year I am afraid that it suffered from the poor summer. The demand for salad crops depends very much on the weather, and last year's miserable summer made one more inclined to eat hot-pot than salads. The poor demand led to low prices in 1985; and with the sharp rise in energy costs during the heating season of 1984 it was a poor year and many growers lost money on the crop. This season's growing costs have been reduced by the substantial reduction in oil prices, and with normal market conditions we would expect financial returns to be significantly better. The cool weather up to a few weeks ago gave the growers a poor start, but the great improvement in the last few weeks has made the salad crop very popular. I am sure we all hope that the summer continues to favour that crop, for the growers' sakes as well as for our own.

My hon. Friend mentioned one particular concern of the glasshouse industry: the effect of the accession of Spain and Portugal to the European Community. We are mainly concerned here with the beginning and the end of our growers' marketing season for protected crops, when there is an overlap with production in the Iberian peninsula. As my hon. Friend is aware, various measures have been taken to ensure a smooth transition to full membership of the Community for Spain and Portugal. The main element of these measures is an extended transition period of 10 years for fruit and vegetables, as opposed to seven years for most other sectors.

During the first four years of this transition there will be annual reductions of 10 per cent. in tariffs, but the reference price system, which is effectively a minimum import price system, will continue to apply. In the second phase of six years the reference price system will be phased out in six stages. However, I hope that my hon. Friend will draw reassurance from the fact that during this second phase there is provision for what is described as a "supplementary trade mechanism" to be introduced so as to regulate any increase in Spanish and Portuguese exports of fruit and vegetables into the Community to avoid disruption to markets.

Those of us who know the horticulture industry are constantly impressed by the innovation and enterprise shown by our leading growers, and I feel confident that they will meet the challenges of competition from Iberia.

I know, too that some growers are concerned about the negotiations going on in Brussels about the trade agreements with Mediterranean third countries. As the House will know, the Community has close political and economic links with non-member countries in the Mediterranean area. Last year the European Council issued a declaration that the Community would seek to negotiate revisions to the agreements aimed at maintaining traditional trade flows. The discussions going on now are to prepare a revised mandate for the Commission's second round of negotiations with Mediterranean third countries.

I know that some concern has been expressed that these discussions are going on behind closed doors, but I am sure the House will appreciate that details of the Community's negotiating position have to be kept confidential. Nevertheless, my officials have met the NFU to show the way in which the discussions are going and to ensure that we are fully aware of its particular concerns. The point I should like to emphasise most strongly to my hon. Friends is that we have been very mindful of our growers' interests in the negotiations. My right hon. and noble Friend the Minister of State has taken a close personal interest in the progress of these negotiations—as I may say he does in all matters horticultural. At present

[Mrs. Peggy Fenner]

the negotiations have become bogged down by Spanish demands for special measures to help the Canary Islands. I can assure the House that on this, as on other aspects of the negotiations, we shall take all possible steps to safeguard our growers' position.

I applaud my hon. Friend's support for what the Government regard as a major development in the horticulture industry. I refer to the establishment of the Horticultural Development Council. Less than two weeks ago the order setting up the council received support from both sides of both Houses, and I and my right hon. Friends are delighted that Mr. Frank Thomlinson has agreed to become the first chairman. We are in the process of appointing other members, and we hope that the council will be able to have its first meeting within the next two or three weeks. I wish the council well in the task of commissioning research and development work to benefit the horticultural industry, including the glasshouse sector.

My hon. Friend mentioned the Commission's failure to set a reference price for tomatoes on 1 April. The Commission claims that, because of the Easter holiday, it was unable to have the regulations translated and published in time, and we have left it in no doubt that we are not impressed by its performance. As it happens, the Canary tomatoes that came to the United Kingdom when the reference price should have been in operation were not sold below the reference price levels.

My hon. Friend was concerned about the flower prices in the run-up to St. Valentine's day, and she was right to say that they were poor. The Israeli suppliers were partly to blame, and this was a misjudgement on their part. They have no interest in selling at very low prices, because they have to pay a tariff of 17 per cent.

My hon. Friend was concerned about the changes at the Cheshunt pathology unit. I can assure her that that work will in future be provided from the regional office in Cambridge. There are good communications between these two centres, so the quality and the speed of service will not be affected. The Cheshunt office, although it loses a scientific officer, has three horticultural advisers, who will be retained, and thus the unit will continue to provide a full glasshouse advisory service to growers in the Lea valley.

My hon. Friend referred to the Sunday trading Bill, but she will not expect me to enlarge on that, as the House has defeated the Bill, and it is not for me now to be defending it.

I hope that what I have said goes some way to assuring the House and my hon. Friends about our concern that horticulture in the Lea valley continues and its profitability improves. The hard work and enterprise of those with businesses there certainly deserves success, and I have no hesitation in joining my hon. Friends in wishing them that success.

Question put and agreed to.

Adjourned accordingly at nineteen minutes past Twelve o'clock.

House of Commons

Tuesday 8 July 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

PLYMOUTH CITY COUNCIL BILL *[Lords] (By Order)*
Order for Second Reading read.
To be read a Second time upon Thursday 10 July.

BLYTH HARBOUR BILL *[Lords] (By Order)*
Read a Second time, and committed.

Royal Assent

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

1. Road Traffic Regulation (Parking) Act 1986.
2. Children and Young Persons (Amendment) Act 1986.
3. Consumer Safety (Amendment) Act 1986.
4. Forestry Act 1986.
5. Airports Act 1986.
6. Drug Trafficking Offences Act 1986.
7. Disabled Persons (Services, Consultation and Representation) Act 1986.
8. Protection of Children (Tobacco) Act 1986.
9. Protection of Military Remains Act 1986.
10. Harrogate Borough Council Act 1986.
11. South Yorkshire Passenger Transport Act 1986.
12. Clifton Suspension Bridge Act 1986.

Oral Answers to Questions

EDUCATION AND SCIENCE

School Books

1. **Mr. Hardy** asked the Secretary of State for Education and Science what is his estimate of the amount which will be spent in the current financial year upon books in schools; how much this represents per pupil; and if he will take action to assist local authorities to increase this provision.

The Minister of State, Department of Education and Science (Mr. Chris Patten): Local education authorities and schools decide how much is spent on books. The plans which we published in January were consistent with an expenditure on books of £70 million or £10 per pupil. On 10 June my right hon. Friend the Secretary of State announced a further £20 million for books and equipment for GCSE courses.

Mr. Hardy: Is the Minister aware that the total shortfall now amounts to more than £5 million a year, that most schools lack sufficient books and that books in use are often out of date? Is he further aware that the older geography books show nothing of the industrial transformation and devastation that has completely altered many local economies, and that pupils are not only hurt by the Government's lack of vision and provision but are demonstrably ill-informed?

Mr. Patten: I do not accept what the hon. Gentleman has said. [HON. MEMBERS: "HMI report".] As Opposition Members are shouting about the HMI report, I should remind them that it noted that the inadequate identification by teachers of pupils' educational needs and poor management of resources were more telling factors than the level of capitation.

Mr. Dorrell: Does my hon. Friend agree that recent developments in school management in Cambridgeshire, which offer greater discretion to school heads and governors in the use of resources, represent an interesting way forward? Could not other local education authorities usefully allow their schools more discretion and give heads more ability to decide the priorities that should be attached to the provision of textbooks and other school resources?

Mr. Patten: I entirely agree with my hon. Friend. I am only sorry that he is not serving on the Education Bill Committee. But, as has been said, it is never too late. If he was serving on it, he would know that clause 25 helps to promote those very activities.

Mr. Freud: Is the Minister aware that yesterday the Minister for the Arts gave a commitment that the library service would remain free? Does the hon. Gentleman accept that it would be very damaging to the public service and to education if parents had to make an input into the provision of books? Will he give an undertaking that that will not occur and that books for education will remain his Department's responsibility?

Mr. Patten: There is no such obligation on parents. I think that there is a question on the library service later on the Order Paper.

Mr. Adley: Does the Department have any policy of ensuring, as far as possible, that school books are published by British publishers? Will my hon. Friend do what he can to ensure that pirated editions of British publishers' books are not allowed into our schools?

Mr. Patten: I will certainly look into what my hon. Friend has said.

Mr. Radice: Does the Minister accept that the relevant facts are that there has been a reduction in book spending per pupil in primary and secondary schools in each of the past three years? That information was provided by the Parliamentary Under-Secretary of State to my hon. Friend the Member for Denton and Reddish (Mr. Bennett). In May HMI warned the Secretary of State about the inadequacy of books provision. In case the Minister has forgotten, that appeared in paragraph 12 of the report. Why does he not simply tell the House this afternoon that the Government will provide extra resources for books in 1987-88?

Mr. Patten: As the hon. Gentleman will know, most schools are given a capitation allowance which covers books and equipment, and they make the choice between spending on books and equipment. The spending per pupil on books and equipment fell by 6 per cent. in primary schools and by 8 per cent. in secondary schools in real terms between 1975 and 1979. Under this Government, spending on books and equipment has increased by 8 per cent. for primary schools and by 5 per cent. for secondary schools. No decision has been taken on local authority spending for 1987-88, but I am sure that the report by HMI will be taken into account.

Polytechnic Courses

2. **Mr. Watts** asked the Secretary of State for Education and Science what is the number of students currently attending polytechnic courses; and how this compares with 1979.

The Secretary of State for Education and Science (Mr. Kenneth Baker): In 1979 there were 131,000 full-time equivalent students at polytechnics. This had risen by 1984 to just under 171,000: an increase of just over 30 per cent.

Mr. Watts: I thank my right hon. Friend for that most encouraging reply. Does he expect the growth in numbers of technically and technologically skilled students and graduates from polytechnics to continue? Will he take the opportunity to refute the wild allegations that a massive cut in pupil numbers is in prospect?

Mr. Baker: On my hon. Friend's latter point, the Government do not want to see any overall reduction in intakes to polytechnics.

On the question of technology students, I pay tribute to the excellent work of polytechnics in training for professions and careers in technology. For example, at Coventry polytechnic, only one student out of 29 who graduated from the industrial design degree course last summer was still looking for a job in December, while all those who graduated from the combined engineering and languages course obtained jobs.

Mr. Flannery: Is it not a fact that the draconian cuts in universities have meant that many highly qualified young people who would otherwise have attended university have had to seek entrance to polytechnics?

Mr. Baker: Not for the first time, the hon. Gentleman has got it wrong. Under this Government there has been an unprecedented increase in the number of full-time students entering univerisities and polytechnics. As I said in the House about a fortnight ago, the total increase is 80,000 full-time students, and nearly 140,000 if one includes part-time students. That is a record of which we can be proud when it is compared with the reduction in the number of students during the period of the Labour Government.

Mr. Michael Morris: If my right hon. Friend wishes to increase the numbers still further, will he examine closely the submission to his Department of an application for polytechnic status by Nene college in Northampton, which, by any yardstick, has achieved the academic requirements for polytechnic status?

Mr. Baker: I shall consider my hon. Friend's request. I hope to visit Northampton and Northamptonshire in the not-too-distant future.

Mr. Fatchett: If the Secretary of State wanted to give a complete picture of what has happened in polytechnics during the past seven years, would he not draw the attention of the House to the fact that the amount of money spent per student has decreased by 25 per cent.? Is that not the real figure that shows the Government's record on polytechnics?

Mr. Baker: The hon. Gentleman makes the mistake of thinking that it requires only money to buy good education. The polytechnics have demonstrated that there is considerable scope for greater efficiency, not least by filling previously empty places. Nevertheless, I applaud their success in increasing the student-staff ratio from 8.4:1 in 1979 to 11.5:1 in 1984.

Mr. Douglas Hogg: Is my right hon. Friend aware that there is considerable concern about the funding of polytechnic evening-only degree and postgraduate courses? Will he give personal and careful consideration to the representations that have been made by Professor Burlin, which are set out in a letter dated 3 June 1986, addressed to my hon. Friend the Under-Secretary of State for Education and Science, who has responsibility for higher education?

Mr. Baker: Yes, I shall do that. I pay tribute to the family interest of my hon. Friend, whose great, great grandfather started one of the greatest polytechnics in Britain.

Mr. Andrew F. Bennett: Before the Secretary of State becomes too smug and rewrites history, does he recall that it was the Conservative Government who tried to cut the number of students in universities? It was fortunate that local authority control of polytechnics took up the cut in student numbers. Can he tell us what will happen for the following academic year? Will he allow the polytechnics sufficient resources so that they do not have to cut places, or will he insist that there will be a cut of 9,000 places in 1987-88?

Mr. Baker: I am not trying to rewrite history. My hon. Friend's great, great grandfather founded one of our first polytechnics. The talk of 10,000 places being cut that is being bandied around is conjecture based upon hypothesis inflamed by exaggerated anxiety. I cannot announce an

expenditure figure until local authority current expenditure is agreed. I hope to be able to give a figure to the National Advisory Board by the end of August. I assure the House that the Government do not want to see an overall reduction in the intake of polytechnics.

Holidays (School Premises)

3. **Mr. David Atkinson** asked the Secretary of State for Education and Science if he will make a statement about his policy on the use of educational establishments during school holidays.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): The use of school premises out of hours is a matter for local decision by authorities and governors. The Government encourage their fuller use by the community where this is practicable and justified.

Mr. Atkinson: Is my hon. Friend satisfied that the commercial potential of school premises and grounds, when they are not being used by pupils, is being exploited fully by education authorities to increase their revenue? Is he aware of the growing number of sports and activity holidays and of the thriving English language school industry, which often need venues of this kind?

Mr. Dunn: Local authorities are empowered to make an economic charge for the services that are provided. The evidence available to me of sports-centred holidays and school facilities is that they are developments that are worth watching. I shall continue to watch how this trend develops and how it can best be promoted.

Mr. Carter-Jones: Does the Minister not yet realise that the concepts enunciated in the village colleges in Cambridge well before the second world war are worthy of consideration now? Does he not recognise their importance to the community, and will he encourage them?

Mr. Dunn: I am not entirely aware of the pre-war development to which the hon. Gentleman refers. The concept of the use by the community of facilities as currently practised in Cambridgeshire — I visited Cambridgeshire a short while ago to see at first hand what it was doing — is to be encouraged and should be undertaken by other local authorities. I trust that in time the Cambridgeshire example will be followed.

Mr. Pawsey: I thank my hon. Friend for his generally helpful reply. Bearing in mind the importance of dual use to many of our communities, will he consider issuing a circular to local authorities so that this activity might be promoted?

Mr Dunn: The promotion of this activity is of great interest to the Government. A circular is one of a number of vehicles available to us. I shall bear my hon. Friend's comments in mind.

Mr. Sheerman: Will the Minister use this occasion to denounce the scheme, published in *The Guardian* this morning and emanating from the Department of the Environment, that local education authorities will be forced to let out schools to the highest bidder in the holidays, at weekends and in the evenings, and that parents of schoolchildren will be charged at the market rate for extra curricular activity, such as music lessons? Will he denounce this plan immediately?

Mr. Dunn: Before commenting, I should like to see the article to which the hon. Gentleman referred. I am grateful to the hon. Gentleman for handing me a copy. I shall read it in the course of the next few questions.

The purpose of this question is to establish the Government's attitude towards the use of school facilities in the holidays and at other times. I have already said that we welcome the maximisation of the use of facilities at all times by local authorities.

Mathematics and Science

4. **Mr. Alan Howarth** asked the Secretary of State for Education and Science what measures he intends to take to improve recruitment of teachers of mathematics and science.

Mr. Kenneth Baker: I am working on a range of measures with the education service and with industry. I will publish a consultation document tomorrow.

Mr. Howarth: Does my right hon. Friend agree that the most important single cause of our present shortage of mathematics and science teachers lies in the negative attitude to salary differentiation on the part of teachers' union representatives on the Burnham committee over many years? That is the principal reason why our school leavers are now, on average, two years behind their German and Japanese counterparts in mathematical attainment, with all the handicaps that that means for them personally and for our economy. Is my right hon. Friend aware that his determination to grasp the problem and build on the initiatives taken by his predecessor will be greatly welcomed?

Mr. Baker: I shall certainly be building on the initiatives taken by my predecessor. The shortage of mathematics, physics and technology teachers is a grave crisis for our country. It has been arising for a long time. The consultation document that I shall be publishing tomorrow puts forward eight different proposals. I hope that when it has been considered by the education world and by industry there will be even more proposals. One of them is the point that my hon. Friend has addressed, the question of differentials, and whether, as there is a shortage, that should be recognised in the pay. This matter must be addressed by ACAS. I take note of the point made by my hon. Friend in recognising that some differential should be paid to encourage more people to teach in these subjects.

Mr. Dalyell: Is Sir John Mason of the Royal Society right in saying that only 40 or 50 teachers of physics will go into teaching next year? Have the Government, in their preparation of the paper, done any projections for 1992, when a lump of physics and mathematics teachers are due to retire and the number of schools requiring mathematics and physics teachers will begin to increase rather dramatically?

Mr. Baker: The hon. Gentleman will see that in the consultation document we set out the number of applications by graduates who want to take courses in teaching physics and maths. I agree that we must find ways of attracting more people into teaching physics and maths. Various ideas have been put forward to involve industry and to try to encourage people who have a mathemathical and tehnological background who want to retire early to come back and possibly teach in our schools. Surrey

county council has approached the chambers of commerce and the rotary clubs to see whether they can help in that regard. I also want to involve people who retire from the services early who now have a strong technological background. I have met former officers and non-commissioned officers who are teachers in computer studies. We must explore all methods to attract more people to that area. We must also persuade children, even at the primary school level, to take an interest in these subjects so that there is a steady flow through the educational stream.

Mr. Gerald Bowden: Has my right hon. Friend heard of the scheme known as SMILE — the secondary mathematics individual learning scheme—that is used in inner London schools? Has he seen a recent report in the *Daily Telegraph* that children taking the CSE examination were asked to estimate the cost of providing food, housing and welfare for the world and to compare that with NATO and Warsaw pact military expenditure? Is that the sort of question that should be asked of children? Is it any surprise that mathematics is at such an appallingly low standard in inner London schools? Is it any surprise that no teacher of calibre can be recruited to those schools?

Mr. Baker: I have seen the examination paper in question, and I deplore the fact that an examination paper appeared in that form. — [HON. MEMBERS: "Why?"] Because it has nothing to do with mathematics; it is all to do with politics. I deplore the fact that politics has been dragged in in that way. I have written to the chairman of the examinations board asking him to look into the matter.

Mr. Freud: We are pleased to hear that the Secretary of State acknowledges that the reasons for the shortage of science-skilled teachers can be found long before the teacher training college stage. Does the right hon. Gentleman accept that paying one set of teachers more than another will create divisions in the teacher force? Will he bear in mind the failure of the £1,000 bounty for teachers who were to go into mathematics and science?

Mr. Baker: The hon. Gentleman was a little quick in calling it a failure. It is not £1,000, but £1,200, so he is only 20 per cent. out. The bursary to students entering postgraduate teacher training courses from this September is £1,200. I hope that more students will be persuaded to take it up. Pay differentials do operate, recognising merit, quality and responsibility. That may well be a way forward towards recognising the shortages that exist.

Mr. Radice: It is common ground that there is a major crisis of teacher supply in mathematics, physics and technology. I welcome the consultative document which the Secretary of State is to publish tomorrow. In view of the crisis and the need to act swiftly—which I think the right hon. Gentleman acknowledges — should he not now call on industry, which is always rightly asking our schools to raise their standards, to organise an immediate programme of secondment of qualified people to our schools?

Mr. Baker: The hon. Gentleman will find that there are various proposals in the consultative document which deeply involve industry. For example, GEC will find work for teachers in its factories for four or five weeks in the year. That is a step forward. The hon. Gentleman speaks of a crisis, but I hope he will recognise that it is not a crisis of the Government's making.

Mr. Sheerman: It is always someone else's fault.

Mr. Baker: In 1977 the Labour Government started a series of incentives, some of which have not worked. Over the past 30 years previous Governments have tried to solve the problem. For example, in the late 1940s some people were let off national service if they decided to teach mathematics and physics. This long-term problem requires urgent action. The document contains many proposals, and I hope that the country will consider them seriously.

Crime Prevention

5. **Mr. Brandon-Bravo** asked the Secretary of State for Education and Science to what extent the Education (Grants and Awards) Acts have been used to assist in specific programmes to help education for crime prevention.

Mr. Chris Patten: In the current year education support grants are supporting expenditure by local education authorities of up to £2 million on preventing the misuse of drugs. In 1987-88 they will, in addition, be supporting expenditure of up to £1 million on schemes to promote social responsibility among young people with a view to reducing juvenile crime.

Mr. Brandon-Bravo: I welcome expenditure in this area of education. Are any of these grants used to discourage vandalism? Are grants available to encourage parental responsibility in respect of this activity? My hon. Friend may be aware—if not, I will send him the details—of a great tragedy in my consitituency where young persons are causing great distress and damage. I believe that education has a role to play in improving the position.

Mr. Patten: I assure my hon. Friend that what we have in mind will include schemes designed to reduce vandalism as well as projects to involve parents. I draw my hon. Friend's attention to the guide on best practice in securing education buildings against vandalism, which we have already published, and a study of the subject, which we initiated. We hope that the Education Bill, which strengthens the links between parents and schools, will help in that regard as well.

Mr. Greenway: Will my hon. Friend consider using the Education (Grants and Awards) Acts to stimulate team games coaching and teaching in all schools? That will give our children a chance to learn cricket, rugger, soccer and other team games which are currently denied them by many Labour authorities. Does my hon. Friend realise that Michael Gatting, who is captaining England at cricket with such distinction, was a product of a London school, and that we shall never see the like of him again if the Labour-controlled London authorities are allowed to continue as they are?

Mr. Patten: Like my hon. Friend, I deplore some of the attitudes of Labour-controlled local education authorities on team games. Like my hon. Friend, I think that there is a strong case for encouraging more coaching of cricket, especially in view of events elsewhere today.

Population Growth Areas

6. **Mr. Adley** asked the Secretary of State for Education and Science what steps he is taking to ensure that adequate education facilities are available in areas of population growth; and if he will make a statement.

Mr. Dunn: It is for the local education authority to ensure that the schools available in its area are sufficient in number, character and equipment.

Mr. Adley: I thank my hon. Friend for that reply. Is he aware that there is a warm welcome in my constituency for his recent decision on the voluntary aided school in Verwood? I am doing nothing less than my duty in thanking him and my right hon. Friend the Secretary of State for the speed with which they acted. However, is he aware that in east Dorset, an area of major population growth, there remain many problems about bussing and so on, which cause distress to many parents? Could he have a word with the Department of the Environment to try to ensure that, when major housing schemes are proposed, for example, under structure plan amendments, there is some input from his Department to see that schools are provided before the huge housing developments take place?

Mr. Dunn: I am grateful to my hon. Friend for his kind words about the recent decision, published on 10 June, to establish a new voluntary aided middle school in Verwood. With regard to my hon. Friend's question about transport, I shall ensure that the comments he has made are drawn to the attention of the appropriate Department.

Mr. Campbell-Savours: To what extent is the Department of Education and Science being consulted by the Department of Employment over the review of skill-centres that is currently going on, which arises in part from changes in population? In the event that the Government were to proceed with the stupid decision, or were to proceed down the route of taking a stupid decision to close the Maryport skillcentre in my constituency, may I have an assurance that the Department of Education and Science will object most vigorously, because it will affect education and training provision in west Cumbria?

Mr. Dunn: This question is about adequate education facilities in the context of school places. However, I shall undertake to ensure that the comments the hon. Gentleman has just made are drawn to the attention of the Paymaster General.

Mr. Conway: My hon. Friend's reply to my hon. Friend the Member for Christchurch (Mr. Adley) was no doubt right, in that it is the responsibility of local education authorities to establish provision, but does my hon. Friend accept that where Governments accelerate population growth, such as in the county of Shropshire, with the establishment and growth of a new town, it is incumbent upon them to ensure that sufficient resources go along with that nationally inspired growth to cope with educational demand?

Mr. Dunn: In deciding upon the distribution of financial resources available to us, we shall continue to give priority to work necessary to meet increased pupil numbers in areas of population growth. That is a guarantee that I can give to my hon. Friend.

Mr. Meadowcroft: Is the Minister aware that in parts of a large city such as Leeds there is population growth but the overall trend is of falling rolls? Will the Minister say whether he favours a single solution for such cities, which in the case of Leeds would involve the reorganisation of all the schools, including one single tertiary college, which has been proposed by the local education authority?

Mr. Dunn: The hon. Gentleman is very seductive in trying to make me pass comment on proposals which have not yet come to the Department for deliberation and adjudication. I can assure him that any comments that he or any other Member from the city of Leeds cares to make about any proposals which may come my way will be borne in mind.

Mr. Nicholas Winterton: A number of hon. Members are concerned about the amount of sports field provision within education and are deeply anxious that many sports fields are being sold off. Bearing in mind the shortage of sports field facilities in many parts of the country, does my hon. Friend not feel that it would be sensible to look at this seriously so that, before land currently used to provide sporting facilities is sold off for other purposes, the overall physical recreation requirements of all areas are properly investigated?

Mr. Dunn: School playing fields are protected by the appropriate regulations. I have just written to my hon. Friend on that very subject.

Royal Greenwich Observatory

7. **Mr. Tony Lloyd** asked the Secretary of State for Education and Science what recent representations he has received about the Science and Engineering Research Council decision to transfer the Royal Greenwich Observatory to Cambridge.

The Parliamentary Under-Secretary of State for Education and Science (Mr. George Walden): Since the council meeting on 18 June my right hon. Friend the Secretary of State and I have received 22 letters commenting on the decision to transfer the RGO to Cambridge.

Mr. Lloyd: Has the Minister seen the editorial in the latest edition of *Nature*, which surmises that the decision to refuse to transfer the Royal Greenwich Observatory to Manchester seemed to be justified by a desire to please the staff at the RGO, who felt that living north of the River Trent would be uncomfortable and a little bit like living in a foreign country? Does the Minister accept that nobody — not only those in the north of England — believes that the decision was made on technical grounds, but was simply to please the Oxbridge mafiosi? Will the hon. Gentleman now agree to publish the reports leading up to the decision so that at least he can absolve himself of the charge that he is pandering to that mafiosi?

Mr. Walden: Such decisions on scientific grounds are taken by the research councils that are appointed by my right hon. Friend the Secretary of State to make precisely that sort of decision.

Mr. Charles Wardle: Is my hon. Friend aware that both the Royal Society and the Royal Astronomical Society have advised the SERC to leave the Royal Greenwich Observatory at Herstmonceux? Is he further aware that the chairman of the SERC said in March that the cost of the move would be £3·5 million, and now he is saying that

it will cost £6 million? Will my hon. Friend examine the proposal carefully and critically, and particularly the financial reasoning that underlies it?

Mr. Walden: I can only repeat to my hon. Friend what I have just said in reply, to the first question. Those decisions are taken on scientific grounds, by people who are appointed by my right hon. Friend the Secretary of State to take them. However, I should like to add that I am well aware of the uncertainty and, perhaps, the disruption that will be caused to the lives of some of my hon. Friend's constituents. As he knows, the SERC is anxious to do whatever it can to help in that regard.

Mr. Faulds: Is the hon. Gentleman not aware that there is widespread and near total opposition—*[Interruption.]* I will get on when people shut up and let people be heard——

Mr. Speaker: Order. I can hear the hon. Gentleman.

Mr. Faulds: For the benefit of these loons, I will repeat the question. Is the hon. Gentleman unaware that there is widespread and near total opposition to the move from Herstmonceux by those in the astronomical world who actually know something about this problem, unlike the majority of the members of the SERC? Will the hon. Gentleman get his right hon. Friend the Secretary of State to review this decision before the damaging implications become too obvious?

Mr. Walden: I am not aware of near total opposition to the decision. What I am aware of, as in any such decision, is very healthy and natural public discussion and public dissent.

Mr. Silvester: Will my hon. Friend make it clear, because it is not altogether clear from his answers, whether he is simply taking the decision of the SERC at face value, or reviewing it? If he is reviewing it, will he make sure that before the review he publishes the facts on which the council's decision and statement are based, particularly in respect of the Herschel development?

Mr. Walden: The position is as follows. The council is required to seek my right hon. Friend's approval to the capital expenditure at Cambridge, and through him, the Treasury, for the retention of the receipts from the sale of the Herstmonceux estate. Apart from those financial approvals, there is a long-standing practice over many years, observed by Governments of both complexions, not to overturn a decision by a research council made on scientific grounds.

Dr. Bray: Is the Minister aware that the SERC in fact said that Manchester as well as Cambridge
"would be very satisfactory from scientific, technological and administrative viewpoints"?
Is he further aware that the decision to send the observatory to Cambridge greatly increases the claims that Manchester will have for the next research institute, which will perhaps create more employment in Greater Manchester than in La Palma or Hawaii?

Mr. Walden: I note the hon. Gentleman's advance lobbying.

Mr. Gow: Is my hon. Friend aware that among the 22 letters which he has received about the recommendations of the research council there is a particularly powerful one from the hon. Member for Eastbourne? Following the answer that he has just given to my hon. Friend the Member for Manchester, Withington (Mr. Silvester) will my hon. Friend make it clear that the Secretary of State does not have in mind even the possibility that the Government will reject the recommendations of the research council?

Mr. Walden: Among the other letters, I am aware, of course, of the powerful points that have been put by my hon. Friend. I can only repeat that there is a long-standing practice, observed by all Governments, not to question decisions by research councils which are taken on scientific grounds.

Polytechnics

9. **Mr. Brown** asked the Secretary of State for Education and Science what representations he has received in the past month from directors of polytechnics about the National Advisory Body's planning exercise for 1987-88.

13. **Mr. Kilroy-Silk** asked the Secretary of State for Education and Science what representations he has received in the past month from directors of polytechnics about the National Advisory Body's planning exercise for 1987-88.

I have received one letter. During the past month I have also visited five polytechnics and my right hon. Friend has also visited one. The National Advisory Body's planning exercise was among the subjects discussed on each occasion.

Mr. Brown: When the hon. Gentleman responds to the representations made to him by the directors of the polytechnics in the northern region — Teesside, Middlesbrough, and Newcastle—will he give due weight to the representations that have been made by major private sector employers in the northern region, including Alcan and Swan Hunters, which have protested most vigorously to the cuts that he proposes?

Mr. Walden: The hon. Gentleman's question is based on a total misconception. I propose no cuts and the Government propose no cuts. As it happens, I have visited the polytechnics to which the hon. Gentleman refers and I have therefore had a recent opportunity to leave people on the spot in no doubt about the inaccurate and misleading information which has been put about and which has been encouraged by the hon. Gentleman.

Mrs. Currie: I congratulate my hon. Friend on the excellent results which were announced earlier this afternoon of the increase under the Government in the numbers of polytechnic students. Does that not show the Conservative Government's considerable support and commitment to the growth of this particular sector of higher education, which now rivals the universities in the quality of the work that it does?

Mr. Walden: I am glad that my hon. Friend made that intervention, because it will help to counter some of the nonsense that is put about by the Opposition. I am never surprised when the Opposition flog a dead horse, but "Poly Cuts" expired before it even got to the starting line.

School Reorganisation Plans

Mr. Stern asked the Secretary of State for Education and Science if he has any plans to speed up the work of his Department in considering school reorganisation plans submitted to him.

Mr. Baker: I have appointed Mr. J. A. M. Mitchell to undertake a scrutiny of the Department's procedures on school closures, with the purpose of speeding those procedures up.

Mr. Stern: May I assure my right hon. Friend that that is a most welcome answer especially in a politically volatile area such as the county of Avon, where the disadvantage of delays in the programme of school reorganisation means that the beneficiary is often the successor administration?

Mr. Baker: I agree with my hon. Friend. There have been quite unacceptable delays in coming to decisions. There is a proposal before me from the Avon local education authority, and I shall try to deal with it as expeditiously as I can.

University of Edinburgh

11. **Mr. Dalyell** asked the Secretary of State for Education and Science what representations he has had from the vice-chancellor and principal of the University of Edinburgh on the issue of research funds.

Mr. Walden: My right hon. Friend has received a letter from Dr. Burnett describing some of the implications for Edinburgh university of the University Grants Committee's grant allocations for 1986-87 and expressing concern about future funding prospects.

Mr. Dalyell: May I ask two questions, of which I have given the Minister's office notice? On what proportion of the total grant did the UGC exercise research selectivity? Was it 15 per cent., 30 per cent. or 100 per cent.? On what proportion of the total grant was the new common funding base applied?

Mr. Walden: The proportions of the resources allocated notionally for teaching and research purposes were determined by the UGC sub-committees and varied between subjects. I understand that, overall, about two thirds of the resources were allocated on a common basis to teaching purposes and that one third was allocated to research purposes. Obviously the effects in each university will be different according to the different mix of subjects.

School Reorganisation Plans

12. **Mr. Teddy Taylor** asked the Secretary of State for Education and Science how many proposals for major reorganisation of secondary education he has received from local authorities since 1979; and how many he has approved.

Mr. Dunn: Detailed records of proposals for major reorganisation of secondary education are available only in respect of those published since August 1980, when sections 12 to 15 of the Education Act 1980 came into force. Of the 73 such proposals received since that date, 45 have been approved, nine are undecided, and 19 were rejected.

Mr. Taylor: Is my hon. Friend aware from his highly successful visit to Southend last week of the damaging educational uncertainty created by county councils which put forward major reorganisation plans, in this case twice within a period of three years, to take away the sixth forms from comprehensives and to abolish two excellent grammar schools? Will he urge local councils not to produce a large number of secondary school reorganisations within a short time, thereby creating massive uncertainty for teachers, parents and pupils?

Mr. Dunn: We are fully aware of the reputation at present enjoyed by Southend's grammar schools and the other schools which my hon. Friend mentioned. His comments will be fully taken into account if and when proposals come before us.

PRIME MINISTER

Engagements

Q1. **Mr. Evennett** asked the Prime Minister if she will list her official engagements for Tuesday 8 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall have further meetings later today. This evening I hope to have an audience of Her Majesty The Queen.

Mr. Evennett: Will my right hon. Friend reassure the House and the nation that the wild allegations circulating about the supposed state of health of the British people are wholly false, and that the incidence of major and killer diseases, such as cancer and heart disease, is no higher in this country than in other Western industrial nations?

The Prime Minister: I am happy to say that this country has an excellent Health Service, which serves its people well. There may be many causes of heart disease, but the number of heart bypass operations has trebled since 1979.

Mr. Kinnock: When P. W. Botha cannot find time to see the Foreign Secretary this week, when black leaders in South Africa will not see him, and when the attitude of both the African National Congress and the leaders of the front-line states could not be more plain or more opposed to the Prime Minister's attitude to sanctions, what exactly is the purpose of sending the Foreign Secretary to southern Africa this week?

The Prime Minister: President Botha will see my right hon. and learned Friend the Foreign Secretary on a date which has now been arranged in July, convenient to both of them. My right hon. and learned Friend will visit the front-line states before then and will hope to see some Heads of Government or Heads of State. I rather thought that the right hon. Gentleman was supporting my right hon. and learned Friend in his mission. Last week the right hon. Gentleman said that he wished my right hon. and learned Friend well, but at present the right hon. Gentleman is doing everything that he can to undermine him.

Mr. Kinnock: That is impossible when the Prime Minister has done such an effective job on scuppering her right hon. and learned Friend. In any case, it is not my enthusiasm that is required, but the response of P. W. Botha. Why is it that the Prime Minister wants to wait upon the convenience of P. W. Botha? Does she not realise

that people of all parties in this country take it ill that our Foreign Secretary should be regarded with such contempt by a bunch of racist gangsters in South Africa?

The Prime Minister: The right hon. Gentleman must be hard up for a question if he asks such bunkum.

Mr. Kinnock: May I then ask the Prime Minister what, precisely, is the purpose of the Foreign Secretary going to southern Africa this week? Is he not filling in time on a fool's errand?

The Prime Minister: My right hon. and learned Friend goes to South Africa representing the 12 Governments of Europe. He is representing not only this country, but the 12 Governments of Europe, which have said:

"The European Council decided to ask the future UK Presidency Foreign Minister to visit southern Africa, in a further effort to establish conditions in which the necessary dialogue can commence."

Twelve Governments, 12 Heads of Government, 12 Foreign Secretaries have great faith in my right hon. and learned Friend the Foreign Secretary.

Q2. **Mr. Hayward** asked the Prime Minister if she will list her official engagements for Tuesday 8 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Hayward: Will my right hon. Friend, during her busy day, consider, in her role as Head of the Civil Service, the recent election as general secretary of the Civil and Public Services Association of a gentleman who does not support the constitution or the monarchy and opposes the independence of the Civil Service? Is it not astonishing that such a man should—according to *The Guardian*—be a lifelong member of the Labour party? Is it not members such as him who cause the Labour party to lose by-elections in such places as Filton in Bristol North-West, because while they belong to the party, people do not believe that it has rid itself of the Militants?

The Prime Minister: My hon. Friend makes his own point very effectively. The election within the CPSA is a matter for that union. If there were any allegations of irregularity, that would be a matter for the courts.

Mr. Heffer: If the Foreign Secretary is not successful in the mission on which the right hon. Lady and the other Governments have sent him, if Nelson Mandela is not released from prison and there is no end to apartheid, will the right hon. Lady assure us that there will then be economic sanctions against South Africa?

The Prime Minister: The position is set out in the communiqué issued by the 12 Governments, which states:

"In the meantime in the next three months the Community will enter into consultations with the other industrialised countries on further measures which might be needed covering in particular a ban on new investments, the import of coal, iron, steel and gold coins from South Africa."

There is nothing automatic about that, but contingency plans are being made and other countries are being consulted. I remind the hon. Gentleman that my right hon. and learned Friend is going as the representative of all the nations of the European Community, which have great confidence in my right hon. and learned Friend.

Mr. Wrigglesworth: Will the Prime Minister consider today the continued deterioration in the competitiveness of British industry as measured by unit labour costs? Does she not agree that the deterioration is in large part due to increases in pay led by the private sector and that it will inevitably lead to further job losses? Will she tell the House what, apart from uttering exhortations, the Government intend to do to prevent this?

The Prime Minister: As the hon. Gentleman is aware, the crucial figure is the unit labour cost. If unit labour costs rise faster here than in other countries, I agree that we are in danger of losing trade, and if we lose trade because we are not competitive, we lose jobs. It is, therefore, vital that wage negotiations should be conducted in such a way as to produce the result that our unit labour costs stay down.

Q3. **Mr. Temple-Morris** asked the Prime Minister if she will list her official engagements for Tuesday 8 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Temple-Morris: Has my right hon. Friend had time today to see reports of a quite outrageous, vicious and brutal attack upon a News International distribution depot in Eastleigh, Hampshire? Has she also seen police reports that members of SOGAT '82 were involved? Will my right hon. Friend, before the House, condemn that action as the outrage that it is?

The Prime Minister: I believe that criminal behaviour of that sort will be condemned by decent people everywhere. I understand that the raid on Sunday was the tenth made so far on TNT premises around the country since the printing dispute between News International and the print unions began in January this year. It is part of an attack made by some people. The Hampshire police are conducting an urgent investigation so that those responsible can be brought before the courts. This is no way in which to conduct an industrial dispute.

Mr. Nicholas Brown: On 24 April the Prime Minister gave an assurance that Harland and Wolff's bid for AOR 1 had been comprehensively costed. Why are the designs for that ship still being reviewed at the Ministry of Defence?

The Prime Minister: As the hon. Gentleman is aware, we have done everything to facilitate the transfer of designs and we shall continue to do so. He also knows that we have done a great deal to enable Swan Hunter to obtain orders and to bring them forward so that it could do so.

Q4. **Sir John Biggs-Davison** asked the Prime Minister if she will list her official engagements for Tuesday 8 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Sir John Biggs-Davison: Even if some Boers have been boorish, will Her Majesty's Government not be deterred from playing a helpful role in South Africa? Will my right hon. and learned Friend the Foreign Secretary consider suggesting to Bishop Tutu that it would be helpful if he would denounce the politics of the necklace? Will he also suggest to the ANC that it would be helpful if it were to suspend its death threats against two other bishops who, with millions of black Africans not of the ANC, stand for non-violence and dialogue with the state President?

The Prime Minister: Again I believe that most decent people everywhere totally and utterly condemn the necklace and the use to which it has been put in South Africa. It was for that and other reasons that the

Commonwealth conference called upon both sides for the suspension of violence—the precise thing for which my hon. Friend is calling—to bring about the conditions under which a dialogue can take place between the Government of South Africa and proper and full representatives of black South Africans. That is the way in the end that the problem will be solved, and in none other.

Mr. Pike: When the Prime Minister said last week that it was for the South African people to determine what type of Government they wanted in South Africa and that that Government had to be acceptable to all people of whatever background, did she mean that she was prepared to support black majority rule? Will she spell that out clearly and support the line taken by the Church of England Synod yesterday in calling for sanctions?

The Prime Minister: The Commonwealth conference and the communiqué have taken a similar view. Our role is to try to bring about the necessary negotiations and dialogue between the Government and the black South African people, and, indeed, all people in South Africa. If there were to be a constitutional convention, it would be for them to decide what kind of constitution would emerge and not for us to predetermine it for them.

The hon. Gentleman asked me about economic sanctions. No, I will not support full economic sanctions. I know of very few people who do, except those on the Labour Benches. I find it ironic that on the one hand people, including the Church, are calling for all help to end starvation, famine and poverty in South Africa, and on the other hand are calling for the very economic sanctions that would increase that.

Q5. **Mr. Michael Colvin** asked the Prime Minister if she will list her official engagements for Tuesday 8 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Colvin: Has my right hon. Friend noted that BBC television has at last presented the other side of the South African sanctions equation by reporting last night that some 450,000 young blacks in the Homelands may well die of starvation if the faltering economy of South Africa does not soon recover? Does she agree that positive measures to aid all South Africans would do much more to assist that country to a true democracy than would wielding a big stick? Does she also agree that it is high time that leaders on all sides in South Africa learnt who their real friends were and stopped indulging in their favourite pastime of shooting themselves in the foot?

The Prime Minister: I heard of the broadcast to which I think my hon. Friend is referring. It was a BBC report on Operation Hunger in South Africa and a Mrs. Pearlman who runs it was broadcasting and pointed out the difficulties already in South Africa where some people, with the uncertainty of the present economic circumstances, are returning to the Homelands and are not able to support their families as they have done. She went on to say:

> "Sanctions would probably immediately double our normal death rate of 50,000 children under the age of 5 per year, and they could be placing at least another 400,000 children under 15 at risk."

We do not wish to go that way.

Mr. Ewing: Is the Prime Minister aware that tomorrow her predecessor as leader of the Tory party the right hon. Member for Old Bexley and Sidcup (Mr. Heath) will celebrate his 70th birthday? Will the Prime Minister convey our good wishes that the right hon. Gentleman will long continue to represent with strength and vigour the human face of the Conservative party, which is more important now than ever in view of her inhuman approach to almost every subject?

The Prime Minister: I gladly wish my right hon. Friend well, and a very happy birthday. He is as much against economic sanctions as I am.

European Community (Agricultural Spending)

3.31 pm

Mr. Teddy Taylor (Southend, East): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the decision of the Council of Finance Ministers yesterday to approve substantial additional agricultural spending in breach of the budgetary limits agreed by the European Council on 4 December 1984."

While EEC spending is a continuing issue, yesterday's decision is in a different category and strikes at the heart of this House's control of spending. The House agreed in 1985 to increase the VAT contribution to the EEC by 40 per cent. in real terms following a specific agreement concluded by the Prime Minister which provided, first, that the additional resources would last for several years, secondly, that strict budgetary controls would be applied, and, thirdly, that the rate of increase in farm spending would be limited to the natural increase in own resources. But the Commission has since advised in document 7113 that the 40 per cent. increase will be exhausted this year, and yesterday's unanimous decision of the Council of Finance Ministers proves that strict budgetary limits are dead and that farm spending arrears are out of control in relation to the agreement which was solemnly concluded.

If there is no debate today or tomorrow, our Chancellor and other Finance Ministers will conclude by Wednesday an agreement that ignores the December 1984 agreement which this House was advised was binding on the Council of Finance Ministers. If no debate is held, Parliament will have surrendered a huge area of control over spending. I therefore conclude that this is an important, urgent and serious matter that should have the immediate attention of the House.

Mr. Speaker: The hon. Member for Southend, East (Mr. Taylor) asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the decision of the Council of Finance Ministers yesterday to approve substantial additional agricultural spending in breach of the budgetary limits agreed by the European Council on 4 December 1984."

I have listened with great care to what the hon. Gentleman has said. As he knows, my duty in considering an application under Standing Order No. 10 is to decide whether it should be given priority over the business already set down for today or tomorrow. I regret that I cannot find that the matter that he has raised meets all the criteria laid down in the Standing Order, and I cannot therefore submit his application to the House.

Nevertheless, I say to the hon. Gentleman that I hope that even this week he will find other opportunities of raising this matter in the House.

STATUTORY INSTRUMENTS, &c.

Mr. Speaker: By leave of the House, I will put together the Questions on the two motions relating to statutory instruments.

Ordered,

That the draft Job Release Act 1977 (Continuation) Order 1986 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Air Navigation (Noise Certification) Order 1986 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Peter Lloyd.]*

Scottish Bank Notes

3.45 pm

Mr. Dennis Canavan (Falkirk, West): I beg to move,

That leave be given to bring in a Bill to make Scottish pound notes and other Scottish bank notes legal tender throughout the United Kingdom and to facilitate the issue and distribution of Scottish pound notes and other Scottish bank notes throughout the United Kingdom; and for related purposes.

At present, three Scottish clearing banks—the Bank of Scotland, the Royal Bank of Scotland and the Clydesdale Bank—are allowed to issue their own bank notes in Scotland, but strictly speaking they are not classified as legal tender, even within Scotland. The only exception to this was during the two world wars earlier this century when, as an emergency measure, Scottish bank notes were classified as legal tender.

I still receive complaints from some Scottish visitors to England about the difficulty or embarrassment that they experience when they tender Scottish bank notes in a shop or a pub, or to a taxi driver, or elsewhere. At present, because of the law, there is no obligation to accept Scottish bank notes. My Bill would make them legal tender, not just in Scotland but throughout the United Kingdom. It would also enable the three Scottish banks to issue their pound notes and other bank notes throughout the United Kingdom. At present, for example, the Royal Bank of Scotland operates on both sides of the border, with branches down here, even in London. It has its own bank notes. The bank is allowed to issue them north of the border, but it is not allowed to issue them through its branches down here. My Bill would enable it to do so.

A few years ago my Bill would not have been all that popular, perhaps, down here. It might have added a little confusion, because at one time a larger number of Scottish bank notes was issued than is issued at present by those three banks. Also the Bank of England pound note was competing. However, since the Bank of England made what, to my mind, was the daft mistake of withdrawing its pound note completely in favour of the pound coin, my feeling is that many people down here are envious of what we in Scotland have—a choice between the pound coin and the pound note.

In Scotland, the pound note is far more popular than the pound coin. I submit that the reasons for this are obvious. If somebody changes a fiver or a tenner down here, he invariably receives a fistful of change. Sometimes it is very heavy change. Heavy, unwieldy coinage tends to make holes in men's pockets. Because the pound note is more popular than the pound coin north of the border, it is much easier for men to slip notes into their wallets or and for women to slip them into their handbags, or whatever.

Mr. James Lamond (Oldham, Central and Royton): Or sporran.

Mr. Canavan: My hon. Friend is quite right.

The pound coin is particularly confusing for some old people because the pound coin does not even look like a pound. It looks like one of the old threepenny bits, without the sawn-off edges. Old people were confused enough about decimalisation. Now that there are no pound notes at all, the pound coin adds to the confusion.

If Scottish pound notes and other Scottish bank notes could be issued here they would soon catch on and would be as popular as they are north of the border. That was borne out by an experimental walkabout that I had through the streets of London this morning. I asked various people and traders what they thought about Scottish bank notes. I told them who I was and said that I was introducing this Bill, and virtually everybody that I spoke to supported my Bill. Even people who expressed a preference for the pound coin—and they were in the minority—agreed that there should be a choice between the coin and the note. I sensed that overseas visitors were completely confused and outraged by the lack of opportunity to have pound notes in England. I told them that they could come to Scotland and that there they would get as many pound notes as they wanted, provided they paid for them.

I know of no other currency in the world where the lowest denomination note is valued at £5. I am glad to see that the Economic Secretary to the Treasury is in the House to hear what I have to say, because the Treasury and the Bank of England made a gross mistake in abolishing the pound note. However, it is not too late to correct it. The Economic Secretary is of Scottish ancestry; I think he was born in Scotland. I hope that he will bear in mind the points tnat I am making and will try to facilitate the distribution and exchange of Scottish pound notes and other bank notes in England. I hope that he will also facilitate the passage of the Bill.

The universal popularity of my Bill is reflected in the breadth of the sponsorship. Sometimes when I wish to introduce a Bill I am almost on my knees looking for 12 sponsors. This time I have been so inundated with requests that I have even had to turn down my hon. Friend the Member for Bolsover (Mr. Skinner), who normally sponsors all my Bills. This time all the places were filled before he got in. When I read out the names, my hon. Friend will probably be grateful that he did not add his name to the list, because I have hon. Members from all parts of the House, from one extreme to the other, including a few moderates like myself.

The list contains hon. Members from Scotland, Wales and England and includes my hon. Friend the Member for Jarrow (Mr. Dixon), who is well known and well admired as a great supporter of all things Scottish. He tells me that when he used to return from his frequent forays across Hadrian's wall he had his pockets full of Scottish bank notes. To his dismay, he found that some of the Geordie money traders would offer him only 19s 6d for a Scottish pound. My Bill would help to eradicate that kind of unfair exchange and injustice, and would help people north and south of the border.

The Bill is not a retrograde nationalist measure; rather it is an attempt to give a degree of international recognition to something that is part of the Scottish heritage. It would be of considerable benefit to many of Scotland's friends in other parts of the United Kingdom. I ask the House to support it.

Question put and agreed to.

Bill ordered to be brought in by Mr. Dennis Canavan, Mr. William McKelvey, Mr. Gerald Bermingham, Mr. Tom Clarke, Mr. Nicholas Winterton, Mr. Allen Adams, Mr. Ted Garrett, Mr. Ron Davies, Mr. Bill Walker, Mr. David Lambie, Mr. Ron Brown and Mr. Don Dixon.

SCOTTISH BANK NOTES

Mr. Dennis Canavan accordingly presented a Bill to make Scottish pound notes and other Scottish bank notes legal tender throughout the United Kingdom and to facilitate the issue and distribution of Scottish pound notes and other Scottish bank notes throughout the United Kingdom; and for related purposes: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 201].

WAYS AND MEANS

BROADCASTING: ADDITIONAL PAYMENTS BY PROGRAMME CONTRACTORS.

Resolved,

That provision be made (with retrospective effect) with respect to additional payments payable under section 32 of the Broadcasting Act 1981.

BUILDING SOCIETIES: REGULATIONS

Resolved,

That provision may be made amending section 343 of the Income and Corporation Taxes Act 1970.

OCCUPATIONAL PENSION SCHEMES

Resolved,

That provision may be made restricting the operation of

(a) section 26(1)*(a)* of the Finance Act 1973;

(b) paragraph 32 of Schedule 23 to the Finance Act 1985. —*[Mr. Ian Stewart.]*

Orders of the Day

Finance Bill

Not amended (in the Committee) and as amended (in the Standing Committee), considered.

Ordered,

That the Finance Bill, as amended, be considered in the following order, namely, Amendments relating to Clause No. 39 and Schedule No. 8; new Clauses Nos. 2 to 17; new Clauses Nos. 19 to 25; new Clause No. 18; Amendment No. 29; new Clauses Nos. 26 to 30 and new Clause 31; and Amendments relating to Clauses Nos. 64 to 94, Clauses Nos. 1 to 3, Schedules Nos. 1 and 2, Clauses Nos. 4 and 5, Schedule No. 3, Clause No. 6, Schedule No. 4, Clauses Nos. 7 and 8, Schedule No. 5, Clause No. 9, Schedule No. 6, Clauses Nos. 10 to 31, Schedule No. 7, Clauses Nos. 32 to 38, Clause No. 40, Schedule No. 9, Clauses Nos. 41 and 42, Schedule No. 10, Clauses Nos. 43 and 44, Schedule No. 11, Clauses Nos. 45 and 46, Schedule No. 12, Clauses Nos. 47 to 55, Schedules Nos. 13 and 14, Clause No. 56, Schedule No. 15, Clause No. 57, Schedule No. 16, Clauses Nos. 58 to 62, Schedule No. 17, Clause No. 63, Schedule No. 18, Clauses Nos. 95 and 96, Schedule No. 19, Clause No. 97, Schedule No. 20, Clauses Nos. 98 to 104, Schedule No. 21, Clauses Nos. 105 to 108 and Schedule No. 22. *[Mr. Peter Lloyd.]*

Schedule 8

PERSONAL EQUITY PLANS

3.46 pm

The Financial Secretary to the Treasury (Mr. Norman Lamont): I beg to move amendment No. 37, in page 119, line 4, leave out

'in shares under a plan (a personal equity plan)'

and insert 'under a plan'.

Mr. Speaker: With this it will be convenient to discuss Government amendments Nos. 38 to 47.

Mr. Lamont: The amendments refer to the personal equity plan. Under our original proposals, investment in unit and investment trusts was excluded from the personal equity plan scheme. That was because, as my right hon. Friend the Chancellor of the Exchequer made clear, the scheme was primarily designed to encourage direct investment in equities. However, it was put to us that many people, particularly small investors, might not be able to spread their risks as widely as they might wish, at least in the early years of the scheme. The Government accepted that there was some substance in that point, and that the needs of such investors should be catered for.

The purpose of the amendments is to enable a modest proportion of investment in unit and investment trusts to be allowed under personal equity plans. That was made clear in the consultative document that we published, but the Bill, as originally drafted, contained references only to "shares" rather than "investments". In Committee, it was said that schedule 8 would be amended if necessary. As originally drafted, the schedule referred to "shares", which does not cover investment in unit trusts.

I hope that the change will be seen as fairly non-controversial and that the reasons for it are clear.

Mr. Terry Davis (Birmingham, Hodge Hill): As the Financial Secretary has said, the amendment is non-controversial, as it has been moved in response to pressure

and representations from several parties on this side of the House. We welcome the amendment and certainly do not seek to divide the House against it.

Mr. Douglas Hogg (Grantham): I, too, welcome the amendment, as I regard it as rather important. The previous restrictions confining the scheme to shares were undesirable, because they would have limited the range and type of investor. As one of the Government's aims is to encourage wider ownership in investments generally, this move is both dramatic and welcome, and I hope that it will receive wide publicity.

Amendment agreed to.

Amendments made: No. 38, in page 119, line 6, leave out 'shares' and insert 'investments'.

No. 39, in page 119, line 12, leave out

'shares in which they may invest'

and insert 'investments they may make'.

No. 40, in page 119, line 14, leave out 'shares' and insert 'investments'.

No. 41, in page 119, line 15, leave out 'shares' and insert 'investments'.

No. 42, in page 119, line 25, leave out 'in shares'.

No. 43, in page 119, line 27, leave out 'them' and insert 'the investments'.

No. 44, in page 119, line 32, leave out 'in shares'.

No. 45, in page 119, line 41, leave out 'shares' and insert 'investments'.

No. 46, in page 120, line 8, leave out 'shares' and insert 'investments'.

No. 47, in page 120, line 12, leave out 'shares' and insert 'investments'. *[Mr. Norman Lamont.]*

Mr. Terry Davis: I beg to move amendment No. 49, in page 120, line 13, at end insert

'(4A) The regulations shall provide that an investor shall not be entitled to relief from tax in respect of shares in a company the whole or part of whose income derives

(*a*) from a trade or business carried out in whole or part in the Republic of South Africa; or

(*b*) from investment in a company or companies the whole or part of whose income is derived from a trade or business carried out in whole or part in the Republic of South Africa; or

(*c*) from transactions undertaken with or in connection with a company or companies the whole or part of whose income is derived from a trade or business carried out in whole or part in the Republic of South Africa; or

(*d*) from transactions with the Government of the Republic of South Africa.

(4B) The regulations shall provide that an investor shall not be entitled to relief from tax in respect of shares in a company which controls either directly or indirectly another company the whole or part of whose income is derived in the manner set out in subparagraphs (*a*), (*b*), (*c*) or (*d*) of paragraph (4A).'.

I begin by putting the amendment in context. I must emphasise that the Labour party objects most strongly to the inclusion of clause 39 and schedule 8 in the Bill, because it completely opposes the idea of the personal equity plan on grounds of principle and priority.

When the scheme was announced by the Chancellor of the Exchequer in the Budget on 18 March, he claimed that the scheme would help to make

"The British people a nation of share owners."

He went on to claim that it was,

"Specially designed to encourage smaller savers." — [*Official Report*, 18 March 1986; Vol. 94, c. 177-78.]

As we established in Committee, the scheme is worth very little to the smaller investor, but it is worth a lot to the big investor, especially the investor who has capital gains of more than £6,300 a year. The personal equity plan has little or nothing to offer to the genuine small investor. Frankly, we regard it as bogus.

We also oppose the scheme on the ground of priority. If the Chancellor can afford to give away £25 million a year, we could all think of many more deserving groups of people than those who can afford to invest in shares.

This afternoon, we are concerned about a different point. In the prospectus for potential plan managers issued by the Board of Inland Revenue, there is only one restriction on the shares which will qualify for tax relief. The investment must be confined to ordinary shares in United Kingdom incorporated companies quoted on the stock exchange. My amendment seeks to introduce another restriction — to ensure that the shares are not in a company whose income derives from conducting business in South Africa, or a company with investments in South Africa, or a company which conducts business with the South African Government.

The position in South Africa is well known to the Government and to all hon. Members; it does not need a detailed exposition from me. I simply remind the House that in South Africa only 15 per cent. of the population — the white people — are treated as full citizens and 85 per cent. — the black, Asian and coloured people — are treated as second-class citizens or worse. The system of apartheid is abhorred by the overwhelming majority of people in Britain. Hardly anyone on the House will stoop to defend it. But it is not enough o condemn apartheid The question is what should be done about it and what the British Government should do.

There is a clear difference between the Conservative Government and the Conservative party — or the Prime Minister and her friends — on the one hand, and the Labour party, all other political parties, even some Conservative Members and most of the people outside the House, on the other. Only the Prime Minister and her more extreme supporters are resisting the call for international economic sanctions to be applied against South Africa, and the Prime Minister and those who think like her are rapidly becoming as isolated at home as they have become isolated abroad.

The amendment is concerned with a slightly different, although related, point. As matters stand, the Government are planning to encourage investment in South Africa by giving tax relief on the income derived from shares in companies investing in South Africa doing business in South Africa or doing business with the South African Government. Surely we can all agree that this policy is morally wrong and politically mistaken.

Surely even this Government would accept that the introduction of new tax incentives for investing in companies which are in turn investing in South Africa must constitute the wrong message to send to the South African Government now. Surely we must agree that, whatever our differences about the concept of the personal equity plan, we should exclude investors in companies conducting business in South Africa. I hope very much that the Government will accept the amendment.

Mr. Douglas Hogg: I hope that the Government will not accept the amendment. It is, as the hon. Member for Birmingham, Hodge Hill (Mr. Davis) has been frank enough to admit, an attempt to introduce sanctions by the back door.

[Mr. Douglas Hogg]

The Labour party has no monopoly of concern about the policies of the South African Government. I am deeply opposed to the policies of the South African Government and I suspect that that is the position of almost the entirety of the members of my party. I support the mission of my right hon. and learned Friend the Foreign Secretary, and I agree entirely with those who say that we should introduce additional measures if it does not bring about any substantial concession.

The Government have already introduced measures against the South African Government and I feel certain that additional measures will be forthcoming if they are necessary. That, however, does not mean that the approach that is set out in the amendment is right. Indeed, it is wrong on at least two grounds. First, it is wrong to adopt a piecemeal policy. If Governments are to introduce measures against the South African Government, they must be part of a concerted approach and a general policy. I think that that is best done in concert with other EEC and western countries. Secondly, a policy of the sort that is set out in the amendment is curiously inflexible. A sanction that is incorporated in statute law is difficult to change. Therefore, it is not an especially effective method of inducing concessions. It is not something that can be used flexibly.

If the South African Government seek to make concessions, they will still be affected by the amendment if it is incorporated in legislation. On the grounds that we should not approach the problem of South Africa in a piecemeal fashion or adopt an inflexible method of the sort that is advocated by the hon. Member for Hodge Hill, I hope that the Government will not support the amendment.

Mr. Robert Sheldon (Ashton-under-Lyne): No one can doubt that it would be far better to have a list of sanctions separate from the Bill. That is the obvious approach. No one would be happier than myself if the Prime Minister or the Chancellor of the Exchequer were to say that the amendment is not a suitable way of introducing sanctions, that there are many other and better ways and that the Government intend to implement them. Unfortunately, we do not have that option before us. However, we have the amendment.

We can express through the amendment our need to consider whatever sanctions it might be possible to introduce to bring pressure to bear upon the South African Government. There will be many flaws in any amendment of the sort that is before us — for example, it is hard to determine the limits of involvement of South African companies — but the view that is expressed in the amendment is important.

The clause represents the great hope of the Chancellor of the Exchequer to bring about a body of knowledgeable shareholders throughout the country that will bring pressure to bear upon certain companies and improve their performance by causing them to respond to it. I do not believe that it will have anything like that effect. The British people are not the same as the people of the United States. There are many in the United States who spend a great deal of their time investing and switching their investments from one company to another. They are extremely knowledgeable about their investments. I do not think that most of the British work force would take that approach. We are likely always to find that those who invest in shares in Britain will be a rather more knowledgeable part of the population than the majority and rather wealthier than the average person. The clause will not have anything like its intended effect.

The hon. Member for Grantham (Mr. Hogg) speaks with great concern, interest and understanding on these matters. He said that the amendment is an attempt to introduce sanctions by the back door. I do not agree. It is unfortunate that we do not have a front door. If we had a front door, I would be delighted to discuss much more effective methods of introducing sanctions. The amendment can be said to constitute a piecemeal approach, but if it were passed we could express in the Bill the fact that we shall use whatever means is available to us to show our detestation of the South African regime.

Mr. Douglas Hogg: I understand the right hon. Gentleman's position. I am not trying to denigrate the position he has adopted. Will he tell the House what would happen if the amendment were passed and it was incorporated into statute law and the South African Government made major concessions in their policy? Would we have to introduce primary legislation to delete the amendment?

4 pm

Mr. Sheldon: That would be a most happy occasion. There are not many opportunities for a Finance (No. 2) Bill. If we were to see in South Africa a position of one man, one vote, I should be pleased to be one of the signatories to such a Bill. Let us be realistic; that will not happen.

Mr. Hogg: The right hon. Gentleman is quite right. We shall not see a one man, one vote position in South Africa in the foreseeable future. However, we might see substantial concessions — for example, the freeing of Mandela and negotiations with the ANC. There comes a point when some concessions are so significant as to require this House and the Government to make changes in the statute law, which the right hon. Gentleman advocates.

Mr. Sheldon: I should be happy to negotiate with the hon. Gentleman if such an eventuality came about. I should be pleased to consider where, how and in what circumstances we might repeal the legislation.

Mr. David Winnick (Walsall, North): Would the simple guide be that, when the representative organisations of the African majority and their white and coloured allies in South Africa say that no economic measures should be taken, it would be right for us to respond in the manner outlined by my right hon. Friend?

Mr. Sheldon: My hon. Friend has a most practical approach to such matters. At such a time when good fortune were to attend our labours, I do not think that there would be any problem about the repeal of a limited piece of legislation which the amendment proposes. We are concerned to express a clear view to put to disadvantage those companies that trade with and get a great deal of their profits from South Africa, and meet the conditions of the amendment. It is a muted clarion call, but at least it shows the views of my hon. Friends. It is a way in which we can bring to bear in some small way the

revulsion that we feel about the events taking place in South Africa. This is a limited but useful amendment, and I hope that it will be supported.

Mr. Michael Hirst (Strathkelvin and Bearsden): The amendment is undoubtedly a foolish piece of ideology. It is objectionable that Labour Members should try to pretend that they have a monopoly of concern to see the end of apartheid. When one looks back at speeches made by Labour right hon. and hon. Gentlemen, one may ask what they did in government to bring about the ending of apartheid.

I find it curious that the amendment is tabled in the name of the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), because when the Prime Minister challenged him on economic sanctions at Question Time a few weeks ago, he wriggled out of giving any commitment to imposing economic sanctions and said that he wold prefer to think about other measures — measures short of economic sanctions. Yet he is the lead signatory on an amendment which, in its most naked form, intends to introduce such sanctions.

The wording of the amendment is ludicrous. Any company, any quoted security that invests, trades or invests in another group of companies that trades with South Africa would be excluded from PEP. There is hardly a leading British company quoted on the stock exchange in London — the sorts of investment that people would put by in their PEP — that does not have some form of investment in or trade with South Africa or with a third party that in turn trades with South Africa. I commend the hon. Member for Birmingham, Hodge Hill (Mr. Davis) for having the honesty to admit that the effect of such an amendment would be to emasculate PEP. I believe that I speak for my colleagues who welcome PEP. We certainly do not want to see the introduction of any wrecking amendments.

I had the opportunity to visit South Africa. Before I went, I condemned apartheid. I went there with an open mind, which is more than the hon. Member for Walsall, North (Mr. Winnick) has done. I am tired of people with open mouths and closed minds who will not see things for themselves. In the course of that visit, I looked at one of the investments of a British leading company — BP. BP has a substantial interest in coal mining. That interest produces a substantial number of jobs and a great deal of wealth for the people who work in those mines.

Moreover, the conditions in such mines are superior to anything that I have seen in mines in this country or those which I have visited in Europe. I was proud of the fact that a British company had set the highest standard of living and working conditions of its black African employees and that it was giving a standard to which other South African companies could aspire. I have no doubt that, if economic sanctions were introduced against South Africa, the jobs of a successful work force in that mine would come to an end overnight.

I do not believe that the amendment is likely to deter any company from trading with or investing in South Africa. It is likely to prevent people from taking advantage of what was intended in the Budget proposal for a personal equity plan. As such, I find it objectionable. I hope that my right hon. Friend the Financial Secretary to the Treasury will call upon his colleagues in the Government to oppose the amendment, should the Opposition choose to press it to a vote.

Mr. Ian Wrigglesworth (Stockton, South): I share the anxiety that has been expressed on the Opposition Benches about putting economic pressure on the South African regime to change their policies. The amendment is drawn so widely that I think that there is virtually no organisation in the land that carries out business that would not be covered by it. I must say to the Labour Front Bench that that probably includes the Co-operative bank, Unity Trust and the other organisations to which they may be close. If transactions as well as investments are included, any organisation or company — not to mention Mr. Maxwell and Pergamon printers, and so on — that is trading in almost any market, but especially internationally, if not directly, will be caught by the amendment. If the amendment had been better targeted and more tightly drawn, it would have been more effective and would have gathered wider support.

As I said in the Standing Committee, the PEP scheme is a poor scheme. In our view, it will not extend share ownership in this country in the way that the Chancellor trumpeted forth in his speech. It is a mouse of a scheme. I regret that the Government were not prepared to accept amendments that I and others tabled to make it a more effective and catch-all scheme that people could take up as small investors in the way that the Chancellor said he hoped would happen.

In my view, the amendment would not only undermine the scheme completely, because I can think of virtually no business organisation that would not be hit by it, but it would not achieve the purpose that the Opposition intend. I think that there are much more direct economic actions that can be taken and should be taken by the Government to persuade the South African Government to change their policies.

Mr. Winnick: My hon. Friend the Member for Birmingham, Hodge Hill (Mr. Davis) has explained the criticisms that we have of the scheme. He went into considerable detail when the Bill was in Committee. Despite all the ministerial optimism about helping the small investor and what is described as "people's capitalism" and other propaganda, the plain truth is that the scheme will help those with substantial incomes. The Government are perfectly aware of that. The Chief Secretary admitted as much when he replied at the Committee stage.

Far too many people in our community have been penalised as a result of Government action in the past few years. In more recent times, owner occupiers who become unemployed will face difficulties because the assistance that they receive towards mortgage interest will be reduced. That was the subject of a debate initiated by the Labour party.

Of course, no one is surprised when a Tory Administration substantially assist the most prosperous in the community. The Government have tried to cover it up, giving the impression that they wanted to help the ordinary person but, as with the tax concessions, those who have benefited in some cases in terms of thousands of pounds a week have been the most prosperous. That is the function and role of the Tory Government and only the most naive person would expect them to act otherwise.

It is even more unacceptable that such tax relief is given for any form of investment in respect of shares in a company with South African involvement. The hon. Member for Stockton, South (Mr. Wrigglesworth) echoed

[Mr. Winnick]

the comments of Tory Members. Of course, the hon. Member for Grantham (Mr. Hogg) said that he was against apartheid. I had not heard a single Conservative Member – even the hon. Member for Luton, North (Mr. Carlisle) – argue otherwise. I shall pay the hon. Member for Grantham the compliment of not putting him in the same category as the hon. Member for Luton, North and one or two other Conservative Members who might be associated with the South African lobby on the Tory Benches. I must say, with respect, that it is not sufficient to say that one is against the system in South Africa. The obvious question, which the Church of England debated yesterday with great seriousness, as one would expect, is: what does one intend to do about the events in South Africa? It is not sufficient to say, in effect, that one is opposed to the system and to leave it at that.

Mr. Douglas Hogg: I do not want the hon. Gentleman to misrepresent my position. I have made it clear, especially in this debate, that, if the concessions are not forthcoming as a result of the visit by my right hon. and learned Friend the Foreign Secretary, I hope that additional sanctions or measures will be imposed.

Mr. Winnick: That is a step forward, and it is about time, after all the years of tyranny. It is fortunate that, at long last, there are Conservative Members who take that line. I should be out of order if I were to discuss the Foreign Secretary's proposed trip.

Mr. Jeremy Hanley (Richmond and Barnes): Does the hon. Gentleman know the policy of the Church Commissioners on their investments in South Africa?

Mr. Winnick: I am sure the hon. Gentleman will be pleased to take up that matter as soon as he can with the Church of England authorities. It would be inappropriate for me to act as a spokesman on behalf of the Church Commissioners. After all, a Conservative Member answers in the House for the Church Commissioners. I see no reason why the hon. Member for Richmond and Barnes (Mr. Hanley) should not table a written question for priority answer on Thursday or Friday, and he would then be satisfied.

The hon. Member for Strathkelvin and Bearsden (Mr. Hirst) has said that we have closed minds. Presumably, anyone who is against apartheid, including the hon. Gentleman, has a closed mind. It would be odd if we had an open mind in view of the type of racial tyranny and oppression that exists in South Africa.

It is unfortunate that so many leading British companies have substantial holdings in South Africa. I have a list of category A companies, which are British companies holding 50 per cent. or more of the equity of a South African company. That is a fairly large equity. Those companies are household names – Barclays bank, BAT Industries, the Beecham group, Blue Circle, the BOC group, Boots, Brooke Bond, Cadbury Schweppes, Dunlop Holdings, GEC, Great Universal Stores, Rio Tinto-Zinc, Rank Xerox, Plessey, Rowntree Mackintosh, Tate and Lyle, Vickers, Wilkinson Sword and Wimpey. They are all leading British companies.

Mr. Douglas Hogg: On a point of order, Mr. Deputy Speaker. If the hon. Member for Walsall, North (Mr. Winnick) is correct in saying that Barclays bank holds a substantial interest in South African companies, I fancy that the representative of the Social Democratic party – the hon. Member for Stockton, South (Mr. Wrigglesworth) – should have declared an interest. As I understand it, he is a paid representative of Barclays bank.

Mr. Deputy Speaker (Sir Paul Dean): It is a point of debate rather than a point of order. The House knows that, if an hon. Member has an interest to declare, he should declare it.

Mr. Wrigglesworth: Further to the point of order, Mr. Deputy Speaker. I am not a paid representative of Barclays bank, as I think the hon. Member for Grantham (Mr. Hogg) knows. I am an adviser to Barclays bank. That is well known in the House. I have, of course, no hesitation in declaring that position.

4.15 pm

Mr. Winnick: Not only am I not the representative of the Church Commissioners but I am not, in any circumstances, a representative of or spokesman for that wretched group, the SDP. I leave it to the hon. Member for Stockton, South to square his conscience. No doubt he will do so in a way that is appropriate to him.

It is unfortunate that so many leading British companies have such a huge stake in the South African economy. Although Conservative Members – no doubt including the Financial Secretary to the Treasury – will tell us that this is all to the good for South Africa, I, like my right hon. and hon. Friends, have a different attitude. I believe that such involvement by leading British companies can do nothing but strengthen the South African economy and help the South African authorities to remain in power. The fact that some of those companies pursue a fairer employment policy than native companies in South Africa is beside the point. They play a leading role in the apartheid system, no matter how they argue otherwise. It is understandable that the South African authorities are so anxious that these British companies retain their stake in South Africa. We shall be taken seriously in our arguments against apartheid only when economic measures and sanctions are imposed, as inevitably they will be, and when British companies are clearly told by the Government of the day that their involvement in South Africa must end or be substantially reduced as I believe it should be.

The Labour party knows that the amendment will be voted down. The SDP and, no doubt, the Liberals will vote with the Tories. We are under no illusions. Anyone who believes that this is just a propaganda ploy and that, if the Labour party were in office, we would act differently does not understand. The other day, the Prime Minister baited my right hon. Friend the Member for Leeds, East (Mr. Healey) about what he did or did not do in Cabinet in 1967 in respect of selling arms to South Africa, but 140 Labour Members of Parliament made it clear then that in no circumstances would they allow their Government to change their policy. That policy was retained as a result either of the view of the 140 Labour Members of Parliament or of the way in which our views were made clear to the Whips. I was a Member at that time. We made it clear that we were not willing to support any Government, including our own, who pursued a policy of selling arms to South Africa. It is understandable that in 1967 the Labour Cabinet decided to continue their policy.

During the emergency debate on 19 December 1967, under Standing Order No. 9, Conservative Members were highly critical of the Labour Government for pursuing a policy of not selling arms to South Africa.

Mr. Deputy Speaker: Order. The hon. Member is straying from the subject. He must relate his comments to personal equity plans.

Mr. Winnick: I appreciate your guidance, Mr. Deputy Speaker.

We demonstrated in 1967 that we were not playing with words. We do not have to wait many years to understand the tyranny in South Africa. Although the amendment will be voted down, we shall have established an important principle. Other sections of the community here are making it clear that economic measures and sanctions should be imposed on South Africa. We say, as Labour Members of Parliament in a Tory-dominated House of Commons, that that should be done. That is the way in which we can associate ourselves with those in South Africa fighting tyranny who want us to take those economic measures. I am sure that people will understand what we are trying to do. In effect, we are saying to the country, "We totally oppose the Tory Government's collaboration policy. We are for sanctions and effective measures against South Africa." This is one way in which we are illustrating that measures could be taken, but will not be taken because of the Government's action.

Mr. Norman Lamont: I am sorry that the personal equity plan has received such a sour response from Opposition Members. The purpose of the personal equity plan is to increase share ownership and make it available to people of modest means. The right hon. Member for Ashton-under-Lyne (Mr. Sheldon) seemed to pooh-pooh the whole idea. He said that he did not think that the United Kingdom could acquire the same interest in investment as the United States. It may be difficult to get that sort of popular interest, but I think that most of my hon. Friends would agree that it would be excellent if we could imitate that part of American culture and that our economic success would be more likely to be assured if people took a close interest in the fortunes of individual companies.

The hon. Member for Birmingham, Hodge Hill (Mr. Davis) almost openly admitted that his amendment would have a severe effect on the personal equity plan. The hon. Member for Stockton, South (Mr. Wrigglesworth) agreed with the hon. Member for Hodge Hill that he did not think it was a satisfactory scheme because it did not go far enough. However, at least he had the grace not to want to wreck the scheme. He at least wanted to preserve it and enable it to get off the ground. It may be a modest start, but it could be the modest start of something very significant and far-reaching.

The hon. Member for Hodge Hill said that the scheme would benefit the wealthier investor. That was echoed by the hon. Member for Walsall, North (Mr. Winnick). At times there seemed to be a conflict between Opposition Members. Some were saying that it was a mouse of a scheme and did not amount to anything and others were saying that it gave too much benefit to the rich. We believe that it can benefit the small investor. I imagine that Opposition Members think that it may not because they believe that it is unlikely that a capital gain will arise which is anywhere near the indexed rate of £6,300 a year. However, that does not take account of two factors. The first is the relief that is available on dividends that are re-invested and the second is the gearing effect that will have over time as the portfolio and the value of the portfolio build up. I believe—I am sure that I carry my hon. Friend the Member for Strathkelvin and Bearsden (Mr. Hirst) with me—that it could be significant for the smaller investor.

Mr. Terry Davis: I believe that the Financial Secretary missed the discussion on this schedule in Committee. At that time he had not been appointed as Financial Secretary. May I assume that he has taken the trouble to read our proceedings in Committee? Will he answer the point that I made in Committee about the comparison between the tax benefit and the cost of paying the manager of the PEP to run the plan? As the Financial Secretary will remember, in Committee I showed that the charge to be expected for the management of a PEP would exceed the income tax refund.

Mr. Lamont: Not having been in the Standing Committee, I do not know what the hon. Gentleman said about that.

Mr. Davis: Has the Financial Secretary not taken the trouble to read our debates? Perhaps that is why he has been put up to reply to this debate.

Mr. Lamont: I may have read innumerable copies of Standing Committee proceedings on the Finance Bill before I appeared on that Committee myself. If the hon. Gentleman will excuse me, I certainly do not carry in my head every argument that he puts when I am not present. I know that he expects me to follow his speeches very closely, and indeed I do. I understand the point that the hon. Gentleman has made because he has put it to me. However, the effect of the rolled-up relief available to dividends and the effect of the cumulative investment over the period of a plan could be significant to the small investor. That is the only point that I make, and I think it is important because an attempt has been made to suggest that the scheme is not important for the small investor. We intend it to be designed for the small investor and we intend to do what we can to encourage wider share ownership.

Most of the debate has been about South Africa. The purpose of the amendment is to take measures which, it has been argued, might have some effect on the problems in South Africa. I would like to explain to the House why the amendment would be quite unworkable. Apart from any other objection I might have to it—the amendment may give Opposition Members some moral satisfaction; it may be a moral free lunch—it is unworkable.

As my hon. Friend the Member for Strathkelvin and Bearsden pointed out, the amendment would exclude from the personal equity plan proposal not merely any company or its subsidiary which traded or invested in South Africa, but any company which had any transactions with such a company. That would be a far-reaching and wholly unenforceable provision. Who would enforce it? Would plan managers have to seek an assurance from companies that they would not trade with or invest in South Africa? Would United Kingdom companies have to check, before conducting any transaction with any other company in the world, that neither it nor any of its subsidiaries derived any

[Mr. Lamont]

income from South Africa? How, in the real world, would failures to comply with this restriction be discovered, either by plan managers or the Inland Revenue?

Secondly, is it fair that a personal equity plan holder should be denied his or her tax relief however much Opposition Members may not sympathise with the concept because, without his or her or the plan manager's knowledge, the company in which the money was invested turned out to have South African connections? What possible explanation would the hon. Member for Hodge Hill give to a widow who suddenly found herself subjected to unforeseen capital gains tax? How would the hon. Gentleman justify to any investor with a modest income that he would be presented with an unforeseen capital gains tax liability for which there were no funds?

As my hon. Friend the Member for Grantham (Mr. Hogg) said, it is the introduction of sanctions by the back door. It is penalising the wrong people because it is putting the penalty on the investor and the plan manager for investing in companies which would be doing something of which they had no knowledge and no way of finding out and something which was not illegal. If that is not sanctions by the back door, I do not know what is. My hon. Friend the Member for Grantham was right to describe it in that way.

Even if we accepted the principle of this amendment, which we certainly do not, we could not advise the House to enact legislation which is impracticable and cannot be enforced. The hon. Member for Walsall, North said that this concerns a matter of principle. The amendment is not about a matter of principle; it is about a gesture that the hon. Member for Hodge Hill is anxious to make. For that reason, I advise my right hon. and hon. Friends to reject the amendment.

Mr. Terry Davis: Once again, we have found that the Financial Secretary has been careless in his homework. I did not expect him to read all the reports of our proceedings before he joined the Committee after his appointment as Financial Secretary in succession to the right hon. Member for Croydon, Central (Mr. Moore), but he could have taken the trouble to read our discussion about PEP before he responded to the debate today. It is clear from what he has said that he has not taken the trouble to read the reports of the proceedings when we debated the schedule in Committee. If he had, he would not have dared to describe the investors who will benefit from the personal equity plan as "small investors of modest means".

The right hon. Gentleman would have known that we showed to the satisfaction, not only of my hon. Friends but of many people sitting in the Public Gallery listening to the debate, that the people who will benefit will be those whose income exceeds £25,000 a year. I am prepared to admit that the Financial Secretary may regard that as modest means, but I do not think that any Opposition Member would regard an income of £25,000 a year as modest. He talks about the classic Conservative widow and cries at the Dispatch Box about the widow of modest means who suddenly discovers that she has become liable for capital gains tax because she has invested in a company trading with South Africa. Elsewhere, in other investment, she will already have had to make a capital gain of £6,300 in that year alone, but that widow of modest means was not sharp enough to know that she was investing in South African companies. We recognise that the Financial Secretary, unfortunately, has maintained his usual standard in replying to the debate.

4.30 pm

The hon. Member for Strathkelvin and Bearsden (Mr. Hirst) fell below his usual standard in his contribution to the debate. Clearly he has not listened to what I said in moving the amendment. He said that he regarded it as objectionable that Opposition Members should claim a monopoly of concern over what is happening in South Africa. I specifically said, and took care to say, that I recognised that some Conservative Members were concerned about South Africa. The hon. Gentleman did not listen. I accepted that some Conservative Members, such as the hon. Member for Grantham (Mr. Hogg), who may be a Johnny-come-lately, said today for the first time that he shared the concern of my hon. Friend the Member for Walsall, North (Mr. Winnick) about what is happening in South Africa.

I was careful not to claim a monopoly of concern. The hon. Member for Strathkelvin and Bearsden is prepared to complain about what is happening in South Africa, like the hon. Member for Stockton, South (Mr. Wrigglesworth). In fact, I am not sure about the hon. Member for Strathkelvin and Bearsden. His hon. Friend the Member for Grantham was prepared to condemn what was happening, but he said that he took pride in some of the things that were happening. I see very little in which to take pride in South Africa.

Mr. Hirst: The hon. Gentleman, in turn, is falling short of his usual standard. I made it absolutely plain that I admired the positive and progressive way in which British investments in South Africa had advanced the economic and, in turn, political rights and conditions of people who work in South Africa. I fear that the hon. Gentleman has misconstrued my words. I should be interested to hear him say whether he accepts my proposition that his amendment will wreck the prospect of personal equity plans being successful in this country.

Mr. Davis: If I misconstrued what the hon. Gentleman said, I apologise unreservedly, because that is not my wont. Nevertheless, he objected to the alleged claim of a monopoly of concern by the Opposition. That has not occurred during debate. I hope that the hon. Gentleman will find an opportunity to apologise for that.

The hon. Gentleman made an important and interesting point about the effect on the British economy, which I shall deal with later. However, first, I should like to deal with the hon. Member for Grantham, who told us that he is deeply opposed to the policies of the South African Government and that he could conceive that additional measures I think that he meant sanctions may be necessary if his right hon. and learned Friend the Foreign Secretary returns empty-handed from South Africa, and there are not improvements in the situation there.

The hon. Member for Grantham said that the amendment represented sanctions by the back door. Like my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon), I would much prefer sanctions by the front door. Unfortunately, we are not getting sanctions by the front door. We must look for other ways in which to

express our concern and dissociate ourselves from economic policies that are bolstering and supporting the South African Government.

The hon. Member for Grantham also said that it was wrong to approach the matter in a piecemeal way. Again, as my right hon. Friend the Member for Ashton-under-Lyne said, I would prefer it if we could approach the matter in a comprehensive way and had a list of sanctions to be imposed upon the South African Government. Unfortunately, that matter is not before us. We have to deal with matters as they come before us and in the form in which they come before us. Today we are dealing with the Finance Bill and a schedule in it.

This Bill extends economic involvement in South Africa, and we say that it is wrong to increase the involvement of British investors in South Africa at present. If my amendment were accepted, it would still remain legal for people to invest in South Africa, but they would not get tax incentives to do so. Surely it is wrong for the British Government to give tax relief to people, to encourage them to invest, when that investment may go into companies that are taking part in economic suppression in South Africa.

Mr. Douglas Hogg: The hon. Gentleman's argument is most eloquent. He will recognise that his amendment would penalise companies that are trading with other companies that have an interest in South Africa. Was that a drafting mistake on his part, or was it intended?

Mr. Davis: It was my intention to avoid any loopholes. If the hon. Gentleman co-operated with us, in his new enthusiasm for measures to cope with the situation in South Africa, in drafting amendments that will not penalise companies that inadvertently do small business with other companies that are active in South Africa, we would welcome his assistance. That assumes that we share the ultimate objective. I do not think that we do. Unfortunately, that is the problem. Therefore, we must rely on my poor efforts of draftsmanship, which will encompass companies that do business with other companies that are active in South Africa.

The hon. Member for Grantham also said that it was wrong to approach the matter by way of statute law because statute is inflexible. I have a great deal of sympathy with that point. However, the answer lies in the hands of the Government. They have put a restriction on personal equity plans, but they have not put it in the Bill. It is not in the schedule. They have put it in a green document called "Prospectus for Potential Plan Managers". The Government have included in that prospectus, published by the Board of Inland Revenue, a restriction that requires that the shares must be in a company which is a United Kingdom incorporated company quoted on the stock exchange. If it would be inflexible to put the measure into statute law, as the hon. Member for Grantham said, let us have something in the prospectus instead. We should tell the potential plan managers that the measure will be included in regulations, which will be published, so that they can be amended when, on the happy day that cannot come too quickly for my hon. Friends and myself, the South African Government change. I fear that it will have to be the South African Government who change. The present one will not change their policies. On that day we can drop this little sanction. If the Government said that, I would withdraw my amendment. I appreciate the point that was made by the hon. Member for Grantham, but that is not what the Government said. The Financial Secretary did not give us that olive branch. He did not say, "We did not want to be so inflexible by writing the measure into the statute book." He has left us with no alternative. The Government will not do anything. They will not introduce any such restriction.

If the Government had said, "We shall let the measure go into statute law," of course, the situation might change and the hon. Member for Grantham would say to the House of Commons, "We must remove that restriction." Then it would be open for the Government to bring in one of their famous retrospective Bills. We are now used to dealing with their retrospective Bills. We have the retrospective Rate Support Grants Bill, which makes legal something which was illegal. It was admitted to be illegal by the Secretary of State for the Environment in a court of law. Yet, retrospectively, the Government will make it legal.

Similarly, the Government could introduce a Bill that retrospectively gave tax relief on investments in South Africa for the period between the change in the South African Government or in their policies and when the Government were able to get the Bill through Parliament. In the meantime, the Government could give us one of their extra-statutory concessions that we heard about in Committee. We can have an extra-statutory concession to exempt American service men from paying road tax while the Finance Bill goes through the House of Commons. I would not oppose a similar extra-statutory concession in these circumstances. Therefore, we shall not take too seriously that objection from the hon. Member for Grantham. This is not a case of imposing sanctions on people who are already doing business in South Africa.

Mr. Hirst: How does the hon. Gentleman propose to enforce the amendment? Upon whom will the obligation fall to determine whether a group has or has not traded with South Africa, or has or has not invested in South Africa and, more particularly, has or has not traded with a connected party that may or may not have traded with South Africa?

Mr. Davis: That is a fair point. I would envisage the measure working in this way. The plan manager, who has responsibility for the administration of the personal equity plan, would be responsible for ensuring that investments took place only in the shares of companies that were not disqualified, in the same way in which he must take care that investment takes place only in shares in United Kingdom incorporated companies quoted on the stock exchange. Of course, he would depend on the information provided by the companies. That is what I would expect. If companies in this country are as anxious as they should be to ensure changes in South Africa, to honour the law and to honour the wishes of Parliament, I would expect them to be able to provide that information which, in my experience, is not difficult to provide. The amendment would ensure that tax incentives should not be given to people to encourage them to invest in South Africa.

Mr. Hirst *rose*

Mr. Davis: I have given way to the hon. Gentleman several times.

Mr. Hirst: I am grateful to the hon. Gentleman for trying to tell the House how he would enforce the

[Mr. Hirst]

amendment. I ask him to address himself to one further point: how would he deal with a situation in which a fund manager, in good faith, invests in a company which has no such dealings in South Africa, but which, in the same tax year as the tax allowance is given, suddenly discovers that the company has subsequently some transaction in South Africa? What is the position of the personal equity plan holder in those circumstances?

Mr. Davis: I would be prepared to accept a plea of good faith as a defence in any sort of proceedings.

The hon. Members for Stockton, South and for Strathkelvin and Bearsden gave the game away because it was they who said it was difficult to find any leading company which was not involved in South Africa. The hon. Member for Stockton, South went further because he told the House that he regarded the personal equity plan as a poor scheme — a mouse of a scheme. When the Financial Secretary used those words in his speech, he was quoting from the hon. Gentleman. I must tell the Financial Secretary that I do not attach too much importance to those criticisms. The Minister should not take such criticism seriously because, if he took the trouble to read reports of our previous proceedings, he would know that, at one time, the hon. Member welcomed the personal equity plan. I do not mean that another spokesman for the alliance welcomed the plan — I will come to that later — but the hon. Member for Stockton, South told the House that he was

"pleased . . . to welcome the Government's announced intention to examine the possibility of giving tax relief on profit-sharing".

I think he was referring to this personal equity plan because he went on to say:

"Similarly, we support in principle the Government's proposals for tax relief and other benefits for people buying shares for the personal equity plan." [*Official Report*, 20 March 1986; Vol. 94, c. 456.]

What was pleasure has now become a criticism of this mouse of a scheme. But even pleasure was something of a change because the hon. Member for Colne Valley (Mr. Wainwright) had previously said that he gave the personal equity plan an unqualified welcome.

Mr. Wrigglesworth: Will the hon. Gentleman at least have the good grace to read the whole of the speech? Perhaps he will read the remarks which I made in the Budget debate wherein, as the Minister rightly said, I welcomed the principle — I still do — of the plan. But it is being introduced in such an ineffective way that it can rightly be described as a mouse of a scheme. That does not mean that the principle is wrong and that is why, as the hon. Gentleman is aware, I sought to move amendments in Committee.

Mr. Davis: I believe we are getting closer to the heart of alliance policy, which is that it wishes to give more tax relief.

Mr. Wrigglesworth: Yes.

Mr. Davis: The hon. Gentleman says yes, but his party opposed taking a penny off income tax. It objected to taking a penny off the income tax of those on low earnings, yet it wishes to give more money to people who earn £25,000 a year and invest in shares on the stock exchange. That is its priority.

Mr. Deputy Speaker: Order. This is beginning to sound very much like a regurgitation of a Committee stage debate. I hope that the hon. Gentleman will return to the amendment.

Mr. Davis: Indeed, Mr. Deputy Speaker.

Mr. Wrigglesworth: As I am sure the hon. Gentleman has studied the Order Paper closely, and as he participated in last year's debate, he will be aware that our proposals are contained clearly in an amendment to the Finance Bill. It outlines the scheme that we would introduce.

Mr. Davis: I thank the hon. Member for that trailer. Now we all know where the hon. Member for Stockton, South stands.

I wish to deal with the more serious remarks of the hon. Member for Strathkelvin and Bearsden. He told us that there was hardly a leading company which did not trade with South Africa and he argued that the House should oppose the amendment because it would emasculate the personal equity plan. I did not make that claim; I am not going to describe the amendment as a mouse, but I did not claim that it would emasculate the personal equity plan. However, having listened to the hon. Gentleman and my hon. Friend the Member for Walsall, North (Mr. Winnick), I realise that it is clear that British business is so deeply enmeshed in the South African economy that it would be difficult for savers — these people of modest means, £25,000 a year — to invest in the shares of companies which are not undertaking business in South Africa, trading with companies undertaking business in South Africa or doing business with the South African Government.

4.45 pm

My hon. Friend the Member for Walsall, North came to the heart of the matter when he said that it is not enough to say that one is opposed to the system in South Africa; the question is, what are we to do about it? This is one small measure, but at least it sends a message to the South African Government. We are not prepared to allow the British Government to give tax relief to people who invest in the economy of that most evil regime. Therefore, I ask my hon. Friends to support me in the Division Lobby.

Question put, That the amendment be made:

The House divided: Ayes 134, Noes 232.

Divison No. 246] **[4.45 pm**

AYES

Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Beckett, Mrs Margaret
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Bidwell, Sydney
Blair, Anthony
Bray, Dr Jeremy
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Buchan, Norman
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carter-Jones, Lewis
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Craigen, J. M.
Cunningham, Dr John
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Douglas, Dick
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew

Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Gourlay, Harry
Hamilton, W. W. *(Fife Central)*
Hardy, Peter
Harrison, Rt Hon Walter
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Hoyle, Douglas
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Lambie, David
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John
Michie, William
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rowlands, Ted
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Spearing, Nigel
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Tinn, James
Torney, Tom
Wardell, Gareth *(Gower)*
Wareing, Robert
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David

Tellers for the Ayes:
Mr. James Hamilton and
Mr. Allen Adams.

NOES

Adley, Robert
Aitken, Jonathan
Amess, David
Ancram, Michael
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bennett, Rt Hon Sir Frederic
Best, Keith
Biggs-Davison, Sir John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Budgen, Nick
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Cash, William
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Critchley, Julian
Currie, Mrs Edwina
Dickens, Geoffrey
Dunn, Robert
Durant, Tony
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(Norfolk, N)*
Hunt, David *(Wirral W)*
Irving, Charles
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knight, Mrs Jill *(Edgbaston)*
Knowles, Michael
Lamont, Rt Hon Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Madel, David
Major, John
Malins, Humfrey
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mather, Carol
Maude, Hon Francis
Mayhew, Sir Patrick
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Murphy, Christopher
Neubert, Michael
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Powley, John
Prentice, Rt Hon Reg
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Robinson, P. *(Belfast E)*
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Sumberg, David
Tapsell, Sir Peter
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry

Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, T

Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Archie Hamilton and
Mr. Gerald Malone.

Question accordingly negatived.

Mr. Norman Lamont: I beg to move amendment No. 49A, in page 120, line 16, after 'income tax', insert ', corporation tax'.

This is a technical amendment which is necessary if the Government should decide to allow dividends from personal equity plan shares to be paid gross. This point has arisen from the proposal that such dividends can be rolled up tax free in the plan. The original intention was that dividends should be subject to the normal advance corporation tax rules, and that plan managers would reclaim the tax credits from the Revenue in the normal way.

Some potential plan managers have argued that this could increase the costs of administration and, therefore, the cost of personal equity plans to investors. It has been claimed that that problem could be solved by allowing companies to pay dividends gross in those circumstances. At present we are considering that in consultation with the various interested parties which would be affected by the procedure, but we are not yet able to make an announcement.

Therefore, we are moving this amendment in case we decide in due course that allowing payment of dividends gross would be the right course. The amendment enables the regulations to include provision for the purpose of the administration of corporation tax because we would be changing a detailed aspect of the ACT rules. If the Government decide against gross payments, the amendment would not be needed. Schedule 8 enables the Treasury to make regulations setting out the detailed rules of the scheme. The amendment enables the regulations to cover the ACT provisions for dividends and the gross or net point.

I stress to the House that, although we are taking this power, no decision has been made. We felt it right to make the amendment at this stage because we want the scheme to be launched on 1 January. We are considering this and consulting on it.

Mr. Terry Davis: Before the Minister sits down, can he give us an assurance that whichever course the Government follow it will not make any difference to the cost to the Revenue, and that it is simply a matter of administration?

Mr. Lamont: That is right.

Amendment agreed to.

New Clause 2

VALUE-ADDED TAX—PENALTIES

'In section 15 of the Finance Act 1985 (value-added tax: failure to notify liability for registration) after subsection (4) there shall be added the following subsection:

"(4A) Any penalty imposed by this section may be reduced to such lesser amount as appears to the Commissioners or, on appeal, to a value-added tax tribunal to be just and reasonable in all the circumstances of the case."'—*[Mr. Blair.]*

Brought up, and read the First time.

Mr. Tony Blair (Sedgefield): I beg to move, That the clause be read a Second time.

New clause 2 is of major importance to small traders. It is widely supported by groups representing the self-employed and small business men and it will be a crucial test of whether the Government's proclamations about the worth of small businesses are rooted in propaganda or practice.

The Keith committee, which reported in 1983, effectively recommended that value added tax offences should be decriminalised but that a system of automatic penalties should be brought into being. The sanction of the criminal law was to be taken away, but there were to be automatic penalties, in order to speed up the process of bringing to justice those in default of VAT.

5 pm

It was pointed out in volume 2, chapter 20 of the report that the Inland Revenue had the power of mitigation in respect of income tax offences and that that power was useful as a bargaining counter and in order to avoid hardship. In chapter 18, the Keith committee recommended extending that power of mitigation to VAT offences and penalties. The Keith committee—the body that gave rise to the provisions in last year's Finance Act in relation to VAT—recommended that there be a power of mitigation for all VAT penalties, including the new offence of civil fraud, in which case the committee recommended the power to mitigate down to 50 per cent. of the penalty.

The Government rejected the view of the Keith committee and rejected a new clause tabled by Labour last year. At present, therefore, there is no mitigation in the case of VAT offences and someone who is in breach of the VAT regulations can escape penalty only if he can show a defence of reasonable excuse. Only in those circumstances can he escape the full rigour of the law. The effect is, for example, that someone who deliberately fails to register for VAT is treated in exactly the same way as someone who innocently fails to register.

The new clause is a very modest proposal. It would allow the power of mitigation, but only on late registrations for VAT, where someone's turnover exceeds the requisite level for VAT but he fails to register in time. That power of mitigation would be given both to the commissioners for Customs and Excise and to the VAT tribunal.

The need for action is both urgent and easily demonstrable.

Mr. Douglas Hogg: Am I right in thinking that the penalty imposed for a default is a fixed penalty, fixed either by statute or by statutory instrument, and the commissioners or the tribunal have no power to impose a different penalty?

Mr. Blair: There is a fixed penalty referable to 30 per cent. of the amount of VAT in, say, the quarter in which the person should have registered. The penalty is fixed in that sense by reference to a percentage of the amount of tax due. At present there is no power to abate that in circumstances in which the commissioners or the tribunal might think it reasonable to do so. In a number of cases that have appeared before it, the VAT tribunal has drawn attention to the substantial injustice to small traders that arises from an absence of a power of mitigation.

The Rhodes case came before the VAT tribunal on 31 March 1986. In that case Lord Grantchester, the president

of the tribunal, said in express terms that he regretted the absence of any power of mitigation. That case precisely illustrates the problems faced by small traders because of the absence of the power of mitigation. A small trader started a debt collection agency. In the year to 31 March 1985 the amount of turnover was well below the registration limit for VAT. In the following quarter the turnover exceeded £6,500, the level above which one should register for VAT. The trader did not know that she had to register her agency when that limit was exceeded. She found out only during a conversation with her accountant, a quarter later. As soon as she told the accountant what the turnover was, he told her to apply for registration. She did so immediately, received a form from Customs and Excise and replied by return. She then issued back invoices to all the customers with reference to the quarter during which she should have registered for VAT, so ensuring that no tax was lost to Customs and Excise.

The VAT tribunal accepted that she had behaved entirely innocently. There had been no loss to Customs and Excise and, indeed, the trader herself had volunteered the information to Customs and Excise that enabled the penalty to be levied. In his judgment, Lord Grantchester said that he had to dismiss the appeal because the trader's innocence did not amount to a reasonable excuse in law and so she had no defence for her failure to register in time. However, he continued:

"I dismiss this appeal. I do so with regret. Had there been criminal proceedings requiring the imposition of a fine, I would have taken full account of the mitigating circumstances. Little or no tax has been lost and all books and documents have been adjusted retrospectively so that for practical purposes, they now record what they would have recorded if the Appellant had duly complied with the relevant requirements. But neither the Commissioners nor this Tribunal has been entrusted with such a power to mitigate a fixed penalty."

In successive cases, other chairmen of VAT tribunals have made the same point. No fewer than three VAT tribunal chairmen, other than the president of the VAT tribunal, have drawn attention to the injustice that has occurred.

These traders are all people who run very small businesses. They are usually self-employed. A French polisher may be involved, or a small furniture business. In the last couple of weeks, the case of Mr. Pearson has been decided. Mr. Pearson is a decorator who failed to register for VAT in time. The chairman of the VAT tribunal, having said that again he could not say that there was a defence, because ignorance of the law is no defence, then said:

"Since I have no power to mitigate the penalty, I did not explore matters which went solely to mitigation. It was apparent that there were many such matters, in particular the transparent honesty of the Appellant, his (and his accountant's) prompt and full disclosure of the facts to the Commissioners and, subject to clearance of the Appellant's cheque, the fact that no tax has been lost to the Commissioners."

I understand that many more cases are pending before the VAT tribunal. It is clear that the absence of any power of mitigation is causing substantial injustice. All the cases before the VAT tribunal have features in common. First, it is accepted that all the people acted in good faith and honesty. Secondly, their only fault was ignorance of the law. Thirdly, there has been no loss to Customs and Excise, and fourthly, and perhaps most importantly, the people involved are all small traders in a very small way of business.

It is generally accepted in the House that there is, and will continue to be, a growth in the number of small businesses and self-employed people. In my own constituency, many people have used redundancy money from their factories to start up their own businesses. Such people are often not aware of all the intricacies of form-filling, VAT and so on and they can get into difficulties. The absence of any power for the VAT commissioners or the tribunal to mitigate penalties is a substantial block on the establishment of new businesses.

The Government have put forward only two arguments why such a power of mitigation should not be accepted. First, the Government say that there has been a considerable increase in the speed of registration since the system of automatic penalties was introduced. In other words, there has been a diminution in the amount of late registrations.

I accept that that is the case and I welcome it. But, with great respect, there has been a speeding up of registrations for VAT because of the introduction of automatic penalties. It has nothing to do with the absence of the power of mitigation. I can see no logical or practical reason why the absence of a power of mitigation should speed up VAT registrations. Indeed, many of the cases before the VAT tribunal involve people who have been ignorant of the fact that they have to register for VAT. So automatic penalties were not a factor governing whether they registered.

The second and perhaps more surprising argument that was put forward in Committee in answer to the clause moved by the hon. Member for Slough (Mr. Watts) was that a power of mitigation would increase the number of civil servants that were needed to deal with mitigation. That is a classic example of how, as so often, the Government misunderstand the nature of the problems of bureaucracy. It is not civil servants who cause problems of bureaucracy but unnecessary rules of civil servants doing work with no useful purpose. Civil servants properly used, for example, assisting small businesses in setting up and overcoming their problems, are a positive bonus to small businesses and should not be regarded as some obstruction.

The Financial Secretary should consider the new clause, from the point of view of cutting not the costs of the Civil Service, but the burdens on small businesses. I use the words "cutting the burdens" because we have heard a lot from the Government about how they want to lift the burdens on small businesses. They have published two White Papers in the past two years, one called "Lifting the Burdens" and one called "Building Businesses — Not Barriers".

The Government introduced legislation on small businesses because a Department of Trade and Industry survey said that red tape was a problem, and the single most important item of red tape to which small businesses referred was value added tax. There was huge concern among small traders about the injustice of automatic penalties with no power of mitigation.

I have been through the White Paper "Building Businesses — Not Barriers" and as a piece of second-rate propaganda it takes some beating. When one looks at the Government's proposals on value added tax, most are elementary, such as allowing traders to make monthly rather than three-monthly accounts. I do not know how that is of great assistance to the small trader, but it is put forward as a great proposal by the Government.

[Mr. Blair]

Hon Members will find it amusing that the Government also include as one of the great steps that they have taken for small businesses the fact that they have revised guidance on the treatment of motoring costs after full consultation with business. A naive person reading those lines would think that the Government have helped to simplify the problems of VAT on fuel for motorists, but, as we learnt in Committee, what has actually happened is that the Government have introduced a system of standard computations of VAT on fuel which has saved the Government about £50 million. The notion that sucking £50 million out of the ordinary trader and motorist is some great bonus to small businesses is laughable. The truth is that when the Government are presented with a small but practical instance of how they can help small traders such as is suggested in new clause 2, they do not seem to be interested.

New clause 2 is a test for the Government. It has widespread support and it is difficult to see what coherent arguments there are against it. It is supported by those who specialise in value added tax work. It has been tacitly recommended by the tribunal chairmen who have to administer the system and it is widely supported by small businesses and the self-employed.

The test for the Government is whether they are more interested in headlines for themselves than in help for the small businesses, in publishing White Papers that are long on promises and short on practice, or in doing something that is really worthwhile for Britain's self-employed and small businesses. New clause 2 is such a clause and I recommend it to the House.

Mr. Douglas Hogg: I shall not speak for long because I am looking forward to hearing my right hon. Friend the Financial Secretary's reasons for not accepting the new clause. Looking at it in general terms, I think that the new clause is good and that it requires support.

As a general principle I have always been against fixed penalties. I have also been against minimum penalties. Indeed, that is the view that the Government have adopted in the criminal law ever since I have been in the House. On various occasions some of my hon. Friends have called for minimum penalties for this or that offence under the criminal law and the Government have always resisted, in my view rightly. The same general principle applies to fixed penalties.

5.15 pm

All penalties — whether minimum penalties, fixed penalties or penalties of any kind — must have some regard to the degree of culpability involved. Failure of registration in VAT cases may be a deliberate act of fraud. That is an extreme degree of culpability. On the other hand, failure to register might come about from a much smaller degree of culpability — for example, illness, the destruction of documents or ignorance. That is another and quite different degree of culpability.

It is wrong in principle that a penalty should be imposed that does not reflect the degree of culpability involved on the part of the person who has offended. Therefore, as a matter of general principle, I am highly sympathetic to new clause 2.

I am aware that the Government say that fixed penalties have necessarily resulted in an increase in the number of registrations. I have two comments to make on that. First, I suspect that the hon. Member for Sedgefield (Mr. Blair) is right in his explanation for the increase in the number of registrations, but there is another point, too. There is always a natural tension between the desire on the part of the Executive to do those things that are convenient to it, on the one hand, and the desire of the legislature to ensure natural justice, on the other. If I hear that argument advanced by my right hon. Friend the Financial Secretary today — I fancy that I shall, although he will cloak it in his usual eloquent and charming manner — I must tell him that I am in favour of natural justice, not the Executive.

Having made those few remarks, I look forward to hearing my right hon. Friend tell us why we should not support new clause 2.

Mr. David Penhaligon (Truro): I echo what the hon. Member for Grantham (Mr. Hogg) has said. There is no logic in having a mitigation procedure for income tax but not for value added tax. One is aware of income tax procedures from one's constituency work. I have occasionally helped a constituent and been surprised at the outcome. At the end of the day a constituent often seems to have been rather well treated. In such circumstances one tends to claim some credit for such things.

A system of mitigation does exist and is operated in such circumstances. Therefore, I do not see why the powers of discretion and intelligent analysis of the background cannot be given to somebody within the area dealt with by the new clause. It is a power that cannot be unduly abused. If the Minister believes that it can be used as an excuse for putting off the payment of the tax even further, no doubt his Department, with its ingenuity, will find some way to deal with that.

The law, as it currently stands, says that there is never a harsh word within the worlds of justice, right and reason. The Government should give serious consideration to the new clause or, if an opportunity exists, at least to introduce something that approximates closely to it.

Sir Kenneth Lewis (Stamford and Spalding): When I first came to the House, I was told — I suppose correctly — by the Conservative Whips that it was always dangerous to listen to arguments in debate. One was supposed just to vote. To my great surprise, I discovered myself listening to the debate and, therefore, listening to the arguments of the hon. Member for Sedgefield (Mr. Blair) and of my hon. Friend the Member for Grantham (Mr. Hogg). I have been convinced by the arguments that the Government must be wrong if they do not accept new clause 2.

For some years, we have been saying, first, that there will be a big expansion of new businesses, which will be the Government's salvation and will do us much good at the geneal election because it will provide jobs; secondly, that we should do everything we can to support new businesses in every way. We have produced various documents, as my hon. Friend the Member for Grantham and the hon. Member for Sedgefield have mentioned. We wanted to get off the backs of small businesses. We know that our constituents have problems with VAT from time to time. VAT must be collected and no one wants to make it easy for people to get out of paying it. I am not on the side of those who want to try to get round paying the tax.

We have a tribunal procedure. Presumably the merit of the tribunal is that it is flexible. If it is to make decisions

on the basis of hard lines – where it does not get the chance to mitigate – it will not have the opportunity to deal with cases that may be different. If it must simply take a hard line, because that is what the Act says – the idea of the tribunal is to help businesses and to help the Government to get their proper tax income – it will be put into a difficult position and will not be able to do its job properly.

My right hon. Friend the Financial Secretary to the Treasury should consider that and concede the new clause, or at least propose one in its place, for two reasons. First, it will help the tribunal to provide justice. Secondly, it will help small businesses, which may have made errors and which may have sought to put those errors right, when they come to the tribunal. The tribunal will be able to recognise that fact and deal with those businesses and business men differently from those who have skived and got round the VAT regulations.

If we wish to help small businesses, we must be seen to help them. The Treasury has an opportunity to do that today. I hope that it will take that opportunity, because it is within the guidelines of the Government's policy. If it does not take that opportunity, it will lead people to say, "What is all this talk about? When a Minister gets the chance to turn talk into action, he does not do it."

Mr. Harry Cohen (Leyton): I do not wish to repeat the excellent points that have already been made. On the point of small businesses being affected and the Government's claims, I would point out that there have been record bankruptcies of small businesses under this Government. The imposition and high increase of VAT has been a factor in that.

A letter from the Minister of State, Treasury went out to hon. Members only this week. In effect, it said "You will have complaints about VAT. Here is the answer." It is a complicated letter which deals with many complicated issues. Yet here we are penalising people because they honestly fall foul of the law. It might often be a matter of ignorance. Tribunal officials acknowledge that the mistakes are often innocent mistakes, yet people are penalised for them. The letter from the Minister of State is a case for the clause being accepted. As has been stated, there should be the opportunity for mitigating circumstances to be taken into account by the tribunal or the commissioners where the circumstances are just and reasonable. That is what is contained in the amendment.

The tribunal must also take into account the hardship that small businesses face. I began by mentioning the record number of bankruptcies. Some small businesses are close to bankruptcy, and the penalties might tilt them over the edge, as several hundreds of pounds can be involved in each case.

I endorse and repeat the comments made by my hon. Friend the Member for Sedgefield and by Conservative Members. In the interests of natural justice, the Government should accept the new clause.

Mr. Norman Lamont: This subject was debated several times in Standing Committee and at the Report stage of the Finance Bill 1985, and again in Committee this year. The hon. Member for Sedgefield (Mr. Blair) reminded the House that the Keith committee on the enforcement powers of the Revenue Departments, which was set up by my right hon. and learned Friend, the Secretary of State for Foreign and Commonwealth Affairs when he was Chancellor, reported on VAT in early 1983. The present position is based on the recommendations of the Keith committee, and its conclusions, which were generally in favour, after examining the subject, of fixing penalties for specific defaults. That is the position now and that is how we arrived at the decision to decriminalise offences.

As the hon. Member for Sedgefield recalled, the Government held a consultation exercise on the Keith committee's recommendations. In November 1984, we issued a consultation document which explained our intention to legislate in 1985. We put forward detailed clauses for comment.

The Keith committee wanted to balance the proposed strengthening of some of the powers of the Customs and Excise with the decriminalisation of most VAT offences and other forms of increased protection for the taxpayer. In preparing the 1984 consultation document, and between the consultation exercise and the publication of the 1985 Finance Bill, we made some important changes to the Keith proposals in favour of the taxpayer, including perhaps the most important change, the introduction of the statutory defence of reasonable excuse, which had not been generally recommended by Keith. The Finance Act 1985 was, therefore, a carefully balanced package which was introduced after full consultation with taxpayers and their representatives.

In its balanced approach, the Keith committee recognised that two particular problems concerning VAT for the Government were late payment and inaccurate accounting for the tax. The two best-known examples of these are that the average amount of VAT outstanding at any one time is about £1,200 million and the net underdeclarations of VAT found by Customs and Excise officials on control visits to business premises amounted to almost £500 million in 1985-86. Customs and Excise needed to have effective powers to encourage more timely and accurate compliance on these and other important aspects of the tax. The Keith committee therefore proposed a regime of surcharge, interest and civil penalties specifically for that purpose. Today we are discussing the civil penalties charged under section 15 of the Finance Act 1985 and especially the penalty on belated notification of liability to register for VAT.

Consistently with the Keith committee's other compliance proposals, the belated registration penalty is dependent, not on subjective factors, but on an objective test as to whether the registration is late. There is a right to appeal to the VAT tribunals on grounds of reasonable excuse or against the liability to register, or if Customs and Excise appears to have made an error in its calculation of the penalty assessment. Beyond that the penalty is fixed at the rate of 30 per cent. of the tax liability for the period by which the registration is late. There is no provision for mitigation.

5.30 pm

The hon. Member for Sedgefield referred to Keith's views on mitigation. It is true that Keith recommended that Customs and Excise should have the general power to mitigate penalties, but he also said that the use of that power should be restricted to exceptional cases. Keith had proposed that mitigation should be limited to exceptional cases of financial hardship, injustice or difficult points of tax liability. The last item on that list is fully covered by "reasonable excuse". For the other two, as my right hon.

[Mr. Norman Lamont]

Friend explained last year, Customs and Excise already have the power, subject to the supervision of the Public Accounts Committee and the Comptroller and Auditor General, to remit tax extra-statutorily in wholly exceptional cases on grounds of equity or compassion. It is the Government's view that those powers should be adequate similarly to cover penalties, interest and surcharge in such exceptional circumstances.

The hon. Member for Sedgefield has argued that there should be a power to reduce the penalty in particular circumstances to recognise the different weights of offence, including the question of the taxpayers' co-operation with the Customs and Excise investigation. I can assure him that any liability to late registration penalty – and, indeed, most of the other civil penalties – will be decided by simple objective tests concerned with the lateness of the registration. It follows that the quicker the taxpayer co-operates with Customs and Excise and discloses his late registration, the less will be the turnover that he will have accumulated while unregistered. The hon. Member for Sedgefield may not have said this today, but he will forgive me if I have been reading in *Hansard* some of the speeches that he made on other occasions. I observe that the hon. Gentleman nods. I am sure that he thinks that it is not a very good argument – indeed, I agree with him in that – but he will forgive me for having knocked down the argument that he put forward.

Mr. Douglas Hogg: In almost every penalty that I can think of within the criminal or civil law, the authority that has the power to impose the penalty has the power to vary a penalty in accordance with the degree of culpability involved. For the life of me, I cannot see why that general principle should not apply to late registration.

Mr. Lamont: My hon. Friend has made his position very clear on this. That is the view that he has taken, and he says that there should be no exception to that principle. This departure from that principle was fully debated and paraded with the Keith recommendations. Although my hon. Friend does not like the situation, it should not be a novelty to him. It has been in position since the recommendations of Keith, and it was because of the need to achieve greater compliance that the regime was adopted.

As my hon. Friend may know, I pick up this point simply because the hon. Member for Truro (Mr. Penhaligon) referred to the difference between the treatment of VAT and the treatment of income tax. Keith is being implemented in stages. There are other parts of Keith that the Government are still considering and that will be implemented this year. The question of the Keith recommendations on income tax is being examined by the Government. The implementation of Keith is happening by stages.

Sir Kenneth Lewis: Time has moved on since then. We do not stick to a line if a position is reached where we think that modification might be an advantage. It is some time now since Keith. We have decided as a Government that we are going to be as helpful as we can to small businesses. Surely the Government can decide that, although they took a line at the time which they say was effective, they do not now need to stick to that line because time has moved on, and they can give the tribunal the flexibility that it says it would like.

Mr. Lamont: I note what my hon. Friend says, but not very much time has moved on. I shall be coming to the question of a review of these procedures later in my remarks, if my hon. Friend will bear with me.

I certainly agree that the effects would be limited if the power of mitigation was limited to section 15 penalties alone, as proposed in the new clause. I am not sure whether the hon. Member for Sedgefield would go further and would want to see mitigation much more widely. I ask the House to remember that there are two sides to the question of non-compliance with VAT-registration requirements. We have heard about certain cases in which penalties for late registration have been imposed. The hon. Gentleman may care to reflect that, while these businesses remained unregistered, many of their commercial competitors were already registered and having to account for VAT. We receive many complaints, particularly from the building and catering industries, about the problems that VAT-registered traders can face in competing for business with unregistered competitors. There is a great deal of pressure from the business community for compliance and fair competition. Non-compliance is not fair competition. That has to be borne in mind.

Mr. Blair: Nobody is suggesting that there should not be compliance with VAT regulations – of course there should be. The situations with which we are dealing are those in which there has been an innocent non-compliance. It should always be borne in mind that the power of mitigation depends precisely on the VAT tribunal commissioners thinking it right to exercise it.

Mr. Lamont: I agree with what the hon. Gentleman was saying, and I was not in any way suggesting that he felt otherwise. The question is whether effective compliance can be achieved if we abandon the method that Keith concluded was necessary. Keith recommended mitigation in a very prescribed circumstance. The Government came to the conclusion that was not necessary after giving effect to the other alteration involving "reasonable excuse" that the Minister of State announced in Committee last year.

We have had now almost a full year's experience in the operation of belated registration penalties. In the period from Royal Assent last year to 30 June this year there were about 172,000 new registrations for VAT. Belated registration penalties under section 15 have been imposed in about 3,700 cases, a rate of just over 2 per cent. of all new registrations in the period. Customs and Excise has accepted pleas of reasonable excuse for late registration in a further 187 cases.

That brings me to the purpose of the new system, which sometimes seems to be overlooked. The purpose is not, of course, to see how many penalties can be imposed but to improve compliance with the law. Although my hon. Friend the Member for Grantham (Mr. Hogg) was sceptical about it, Customs and Excise says that it has detected a marked improvement in compliance during the last year. There is no doubt that many potential taxpayers and, perhaps more importantly, their professional advisers are increasingly realising that timely compliance with the registration requirements is important. It is by the yardstick of improvement in compliance that the penalty system must be ultimately judged.

My hon. Friends the Members for Grantham and for Stamford and Spalding (Sir K. Lewis) said that sufficient time had elapsed and that the time had come for

modification. When my right hon. Friend the Member for Brentford and Isleworth (Mr. Hayhoe) was Minister of State last year he gave an undertaking that the new penalty system would be carefully monitored. That reassurance was reiterated in the White Paper. Indeed, in paragraph 6.5 there is a specific commitment that

"the system as a whole, including the operation of penalties and of reasonable excuse, will be reviewed by Ministers, before the 1988 budget, after a full year's practical experience."

I repeat that the review will be after a full year's practical experience, because we wish also to examine the effects of the surcharge that is to be applied in the case of persistent underpayment as from 1 October 1986. A single review covering both phases is justifiable, since a commitment has been given that both of these matters, taken together, will be reviewed.

Mr. Douglas Hogg: Will my right hon. Friend confirm that the review will extend not only to the mechanics but to the justice of what is being done?

Mr. Lamont: I am sure that that will be very carefully considered. We shall pay careful attention to all the representations.

We stand by that commitment, which offers safeguards for the long-term interests of the taxpayer. In the meantime, the taxpayer is benefiting substantially from the reasonable excuse provisions that were introduced, even though they had not been generally recommended by Keith.

Sir Kenneth Lewis: I believe that 136 out of 3,000 appeals were allowed under the reasonable excuse provisions. That is not a very high figure. Will my right hon. Friend try to persuade the commissioners to be more realistic in placing reasonable excuse at the forefront of their considerations?

Mr. Lamont: About 5 per cent. of potential cases were allowed, but what has been said in this debate will certainly be noted.

The pursuit of the alternative of mitigation is not right. Mitigation would serve only to erode the valuable tax compliance benefits of the package and would open the gates to appeals. We should then lose many of the benefits that we are now beginning to gain.

I understand the unease and the points that have been made on both sides of the House. I assure my hon. Friends the Members for Grantham and for Stamford and Spalding that the commitment to a review before the 1988 Budget stands. Therefore, I cannot advise my hon. Friends to accept the Opposition's new clause.

Mr. Blair: The Financial Secretary to the Treasury says that there has been much greater compliance with VAT registration since the introduction of the Keith committee's recommendations. With respect, I do not understand how the absence of the power of mitigation can be said to have affected compliance under the VAT regulations. The point made by the hon. Member for Grantham (Mr. Hogg) is fundamental, but I hope he will forgive me if I do not pursue it.

I realise that the existence of automatic penalties means that there has been an increase in compliance, but the new clause does not touch the automatic penalties system. That remains in being. Therefore, the Keith committee's fundamental proposal will be untouched by the new clause. It is ludicrous to suggest that the existence of a power of mitigation will encourage people not to comply with the original law, yet that is the effect of what the Financial Secretary has said.

It is not the case that we have no experience upon which to form a judgment. During the last few months there have been cases before the value added tax tribunal in which not just the president but the president and three different chairmen have specifically pointed to the injustice of the absence of a power to mitigate.

As the hon. Member for Stamford and Spalding (Sir. K. Lewis) said, we have the benefit of experience. We know that there is an injustice here. That injustice is recognised not merely by traders but by those who practise in the value added tax area. It is not good enough to ask us to await the outcome of a review that is to take place in a few months' time which will cover a whole range of different matters. An injustice exists now and we have been provided with an opportunity to remedy it.

If we really care about small businesses and if what we are saying is not mere rhetoric but has a touch of reality about it, those who go through the Lobby and vote for the new clause will be pinning their colours to the mast of small businesses, while those who do not will forfeit their right to be called the friends of small businesses.

Question put, That the clause be read a Second time:—

The House divided: Ayes 166, Noes 225.

Division No. 247] **[5.45 pm**

AYES

Adams, Allen *(Paisley N)*	Davis, Terry *(B'ham, H'ge H'l)*
Alton, David	Deakins, Eric
Archer, Rt Hon Peter	Dewar, Donald
Ashdown, Paddy	Dixon, Donald
Ashley, Rt Hon Jack	Douglas, Dick
Ashton, Joe	Duffy, A. E. P.
Atkinson, N. *(Tottenham)*	Dunwoody, Hon Mrs G.
Banks, Tony *(Newham NW)*	Eadie, Alex
Barnett, Guy	Eastham, Ken
Beckett, Mrs Margaret	Edwards, Bob *(W'h'mpt'n SE)*
Beith, A. J.	Evans, John *(St. Helens N)*
Bell, Stuart	Ewing, Harry
Bennett, A. *(Dent'n & Red'sh)*	Fatchett, Derek
Bidwell, Sydney	Faulds, Andrew
Blair, Anthony	Field, Frank *(Birkenhead)*
Bray, Dr Jeremy	Fields, T. *(L'pool Broad Gn)*
Brown, Gordon *(D'f'rmline E)*	Fisher, Mark
Brown, Hugh D. *(Provan)*	Flannery, Martin
Brown, N. *(N'c'tle-u-Tyne E)*	Foot, Rt Hon Michael
Brown, R. *(N'c'tle-u-Tyne N)*	Forrester, John
Bruce, Malcolm	Foster, Derek
Buchan, Norman	Foulkes, George
Callaghan, Jim *(Heyw'd & M)*	Fraser, J. *(Norwood)*
Campbell-Savours, Dale	Freud, Clement
Canavan, Dennis	George, Bruce
Carlile, Alexander *(Montg'y)*	Gilbert, Rt Hon Dr John
Carter-Jones, Lewis	Gould, Bryan
Cartwright, John	Gourlay, Harry
Clark, Dr David *(S Shields)*	Hamilton, W. W. *(Fife Central)*
Clarke, Thomas	Hancock, Michael
Clay, Robert	Hardy, Peter
Clelland, David Gordon	Harrison, Rt Hon Walter
Clwyd, Mrs Ann	Haynes, Frank
Cocks, Rt Hon M. *(Bristol S)*	Heffer, Eric S.
Cohen, Harry	Hogg, Hon Douglas *(Gr'th'm)*
Coleman, Donald	Hogg, N. *(C'nauld & Kilsyth)*
Cook, Frank *(Stockton North)*	Home Robertson, John
Cook, Robin F. *(Livingston)*	Hoyle, Douglas
Corbett, Robin	Hughes, Dr Mark *(Durham)*
Corbyn, Jeremy	Hughes, Roy *(Newport East)*
Craigen, J. M.	Hughes, Sean *(Knowsley S)*
Cunningham, Dr John	Janner, Hon Greville
Dalyell, Tam	John, Brynmor
Davies, Ronald *(Caerphilly)*	Johnston, Sir Russell

Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lambie, David
Leighton, Ronald
Lewis, Sir Kenneth *(Stamf'd)*
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Livsey, Richard
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Maxton, John
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Radice, Giles
Randall, Stuart
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rowlands, Ted
Ryman, John
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Strang, Gavin
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Tinn, James
Torney, Tom
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Ayes
Mr. James Hamilton and
Mr. Lawrence Cunliffe.

NOES

Adley, Robert
Atkins, Rt Hon Sir H.
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bennett, Rt Hon Sir Frederic
Best, Keith
Biggs-Davison, Sir John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Budgen, Nick
Burt, Alistair
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Critchley, Julian
Currie, Mrs Edwina
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Dykes, Hugh
Emery, Sir Peter
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Straff'd-on-A)*
Howarth, Gerald *(Cannock)*
Howell, Ralph *(Norfolk, N)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lamont, Rt Hon Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Madel, David
Major, John
Malins, Humfrey
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mather, Carol
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Moate, Roger
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Pattie, Geoffrey
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powley, John
Prentice, Rt Hon Reg
Proctor, K. Harvey
Raffan, Keith
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Tapsell, Sir Peter
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Wakeham, Rt Hon John
Walker, Bill *(T'side N)*
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Francis Maude and
Mr. Gerald Malone.

Question accordingly negatived.

New Clause 4

CAPITAL ALLOWANCES—RELIEF FOR EXPENDITURE TO PROVIDE ACCESS FOR DISABLED WORKERS

"(1) If a person carrying on a trade or profession has on or after 1st August 1986 incurred expenditure on building works or equipment designed to facilitate access to his premises by disabled workers and an allowance or deduction in respect of the expenditure could not, apart from this section, be made in taxing the trade or profession or computing the profits or gains arising from it, Chapter I of Part III of the Finance Act 1971 shall apply as if the expenditure were capital expenditure incurred on the provision of plant or machinery for the purposes of the trade or profession, and as if the machinery or plant had, in consequence of his incurring the expenditure, belonged to him; and as if the disposal value of the plant or machinery were nil.

(2) This section shall be construed as if contained in Chapter I of Part III of the Finance Act 1971.

(3) In this section "disabled workers" means persons, being registered disabled under the Disabled Persons (Employment) Act 1944, who are engaged or employed to work on the premises in question, or who could be engaged or employed to work on the premises in question but for being disabled, and whose mobility is restricted by physical injury or infirmity."

[Mr. Blair.]

Brought up, and read the First time.

Mr. Blair: I beg to move, That the clause be read a Second time.

The clause will enable an employer to claim capital allowances for alterations to his premises or for the construction of premises designed to assist access to the workplace for disabled workers. The capital allowance given under the new clause would be 25 per cent. on a reducing balance basis. This clause is limited in scope, but it is extremely important for the rights of disabled people. It covers only access, but access is an important element in disabled people being able to obtain and retain employment. For example, it would cover the installation of wheel ramps, specially widened doors, grab rails and braille signs.

At present, capital allowance relief is given to an employer for plant and machinery. That covers everything. It could, for example, cover the installation of a lift for the use of disabled people. That is merely coincidental, because the relief is given for plant and machinery generally. Alternatively, an employer could claim an industrial buildings allowance, and that would give him some form of tax relief for the construction of a building. That simply coincides with general relief, but it may contain some element of help for disabled people. However, it does not cover, for example, shop or office units and it does not apply if an industrial building is already in use. The new clause would allow the employer to claim capital allowance relief if he was altering or constructing premises so that disabled people could gain access to them. We believe that it would be of significant benefit to disabled people.

6 pm

It is worth pointing to the items upon which employers already claim capital allowance relief. The chairman's company car is treated as an item of plant and machinery for which capital allowances are available. The chairman's cocktail cabinet, and the Wedgwood or Royal Doulton teacups in his room can be treated as items for which capital allowances are available. Apparently, even the potted plants can be designated as plant and machinery and are thus eligible for capital allowance relief. If capital allowance relief can be claimed on all those things, why should specially constructed access for the disabled fall outside the scope of that tax relief? Grants of up to £6 000 are already available to provide access for the disabled, and grants can be claimed through the disablement advisory service. Thus, some help is already given to disabled people when it comes to obtaining access to their places of employment.

Perhaps I could point to the limitations on the grant system operated through the Manpower Services Commission. First, those grants are available only if access is being specially constructed in order to retain or recruit a specific person. In other words, a grant towards constructing access to the workplace can be obtained only if a specific person is targeted, either because the employer wants to employ him or because he wants to retain him. Thus, the employer has to have a person in mind before he can apply for the grant. If the grant is obtained, the works must be carried out before the person can gain access to the workplace.

Secondly, I should be grateful if the Financial Secretary could confirm that those disablement grants can be sanctioned up to a limit of only £500 at local level. I understand that for sums above that level there must be referral to headquarters, which requires at least three estimates of the work proposed before allowing the employer to carry it out.

There is a general feeling among disabled groups that there are significant bureaucratic obstructions to access to the workplace being provided. I understand from the figures that I have obtained from the MSC that, in the last year for which figures are available, only 165 such applications were granted. We therefore believe that a more general approach is necessary.

There is a twofold advantage to using capital allowances. First, an employer can change the work premises or construct access for the disabled without having to target a particular person. In other words, he could alter his premises, and the disabled person would then compete for a job within an environment of equality of opportunity. That is an important reason for seeing the capital allowance system as a useful complement to the grants that are already available through the MSC.

The second advantage may seem somewhat esoteric to my hon. Friends, but it is important. At present, the grant system operated through the MSC is advertised in a series of booklets put out by the MSC or by the Department of Employment. But there might be more of an incentive if accountants knew that capital allowance relief was available to employers if they wanted to take advantage of it. If an employer was thinking of altering his premises, the accountant might suggest that special access for the disabled could be included as plant and machinery. That employer would then create the premises that would enable a disabled person to compete for a job on equal terms with a person who does not suffer from any disability. There would also be an advantage in the by-product for the customer.

It is worth noting the number of people who suffer from some disability. The 1983 household survey showed that about 19 per cent. of working people reckoned that they were limited in some way through disability. I understand

[Mr. Blair]

that the number of those registered disabled under the 1944 Act is well in excess of 400,000. That puts into perspective the 165 applications for special grants made through the MSC.

Some of my hon. Friends may raise the question of quotas, so I shall say only that it is extraordinary that there have been 10 prosecutions since 1944 for breaching statutory obligations in relation to the quota system. Since March 1979 there has not been a single prosecution for breach of the quota regulations. Therefore, one is entitled to say that we must not be complacent about the incentives given to disabled people.

Thanks in great measure to the activities of my hon. Friends, the profile of the disabled and public awareness of the problems that they face have been heightened. I make no apology for saying that this is the right time for this new clause. Today, Royal Assent has been given to the Disabled Persons (Services, Consultation and Representation) Bill, which was introduced by my hon. Friend the Member for Monklands, West (Mr. Clarke). There is no more fitting time to move this new clause. It is an earnest of our good intentions towards the disabled, and I have pleasure in commending it to the House.

Mr. Dafydd Wigley (Caernarfon): I am pleased to support the new clause. If I had seen it early enough, I would have added my name to it. It represents a step in the right direction, although its scope within this Bill must of necessity be limited.

The question of developing policies to help to integrate disabled people into the workplace has been underlined over the years. It was highlighted in section 8(2)*(a)* of the Chronically Sick and Disabled Persons Act 1970, which the right hon. Member for Manchester, Wythenshawe (Mr. Morris) did so much work to promote. It was also highlighted in the Snowdon report on integrating the disabled. It is worth quoting the recommendations of the Snowdon working party. No. 20 says:

"The premise on which our Sub-Committee's philosophy is based is that employment itself is crucial to the integration of disabled persons of employable age within the life of the community, and that such employment should, so far as is practicable, be as similar as possible to that of able-bodied people in respect of conditions of work, status and pay."

Recommendation No. 37 stated:

"There is need to improve the access of places to work for disabled people. In some instances the provision of hostel accommodation is advocated – in others financial assistance to make it easier for the disabled people to move nearer to their place of work."

Obviously, the ability of disabled people to get to their places of work and to be taken on was a major factor in the working party's thinking. The report was published in 1976, yet we have made relatively little progress.

There have been changes in building regulations, and so on, but there is a general feeling that the time may be right to look to the carrot as well as to the whip of regulations and restrictive legislation. Whether the carrot consists of grants or tax incentives, it must be considered. The legislation that has been put on the statute book in recent years has largely dealt with existing factories, offices or shops, and has sought to ensure that new buildings provide access for disabled people.

However, we have not been able to attack in as meaningful a way as we should have the problem of existing buildings. As they represent 95 per cent. of all construction, we must consider ways of improving access to them for disabled people. That may be one important way to help, although it is not the only way. If the allowances which the hon. Member for Sedgefield (Mr. Blair) referred to when moving the new clause are available for the range of expenditures that he highlighted, both sides of the House would feel that the grants should be available to improve facilities for disabled people.

The point made by the hon. Member for Sedgefield about the need to get this right before individuals' specific problems are highlighted is most important. It is wrong that disabled people should be helped only when the problem arises. By definition, that makes disabled people abnormal. We should have met their needs before a question of non-discrimination or discrimination arose.

I have drawn the attention of the House previously to the slogan used in Sweden and I make no apologies for referring to it again. In Sweden they say that handicap is a relationship between a disabled person and his or her environment, be that the physical environment, social environment or the psychological environment. We may not be able to do much about a disability, but by tackling the physical environment in the context of the new clause we can do something to prevent that disability from becoming a handicap. We have an opportunity in the Bill to do something about this problem. There is a need for an attack on the problem in existing buildings, and I commend the new clause to the House.

Mr. Lewis Carter-Jones (Eccles): I hope that the Financial Secretary to the Treasury will not be misled by his officials in this matter. Some of us have lived with this problem for 22 years. We are surprised when these matters are brought before us and the interpretation of these problems by officers and officials differs from our own. That is why it is important that we should accept the new clause. The Minister of State, Treasury, who handles VAT problems in the Treasury, can relate alarming cases where VAT has applied to appliances and building regulations in relation to disability. I pay tribute to the Financial Secretary's colleague for his efforts to undo the evil that has been done by officials misinterpreting the regulations in that respect. That is why the problem must be countered by a copper-bottomed new clause as part of the Bill.

I hope that the Financial Secretary will not turn down this new clause on the ground that it is unnecessary. That was the excuse used when we tried to get on to company records the provision that a statement by the directors must be contained in the annual report as to what they are doing on behalf of disabled people. The Financial Secretary is a kindly man and will think that my remarks are unnecessary. I can assure him on behalf of my hon. Friends and on behalf of his Conservative colleagues that the interpretation happens far too often to the disadvantage of the disabled.

I should like to define the nature of the problem for the benefit of the Financial Secretary. Unemployment among young people with handicap is twice that of their non-handicapped peers. The national child development study found that over a two-year period 10 times as many young handicapped people had been out of work for six months or more than had their non-handicapped fellows.

I am wearing the Rehab International tie. The symbol on the tie has become the symbol of disability in Britain. In truth, when Rehab International developed this symbol it was meant to be a symbol of access. Access is the most

important factor involved in obtaining a job. There is the main problem of access to premises and the problem of access to toilets. There is also a problem about providing training areas and training equipment.

The Financial Secretary to the Treasury may do his right hon. and learned Friend the Paymaster General a favour if he allows the new clause to be passed because it may relieve the pressure on the quota system for the employment of disabled people. That might indirectly help the Paymaster General to sustain the quota and so avoid attacks from both sides of the House because the 3 per cent. rule is not being implemented.

My hon. Friend the Member for Monklands, West (Mr Clarke) has asked me to apologise to the House for his absence. He had a great success today as the Royal Assent was given to his Bill. I gather that he has been asked to account for that in another place. I hope that the House will accept his profuse apologies. I would like to deal briefly with the problem of access for mentally handicapped people.

MENCAP has a scheme called the Pathway employment services. That accounts for a substantial number of new jobs for mentally and physically handicapped people. MENCAP argues that the new clause is absolutely essential for that purpose. Let me quote what Mary Holland of MENCAP said in a letter to me:

"Physical barriers to employment for people with handicap can be overturned; social barriers created by ignorance and myth will take longer. The first step must be to ensure that people with disabilities are encouraged positively to take their place in the work force. Financial incentives will help employers to provide suitable working environments which will in turn ensure that we practise rather than preach the reality of finding work for disabled people."

6.15 pm

The new clause encapsulates the feelings of many of us about the opportunities of work for disabled people. The Government have contributed to that and the Council of Europe has produced a coherent policy for the rehabilitation of disabled people. Experts from this country and Northern Ireland have played a part in this.

MIND states that if we are to encourage employers and workers to help disabled people to enter employment and rehabilitation, we have

"to encourage employers generally to facilitate the rehabilitation of disabled workers by making suitable work available to them, if necessary after making adaptations to machinery or equipment and by giving them the opportunity to return to suitable types of employment as soon as they are medically fit for work, although not necessarily fit enough to resume their former occupation."

I do not know what messages the Financial Secretary to the Treasury is receiving from elsewhere in the House. However, I hope that those messages do not encourage him to turn down the new clause. Many of us, as you are aware, Mr. Speaker, must try, with heavy hearts, to influence Ministers who mean well but who are told by their advisers that they cannot do something because it is not in the Act. The new clause offers the Financial Secretary the chance to get this provision in the Act.

Mr. Robert N. Wareing (Liverpool, West Derby): I am sure that the new clause will be commended by all the organisations representing disabled people as a much needed clause to enable the 3 per cent. quota under the Disabled Persons (Employment) Act 1944 to be more readily achieved. At present, more than 65 per cent. of firms in this country are outside of the law. They are not taking the 3 per cent. quota. Indeed, not one Government Department abides by the quota set in the 1944 Act.

One of the arguments often put forward by the Government when disabled people are discussed and efforts are being made to help them is that the term "disabled workers" needs to be defined. It is defined on this occasion. My hon. Friend the Member for Sedgefield (Mr. Blair) has said that there are 430,000 registered disabled, but there are more than 5·5 million who are either physically or mentally handicapped. At present, there is no incentive to register. Nothing is gained by registering. If the new clause were accepted and implemented, it would provide encouragement to register if nothing else.

There is a wide variety of housing grants available to the disabled but there is no comprehensive scheme available to the employers of the disabled, and that is what the new clause will provide. Capital grants of up to £6,000 are available for adaptions and special equipment. Unfortunately, the take-up has been abysmal. In answer to my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) on 9 February 1983, at column 392, it was revealed that there was no year between 1971-78 and 1981-82 when the estimate of the capital grant that should be made available was equalled by the level of take-up. For example, £500,000 was allocated in the Estimates of 1977-78 and the take-up was only £11,040. Only 21 firms were involved. In 1981-82, there was a much reduced estimate by the Government of £150,000. However, only £71,469 was taken up by 93 firms. There are more than 93 firms within a mile of this building.

The sum that is allocated each year is underspent and the reasons are simple. There is a lack of knowledge, just as in our previous debate it was said that many of those who are taking redundancy pay and setting up their own small businesses are not au fait with the problems or difficulties that will confront them and with what will be available to them.

A company which wants to take on a worker will want to employ him or her as soon as possible, and it will need to ascertain what will be available to it if it decides to take on a disabled worker. If the firm is asked to make an application, it will have to supply estimates of the cost of any construction work or equipment that will be required if the disabled worker is to be taken on before it is informed of the size of the grant that will be made available. This process involves an inordinate amount of delay, and fairly often the job will be taken by someone else who is not disabled — that is discrimination against the disabled — or the firm will go out of business by the time that the grant is awarded.

The quota scheme can be made more effective without even changing the law. If the House were to accept the new clause and it were incorporated in the Bill, the law would be changed only slightly.

In 1976, the Snowdon working party on the integration of the disabled recommended the levying of a disablement employment tax, the revenue from which would go into a disablement employment fund. It was proposed that the fund should be used to compensate employers for the expenditure entailed in assisting disabled workers. It was a form of capital tax relief. The new clause is in the spirit of that recommendation of the Snowdon working party. It would provide real encouragement to employers not to discriminate against the disabled. Instead, it would

[Mr. Robert V. Wareing]

encourage employers to take them on. The clause would not incur any additional expenditure. If the Minister reads the answer that was given to my right hon. Friend the Member for Stoke-on-Trent, South, which appeared in *Hansard* some years ago, he will find that the grants are not taken up. There is plenty of leeway to enable the Government to provide the wherewithal to counteract any possible loss in tax as a result of the implementation of the new clause.

The new clause would encourage the disabled to register and would provide much needed statistics. We would know the number of handicapped people within the community. That statistic is needed for many vital purposes. For most firms the clause would involve only a once-and-for-all expenditure. That is because the capital tax relief would not accrue every year. The Government are always prating that we should widen and extend choice, and here is an opportunity for them to widen the choice of employment that is available to the disabled. The new clause would give employers the chance to show their good will towards the disabled community, which constitutes a sizable constituency. The Government are being given the opportunity to demonstrate their good will be accepting this proposal.

Mr. Cohen: This a sensible new clause and will facilitate access to employment for the disabled. The clause is well drafted. I understand that its wording follows quite closely the provisions on fire precaution expenditure in section 17 of the Finance Act 1974. It has sound antecedents, which should encourage the Government to adopt it.

The tax laws that relate to the disabled are a mess. If a lift is installed, the expenditure will probably qualify for a grant or allowance, but the provision of ramps and widened doors to permit wheelchair access will not. The cost of constructing a new factory that has design features to permit access to the disabled will qualify for grant, but alterations to an existing building will not.

It has already been said that perks often have little connection with the real interests and activities of a business. Two examples are the chairman's new Rolls-Royce and the managing director's cocktail cabinet. Such perks qualify for an allowance from the Revenue but the provision of access for disabled workers will not. That is a gross contradiction. Why should the chairman of a company enjoy tax relief on the purchase of a Rolls-Royce to facilitate his mobility when disabled workers do not get any relief of that sort? The managing director receives a cocktail cabinet, but many disabled workers will not be able to enter the place of work, let alone reach the room where the cocktail cabinet is sited.

The new clause is a sensible provision to counter the discrimination against disabled workers that stems from access problems. The recent survey of the National Child Development Council reveals that young people who are handicapped are 10 times more likely to be unemployed for six months or more than their counterparts who are handicapped. That is shocking. The Government should be doing much more directly to counter discrimination in employment against the disabled. At least the new clause would provide a small encouragement to employers and I hope that it will be accepted by the Government.

Mr. Norman Lamont: We have had an informed debate, not least because several of those who have spoken, especially the hon. Members for Eccles (Mr. Carter-Jones), Caernarfon (Mr. Wigley) and Liverpool, West Derby (Mr. Wareing), take an extremely long-term and consistent interest in the subject. Their remarks today were interesting and informing. I appreciated the spirit in which the hon. Member for Sedgefield (Mr. Blair) moved his new clause. I certainly appreciate his motives for doing so, because obviously the question of access is of great importance to disabled people.

6.30 pm

The purpose of the new clause, as the hon. Member for Sedgefield outlined, is to give tax relief through the capital allowance system to employers who would not otherwise get relief for expenditure incurred on or after 1 August 1986 on building works or equipment designed to facilitate access to their premises by disabled employees.

The underlying question raised by the clause is, what is the best way to help and encourage provision and access for the disabled? Is it by grants, tax relief, or a combination of the two, bearing in mind the statutory obligation imposed on people in the construction of new buildings to which the hon. Member for Caernarfon referred? The Government believe that we should do so by both methods, but that the first line of assistance should be by grants and, after they have been taken into account, the normal tax rules should apply—that is to say, the rules for machinery and plant, industrial buildings, hotels, buildings in enterprise zones, and so on. Those allowances can help in certain ways.

I shall deal with the question of grants, to which the hon. Member for Sedgefield referred. The Manpower Services Commission can pay grants of up to a maximum of £6,000 to eligible employers, who are the great majority, who make essential adaptations to their premises or equipment to enable them to engage and retain specific disabled employees.

The hon. Gentleman referred to restrictions on the grants. As I understand it, those restrictions are there because until the nature of the specific disability is known it cannot be known what precise alterations are needed. As I understand it, that is the nature of the restrictions to which the hon. Gentleman referred.

I think that the hon. Gentleman referred to the bureaucracy in the MSC procedures. I do not mean to misrepresent the hon. Gentleman, but I thought I heard him refer to that. I shall draw the attention of Ministers at the DHSS to what the hon. Gentleman has said. I have not been advised of such complaints, but perhaps the hon. Gentleman will enlighten me.

Mr. Alfred Morris: The Minister will be aware that I was involved in legislating for the grants to which he referred. Can he tell me how much has been spent in the past few years on publicising those grants to improve the take-up?

Mr. Lamont: I do not know the answer to that question. I intended to refer to what the right hon. Gentleman's hon. Friend the Member for West Derby said. He said that the grants have been undersubscribed, even by the amounts that the Government have put by. That is an important point. I shall draw the attention of my hon. Friend the Minister for Social Security to what I think has been the feeling in the debate that if we are to rest the argument of grants, the grants should be publicised. There has been a poor uptake of the grants in the past few years.

Perhaps it is worth mentioning, in passing, the job introduction scheme which is run by the MSC, under which grants of £45 a week can be paid to employers to take on a disabled person for a trial period giving him a chance to prove that he can do the job. Under that scheme, nearly 8,500 disabled people have been helped over the past five years by way of grants totalling about £2·7 million. There are other schemes of assistance for the disabled.

The normal tax reliefs apply on top of the grants to the net amount — the cost, less any grant, of the employer's expenditure; that is, the normal rules for machinery and plant and the fabric of qualifying buildings apply to the expenditure which the employer incurs. If, for the purposes of his business, an employer spends money on equipment for the benefit of his disabled employees which consists of machinery or plant, the equipment will qualify for an annual allowance of 25 per cent. on the reducing balance basis. The hon. Member for Leyton (Mr. Cohen) spoke on that point. The capital allowance system already provides relief at the rate proposed by new clause 4 for an employer's expenditure on, for example, lifts, other types of mechanical hoist and special toilet facilities. The relief extends to the cost of any alterations to an existing building which are incidental to the installation of such equipment. So, for equipment, it is unlikely that new clause 4 would represent a new relief.

Mr. Carter-Jones: Very often, an employer buys standard equipment and the opportunity comes along to employ a disabled person. Is the Financial Secretary spelling out to the House that whatever modifications are made to such equipment which allows a disabled person to operate it they will count under the category?

Mr. Lamont: I was saying that if an employer buys a piece of captial equipment, it will qualify for the 25 per cent. allowance. The cost of any alterations to the building that are incidental to the installation of that equipment that qualifies for the 25 per cent. would qualify for the 25 per cent. I am not saying that alterations to buildings for the purpose of access qualify for 25 per cent. That was the point on which I wished to develop my remarks.

Mr. Carter-Jones: The Financial Secretary has now come into the cloudy area which I and my right hon. and hon. Friends and his right hon. and hon. Friends have come across from time to time. Will the Financial Secretary clear the cloudy area, which seems to give officials the right to make interpretations which he never intended?

Mr. Lamont: I shall see whether any further clarification can be given. I shall look at the point that the hon. Gentleman has made to me. I wanted to be careful not to use other than the precise words which I know represent the position legally. I follow the point that the hon. Gentleman has made. I shall look at it further. I can see that it can give rise to a grey area and that it may be difficult to draw the line as to where the end of the 25 per cent. allowance comes. If I can give any further clarification, I shall write to the hon. Gentleman. Indeed, I shall write to him anyway.

We have said that the grant is the first line of assistance. However, if the premises to be adapted are industrial or agricultural buildings, capital expenditure on altering them will qualify for an annual allowance of 4 per cent. The same will apply in the case of certain hotels. If the premises are used for the purposes of scientific research or are in an enterprise zone and qualify for the special allowances there, capital allowances of 100 per cent. will be available.

I recognise what hon. Gentlemen wish to do. I am afraid that I cannot go as far as they would like, but I hope that they recognise that the existing arrangements, which are primarily outside the tax system although some are within it, provide a degree of assistance and encouragement to employers to take on disabled people.

Mr. Wigley: Do I understand the right hon. Gentleman correctly? Is he saying that adaptations to buildings to meet the needs of disabled people — for example, ramps — would qualify for a 4 per cent. rate but could not qualify for 25 per cent.? Are the Government against changing that 4 per cent. to 25 per cent. as a matter of policy, not because there is a technical reason why it should not be changed?

Mr. Lamont: The position is as I have said with regard to industrial and agricultural buildings, hotels, premises used for scientific research or buildings in an enterprise zone. There have not been capital allowances for commercial buildings, as I am sure the hon. Member for Caernarfon appreciates, for obvious reasons. Capital allowances have, in general, been provided on assets that depreciate rather than on those that appreciate. That is the distinction which has been drawn between commercial buildings and other buildings.

I should like to draw attention to one point concerning the new clause, although I make no complaint about it. As drafted, the new clause would give employers capital allowances at the 25 per cent. rate in respect of qualifying expenditure on adapting commercial buildings, because capital expenditure on such buildings outside enterprise zones does not attract tax relief. On the other hand, similar expenditure on industrial and agricultural buildings and hotels would not qualify for allowances at this rate under the new clause, because it is likely that the expenditure already qualifies for allowance, but at 4 per cent. There is a difference of treatment in the present system. The new clause is a move towards greater differences in tax allowances on buildings. I drew that point to the attention of the hon. Member for Sedgefield because I was not sure that that was his deliberate intention.

Although there are points which I shall pursue and points to which I will return — in the case of the hon. Member for Eccles — and others to which I shall draw the attention of my hon. Friend the Minister for Social Security, especially those concerning publicity for the grants system, we think that we should look largely to the grants in respect of conversion of buildings. We think that the existing arrangements both outside and inside the tax system provide a degree of assistance.

Mr. Blair: This point should be clarified because some Opposition Members may have misunderstood it. As I understand it, there are no allowances for alterations to industrial buildings for disabled people.

Mr. Lamont: If industrial buildings are adapted, capital expenditure on altering them qualifies for an annual allowance of 4 per cent., as I said to the hon. Gentleman.

Mr. Alfred Morris: This is an important debate for people with disabilities. The starting point, for both sides

[Mr. Alfred Morris]

of the House, should be the undoubted entitlement of disabled people to count as a part of and not apart from society, which is impossible if buildings in which they could work are inaccessible to them. They want, wherever possible, to enjoy the dignity of being taxpayers, not the dependence of supplementary benefit. That means allowing them access to far more places of work than are accessible to them now. Not to do everything within our power to improve access is to pile handicap on handicap for disabled people.

The Financial Secretary to the Treasury cited some statistics on the employment of disabled people. In most parts of Britain, unemployment among disabled people who are looking for work is twice as high as it is among people generally. As my hon. Friend the Member for Eccles (Mr. Carter-Jones) said, the same is grievously true of disabled school leavers who, in so many cases, now go straight from school to scrap heap. Unemployment is bad enough among the able-bodied, but among disabled people it is a scandal which should be of surpassing concern to the House.

Not long ago, I saw a deputation from the organisations of disabled people in Scotland, Wales and Northern Ireland. They told me that, in many parts of all three, unemployment among disabled people who are registered for work is now more than 80 per cent. That is the sombre backcloth to the debate and the justification for the new clause. How can the Government possibly justify resistance to a measure that can help to change for the better that shocking statistic from Scotland, Wales and Northern Ireland? For a disabled person, unemployment is a double handicap which can lead to double despair, and reducing it should be one of our highest priorities.

6.45 pm

The Treasury is keen enough to cost any and every claim for a new benefit. I know that as a former Minister for the Disabled. What costing has the Treasury done in relation to the new clause? What does it estimate the net cost would be? The aim of the new clause is to take people off social security by making them taxpayers. The net cost could well be negligible, while the good it can achieve will be crucially important to people with disabilities. Rejection of the measure would be seen not only as self-defeating but as hurtful to some of the most needful people in Britain today.

In granting capital allowances for expenditure on building works to provide access for disabled workers, the new clause could well have been more than self-financing. How can the Financial Secretary possibly reject the proposition which we are making in the new clause when there are tax allowances for the managing director's cocktail cabinet and, as my hon. Friend the Member for Sedgefield (Mr. Blair) said, for the Royal Doulton in the directors' dining room?

The justification for the new clause is self-evident and its drafting closely follows that of other legislation. The Financial Secretary questioned the drafting of the new clause. If there are defects, I am sure that the combined ingenuity of both sides of the House will overcome any problem that may stand in the way of carrying through this important reform for disabled people.

The new clause is about improving access not only for physically disabled people, but for the sensorily disabled, especially the deaf and the blind. They, too, have daunting, not to say intimidating, problems of access to many public and social buildings.

The Government never tire of expressing their concern about the totally unacceptable level of unemployment among disabled people, but what is needed is practical concern and meaningful help, not the customary mixture of sympathy and sloganising. My hon. Friend the Member for Sedgefield made a compelling case for a measure that is of the first importance if we are further to improve the well-being and status of people with disabilities. The new clause is not about compassion; it is about equal rights. I am delighted to support it. If, as the Financial Secretary said, this is but a modest improvement, why on earth can he not accept the new clause?

Question put, That the clause be read a Second time:—

The House divided: Ayes 166, Noes 215.

Division No. 248] **[6.47 pm**

AYES

Adams, Allen *(Paisley N)*
Alton, David
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Bidwell, Sydney
Blair, Anthony
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Buchan, Norman
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Canavan, Dennis
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Craigen, J. M.
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Douglas, Dick
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kirkwood, Archy
Lambie, David
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Livsey, Richard
Lloyd, Tony *(Stretford)*
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McWilliam, John
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy

Maxton, John
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Mitchell, Austin *(G't Grimsby)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rowlands, Ted
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Spearing, Nigel
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Tinn, James
Torney, Tom
Wainwright, R.
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Ray Powell.

NOES

Adley, Robert
Aitken, Jonathan
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bennett, Rt Hon Sir Frederic
Best, Keith
Biggs-Davison, Sir John
Blackburn, John
Boscawen, Hon Robert
Brandon-Bravo, Martin
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Buchanan-Smith, Rt Hon A.
Burt, Alistair
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carttiss, Michael
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Corrie, John
Critchley, Julian
Douglas-Hamilton, Lord J.
Dunn, Robert
Dykes, Hugh
Emery, Sir Peter
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hirst, Michael
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Hunt, David *(Wirral W)*
Hunter, Andrew
Irving, Charles
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lamont, Rt Hon Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lawson, Rt Hon Nigel
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Major, John
Malins, Humfrey
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mather, Carol
Maude, Hon Francis
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Moate, Roger
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Page, Sir John *(Harrow W)*
Patten, Christopher *(Bath)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powley, John
Prentice, Rt Hon Reg
Proctor, K. Harvey
Raffan, Keith
Renton, Tim
Rhodes James, Robert
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Smith, Tim *(Beaconsfield)*
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Tapsell, Sir Peter
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Wall, Sir Patrick
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watts, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Tony Durant and
Mr. Gerald Malone.

Question accordingly negatived.

New Clause 11

SELF EMPLOYMENT

'(1) No person shall be subjected to tax under Schedule E of the Income and Corporation Taxes Act 1970, where that person is employed otherwise than under a contract of employment and notice to that effect has been submitted to Her Majesty's Inspector of Taxes.

(2) In any determination of employment or self-employment status hereunder submission of such notice shall be conclusive evidence of self-employed status save where General Commissioners or Special Commissioners, on application by Her Majesty's Inspector of Taxes, shall determine that the taxpayer is an employee.

(3) No such determination by General Commissioners or Special Commissioners shall be made unless:

(a) the taxpayer gains earnings from one single employer under one contract of employment only; and

(b) such a contract of employment is evidenced in writing; and

(c) the taxpayer has the right under his contract of employment to be reimbursed with authorised out of pocket expenses." — *[Mr. Watts.]*

Brought up, and read the First time.

7 pm

Mr. John Watts (Slough): I beg to move, That the clause be read a Second time.

You will recognise the pedigree of the new clause, Mr. Speaker, because of its marked similarity to the Right to be Self-Employed Bill introduced by my hon. Friend the Member for Stirling (Mr. Forsyth) under the ten minutes rule on 4 February this year. Your will recall that the Bill received its First Reading by a majority of 174 to 125, which shows the widespread concern in the House about the need to clarify the status of the self-employed and, indeed, the need to encourage the further growth of self-employment.

There has been a welcome development in that area. Since 1970 the numbers of self-employed have increased by 700,000 to a new total in excess of 2·5 million, or one in 10 of the employed population—the highest level for 60 years. That growth has been encouraged by various measures promoted by the Government, notably the enterprise allowance. It has also been helped by the reduction in national insurance contributions for the self-

I believe that the growth of self-employment also reflects a substantial change in attitude and a far greater willingness to create a job for oneself. Earlier, the hon. Member for Sedgefield (Mr. Blair) referred to many of his constituents using redundancy money to set up their own businesses. Those people are the new self-employed—those who go out and make jobs for themselves if nobody else will make a job for them.

Further growth of self-employment is obstructed unnecessarily by the arcane way in which income tax operates, and, in particular, by the difficulty that the self-employed can face in establishing their self-employed status. The new clause seeks to provide a simple mechanism whereby self-employed status can be established. Subsection (1) states that schedule E would not apply to anyone

"where that person is employed otherwise than under a contract of employment and notice to that effect has been submitted to Her Majesty's Inspector of Taxes."

The procedure for the self-employed person is simple. He has merely to notify Her Majesty's inspector of taxes that he is self-employed. If we were to leave it at that, I acknowledge that the procedure could be open to abuse. People who were not self-employed might claim that status in the belief that it would confer on them certain advantages. Therefore, subsection (2) makes the notice given to Her Majesty's inspector of taxes conclusive evidence of self-employed status, unless the inspector makes an application to the general commissioners or special commissioners, and, on the inspector's application, they determine that the taxpayer is not self-employed, but an employee. We have the balance there.

The self-employed person can make a claim to be self-employed and notify the Inland Revenue that that is so, but the Inland Revenue has the opportunity to challenge that if it does not believe the assertion to be in accordance with the facts. The matter is determined conclusively by the commissioners. It is right that there should be that independent adjudication where there is a dispute between the Inland Revenue and the taxpayer.

Subsection (3) seeks to define an employee as a taxpayer who

"gains earnings from one single employer under one contract of employment only".

That contract must be evidenced in writing, and the taxpayer must be entitled

"under his contract of employment to be reimbursed . . . out of pocket expenses."

It is just possible that the definition of "employee" embodied in the new clause is not perfect and that further refinements would be needed before the scheme that I have outlined could operate without giving rise to a serious risk of abuse. I am sure that if there is any imperfection in the definition in the new clause, when my right hon. Friend the Financial Secretary replies to the debate, he will be quick to draw it to my attention and to suggest a constructive way in which that problem can be overcome.

I hope that there will be general recognition of the need for a method, such as I have proposed, whereby a taxpayer can establish his status as a self-employed person. At present there is no clearance procedure. There have been cases in my constituency — no doubt other hon. Members can cite similar instances in their constituencies —where taxpayers have carried out work as subcontractors for local businesses in the belief, common to the taxpayer and the company, that they were entitled to be treated as self-employed. Then, some time after the event —perhaps when those arrangements have subsisted for a year, 18 months or two years—along comes the Inland Revenue, saying, "No, you are not self-employed. You are an employee, and we will treat you as an employee from the time when you first started to treat yourself as self-employed."

It is not satisfactory that matters should reach that stage. Such problems would be resolved if the new clause, or something similar to it which was based on its underlying principles, were embodied in our tax law. Thus, taxpayers could establish their right to be treated as self-employed by a simple means of notification. The onus would be upon the Inland Revenue to challenge that claim if it seemed unjustified. Ultimately the status would be determined by the independent commissioners. That seems to me to be a good scheme.

Even if the precise form of the new clause does not commend itself to my right hon. Friend, I am sure that, as a staunch supporter of the enterprise culture, the principle will appeal to him.

Mr. Patrick Thompson (Norwich, North): I am grateful for the chance to speak in support of new clause 11.

As a Member of Parliament in Norwich, I am continually called upon to help or advise small business men or people who aspire to run a business of one sort or another. In every case; the person is confused by our system of income tax legislation and value added tax legislation. Indeed, in our local newspaper during the past 24 hours an Inland Revenue official was quoted as saying, "You cannot expect the system to be fair," or words to that effect. I hope that that is not a correct report, but that is what was said in the paper.

I know of cases of people being forced to operate PAYE in unsuitable circumstances. That is the very point that is

addressed by new clause 11. I can best illustrate it by quoting from two letters that concern a constituency case. The first is a letter from Her Majesty's inspector of taxes in Norwich, dated 7 March. He says:

"Dear Sir

I refer to our previous correspondence concerning the agency operated by yourself. It is my opinion"—

note the word "opinion"—

"that this agency is caught"—

note the use of the word "caught"—

"under Finance (No. 2) Act 1975 Section 38 and as such all the earnings of the relief workers provided by the agency are chargeable under Schedule E."

In that case, I had already been in correspondence with my constituent. Not surprisingly, he was distressed by the outcome. He wrote me a letter from which I shall quote briefly because it illustrates perfectly the need for new clause 11. He starts by saying:

"If you remember my problem concerning my HGV relief driving service with the DHSS and now the Inland Revenue, I have now been given a date to start a PAYE system which I cannot do, as I have no regular work from the companies I deal with. This means that myself and about eight self employed men will now be unemployed."

He went on to say:

"I feel very sad to think that I built this business up from nothing to finding work for 9 men and be closed down with the people who should be helping me find work."

He went on to make complimentary remarks regarding the Prime Minister's belief that people should be able to build up their own businesses and thrive in this way. In conclusion, he states:

"One of these DHSS inspectors told me they would rather see men unemployed than working through my Agency. The reason being that they are losing revenue for these men and there are too many self-employed men having a go on their own."

That case illustrates perfectly the need for new clause 11 and the reason why I supported the ten-minute Bill introduced by my hon. Friend the Member for Stirling (Mr. Forsyth).

I should like to quote from a letter from my right hon. Friend the Secretary of State for Transport when he was the Financial Secretary to the Treasury:

"For example, I am advised that it is at least arguable that the definition in your Bill"—

that is the ten-minute Bill—

"would treat as 'self-employed' the 100,000 or so school teachers marking examination papers."

I can comment on this because I was a school teacher and was marking examination papers during the time that the change was made from self-employed status or schedule D to schedule E status. It seemed at that time to be a move in the wrong direction. Nothing that has occurred since has made me change my opinion. It is just another example of our extolling the virtues of people doing their own thing while the Inland Revenue, under its masters at the Treasury, do exactly the opposite.

It is time that the Government took on board the fact that what is happening on the ground does not always follow the rhetoric that we put forward, and it is time that we did something about that. There is too much bureaucracy and the system must be simplified for the benefit and expansion of small business, and the employment of people—which is what we all want—as well as bringing about a general decrease in irritation among the business community, especially those running small businesses.

There seems to be an order of batting in these matters. At the top of the tree and most favoured are the well-established business men, advised by accountants who make the maximum, obviously legal, use of the available allowances. Second, and quite a long way behind, come those who are on PAYE and who feel burdened by the fact that there is no way in which they can claim for allowable expenses. Teachers are right when they say it is almost impossible for them to claim any type of sensible allowable expense. They have a just grievance. Finally, right at the bottom of the tree—this is the point of new clause 11—are those who are trying to start up on their own, such as the man from whose letter I have quoted. He was trying to establish himself and take on casual work in the hope that it would lead to something better, like the building worker who operates on the 715, if he is lucky enough to get one and is able to overcome all the difficulties.

For the people in the third of my classifications the situation is almost intolerable. The Government should seriously consider the new clause and the Bill which preceded and inspired it. It is no good saying that this is a problem that we can address at some other time. It is at the root of what the Government are proposing, and we must do something about it as soon as possible.

With our present system of tax and social security, we are strangling the goose that will lay the golden egg. Priority should be given to this clause. It is even more urgent than tax cuts. Something must be done to remove the stranglehold of the complexity of the regulations as well as to cut taxation. I support new clause 11 with examples taken from my constituency, and I hope that it will find favour with my right hon. Friend the Financial Secretary to the Treasury.

7.15 pm

Mr. Michael Forsyth (Stirling): I thank my hon. Friend the Member for Slough (Mr. Watts) for tabling the new clause. It is of fundamental importance and I believe that there is support from both sides of the House for the spirit behind it. Indeed, the ten-minute Bill received support from all parties.

Although the Government have had remarkable success in creating conditions for the growth of self-employement, we must recognise that they started from a low base. There is considerably more scope for its development. Although my right hon. Friend the Financial Secretary to the Treasury may argue that at the moment every worker has the right to be self-employed, in practice, it is a heavily qualified right. There is considerable uncertainty about where the courts will draw the line between employment and self-employment. The uncertainty is compounded by what is clearly a direct interest on the part of the Inland Revenue to minimise the numbers of self-employed taxpayers. The considerable resources which are available to the Revenue to act on the conduct of appeals adds to the risks for self-employment both for the worker and for the client.

My right hon. Friend will no doubt be concerned about the costs of implementing the new clause. If there were a substantial expansion in the numbers of self-employed, which all of us on this side of the House would welcome, no doubt he would have to consider the financial implications. Certainly there would be a reduction in the national insurance revenue. That reduction would almost be matched by a reduction in liabilities on the fund. An increase in the numbers of self-employed would mean that

[Mr. Michael Forsyth]

there were fewer people claiming benefits. On the supply side, more efficient work patterns would undoubtedly increase economic performance and general tax revenue.

Many of the additional expenses which would be allowed under schedule D, such as advertising, secretarial assistance and professional fees, would represent additional taxable income in other taxpayers' hands. My hon. Friend may feel that this new clause is not as well drafted as it might be, but I hope that he can say that he will try to meet its spirit by establishing a clear definition of self-employment for all tax, national insurance and employment law purposes. That would go a long way to dispelling any remaining suspicions there might be — they come from unexpected quarters, the National Federation of Self-Employed and Small Businesses, the Institute of Directors and the Confederation of British Industry—that the Government are not as committed to encouraging self-employment as they profess to be.

I believe that the new clause would do an immense amount to reduce the burdens on business both for the self-employed and, depending on one's perspective, the employer's clients. Much uncertainty has resulted in people being reclassified from the status of self-employed to employed. It has also resulted in employers finding themselves liable for national insurance contributions and tax which they had no reason to suspect they would have to meet. In one case that resulted in substantial financial difficulties and premises had to be sold to meet financial obligations. The new clause will enable the tax position to be determined simply and immediately at the time of contract. It would reduce the risk to businesses of incurring costs in arguing their position with the commissioners.

My hon. Friend the Member for Norwich, North (Mr. Thompson) mentioned examination markers. I have also been in correspondence with my hon. Friend the Minister and his predecessor. It emerged that the 100,000 examiners who were reclassified from schedule D to schedule E could not be regarded as small business men in business on their own account, so the Revenue was justified in singling out that group. Had those examination markers bothered to read the leaflet "Employed or Self Employed" produced by the Department, and had they answered the questions which help one to decide whether one is employed or self-employed, they would have found that they fitted the criteria for the self-employed more closely than those for the employed. Of the seven questions to which an employee would tend to answer yes, examination markers would definitely answer no to five of them and might answer no to the questions about the right to substitute, depending on the contract, and about working wholly or mainly for one employer, depending on the number of boards worked for and the relative duration and size of contracts.

I also understand that, in determining whether those examiners were to be reclassified, the Inland Revenue had to consider the contractual arrangement case by case, and that in some cases the matter could be resolved only by reference to the wording of university statutes under which the particular examining board was established. The tax status of the examiners was far from clear, and their case highlights the limitations of leaflet IR56 which the Department produced to make the position clear.

I suspect that the background to this has nothing to do with employment status and everything to do with ensuring that earnings are declared and taxed. I am sure that my hon. Friend the Minister would not argue that examination markers may not have declared their earnings which is why it is necessary to reclassify them, because that has nothing to do with the appropriate tax status for their earnings.

There is a clear need to change the burden of proof. At present tax inspectors can make arbitrary decisions about whether one is self-employed, and the literature from the Department leaves room for doubt. If we could change the burden of proof so that the onus was on the inspector to argue that the individual was not entitled to self-employed status, it would be a major step forward.

If we could make it easier for people to be self-employed, we would at a stroke achieve much of what the Government say they want to achieve in unburdening businesses. When employers take on people to carry out functions as self-employed people under contract, they do not add to their turnover, which means that they may not be required to register for VAT, and that the number of their employees who must be covered by health and safety at work regulations, employment protection and all the other burdens which add to employers costs will not increase. It would enable employers to provide employment at a lower price without depressing wage levels.

In short, as my hon. Friend the Member for Norwich, North pointed out, it enables us to put into practice and to establish the conditions to create the enterprise culture, the standing on one's own two feet and the entrepreneurial zeal which is so much a part of the — I hesitate to use the word "rhetoric" — philosophy and objectives of the Government. Although my hon. Friend the Minister may not be able to accept the new clause tonight, I hope that he will assure us that he will do everything possible and that he recognises the genuine problem which requires his attention.

Mr. Hanley: I wish briefly to support the amendment in the light of the cases of some of my constituents. A large number of people in my constituency are employed in the film, television and radio industries. During the past four years many have come to me, not only because I am a Member of Parliament, but because I am a chartered accountant and may understand their tax affairs on a free basis—many of them could not afford professional help — when they have found themselves arbitrarily reclassified as being in schedule E. That has often caused great hardship to them and their families. Moreover, in many cases reclassification has been so arbitrary as to be almost illogical.

On 4 February my hon. Friend the Member for Stirling (Mr. Forsyth) mentioned that more than 7,000 self-employed taxpayers engaged in those industries between 1979 and 1983 were reclassified as schedule E, and that a further 100,000 people engaged in part-time or occasional employment were also reclassified by the Inland Revenue during that period. No one would defend those who abuse the schedule D system by trying to pretend that they are self-employed when they are employed. However, artists and technicians based at an umbrella studio used by different production companies—perhaps even one after the other—often work for separate companies and there is no guarantee of continued employment from one company to another. They are hired by film companies

although they happen to work within one building. Those people have been shabbily treated. It is greatly desirable that the Inland Revenue should use a little more discretion in reclassifying individuals as schedule E, particularly because of its sudden financial effect on family life.

The Inland Revenue is tightening up on certain individuals who have paid tax under schedule D to such an extent that it is being increasingly grossly unfair. It is claiming that expenses cannot be proven for past years and, clearly, they often cannot be proven when the expenses were estimates. It is imposing back taxes and heavy penalties, and some of my constituents have suffered the loss of large sums as a result. Therefore, I ask my hon. Friend the Minister to consider whether he is being fair to self-employed people.

Mr. Norman Lamont: I was extremely interested to hear the speeches of my hon. Friends the Members for Slough (Mr. Watts) and for Stirling (Mr. Forsyth) because one of my first tasks as Financial Secretary to the Treasury was to read the file of letters which my hon. Friend the Member for Stirling had written on this subject. My hon. Friends have fought a doughty campaign with the Right to be Self Employed Bill and the Finance Bill. I certainly recognise, particularly from the speech of my hon. Friend the Member for Norwich, North (Mr. Thompson), that there are some genuine anxieties about the classification of the self-employed. I hope that I shall not shock my hon. Friends by declaring immediately that, although I was extremely intrigued by their correspondence, I remained unconvinced by it, which is why I was looking forward greatly to the debate. I wondered whether I would be persuaded by them, but I am not.

My hon. Friend the Member for Norwich, North made some powerful points and I do not doubt that he represented a genuine sense of grievance. In view of what he and my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) said, I undertake to look at certain matters. I shall certainly wish to consider the implications of the cases that have been mentioned, as well as the general principles outlined by my hon. Friends.

7.30 pm

Under the new clause, the individual could, by simple notification, elect to be self-employed. That of itself would be sufficient to establish self-employed status unless the commissioners determined that the individual was an employee. As drafted, the clause would determine status only for tax purposes, although I understand that the intention is that, once self-employed status had been elected, other matters, such as national insurance contributions, would be affected. Similarly, as a self-employed person, the individual would give up entitlement to unemployment benefit and the earnings-related additions to other benefits, and of course he would no longer be covered by legislation on employment protection or health and safety at work.

In principle, it is right that people should be able to choose to be self-employed. I do not take issue with that principle. The clause is not, however, about choosing self-employment; it is about choosing self-employed status for tax and other purposes, even though in reality the engagement in question may have all the attributes of employment.

I am sympathetic to what my hon. Friends have said, but I am puzzled as to why they should wish to go so far and to give a choice almost regardless of any objective test. I am certainly prepared to look at the working of the system and at individual cases, but I am surprised that my hon. Friends should wish there to be a choice regardless of any test of objective considerations. I would not say that the test is wonderful or that it has been perfectly administered, but I am surprised at the lengths to which my hon. Friends take their argument.

It is already open to both parties to any engagement to arrange the terms so as to make the engagement one of self-employment rather than employment. Whether self-employment is achieved in a particular case will then depend upon the specific terms of the working relationship of that engagement. When in doubt, the Inland Revenue on the tax side and DHSS on the national insurance contributions side look to established case law for guidance. The courts have laid down a number of criteria, and the Revenue — as my hon. Friend the Member for Stirling acknowledged — has produced a leaflet, intended only as general guidance. However, the key question that it poses is whether the individual is in business on his own account.

The Government are committed to the growth of self-employment, and we have done much to encourage people in that direction. My hon. Friend the Member for Slough pointed out that since we took office in 1979 the number of self-employed people has risen by well over a third from 1·9 million to 2·6 million. We are extremely pleased to see that growth continuing. We welcome measures that will increase genuine self-employment. However, I do not believe that the present proposal is precisely targeted on that. I think that the main effect of the new clause would be to enable a large number of ordinary employees simply to change their status for tax and other purposes without necessarily changing their present work pattern in any way, or taking risks. Moreover, if enough people elected to change their status, there could be a heavy cost in reduced tax and national insurance contributions. My hon. Friend the Member for Stirling considers that the reduced liabilities in terms of reduced entitlements to benefit would offset that effect. I do not believe that would be so. Many people, even if they did not qualify for national insurance benefit, would still be entitled to supplementary benefit.

Not everyone who was able, under the clause, to elect for self-employed status would necessarily do so. As I have just mentioned, there would be some disadvantages to consider. However, the cost in reduced national insurance contributions could be very substantial.

Would the benefits arising from the proposal justify the cost? I do not believe so. The clause would allow virtually anyone — for example, a civil servant — to achieve self-employed status. I do not believe that much would be achieved by that in terms of increasing employment, strengthening the enterprise culture or encouraging risk taking.

Mr. Watts: I am willing to concede that the new clause may be widely drafted and would allow too easy access to self-employed status, but I cannot see how a civil servant could take such status under the new clause. When he applied to the commissioners, they would surely find that he was a taxpayer who

"gains earnings from one single employer under one contract of employment only; and

(b) such a contract of employment is evidenced in writing; and

[Mr. Watts]

> "(c) the taxpayer has the right under his contract of employment to be reimbursed with authorised out of pocket expenses."

If the commissioners so found, the civil servant could not claim to be self-employed.

Mr. Lamont: I hope that I am not caricaturing my hon. Friend's argument. It is certainly not my intention to do so. However, I was advised that such is the effect of the new clause.

Mr. Patrick Thompson *indicated dissent.*

Mr. Lamont: My hon. Friend the Member for Norwich, North shakes his head. I can only say that having read the letters written by my hon. Friend the Member for Stirling, I did not think that that view was a caricature.

I emphasise that I wish to meet some of the genuine problems and anxieties that have been identified. However, I could not accept the new clause as drafted. I believe that, as drafted, it will have the effect that I have described.

Mr. Michael Forsyth: My right hon. Friend is caricaturing the new clause to some extent. We are trying to establish the principle that one can elect to be self-employed and that it is for the tax inspector to show why one should not be. At present, the individual has to go cap-in-hand to the tax inspector, who makes an arbitrary decision. My hon. Friend says that the criteria are clear and that there is plenty of case law. For the average small business man – let alone the average tax inspector – the situation is by no means clear. Some extraordinarily diverse decisions have been made. We are asking for clearly defined criteria. At present we have none. Recourse to case law is the basis of the present uncertainty.

Mr. Lamont: I certainly do not wish to caricature the new clause, but I firmly believe that it would go rather further than I now understand my hon. Friends would intend. I do not say that there are no other matters that we could consider. I do not say that the application of the present law causes no grievances to which we should address our minds. However, the new clause goes too far. It would make possible a cosmetic adjustment to self-employment rather than promote the real growth in self-employment that we all want. We want a framework that will easily and properly allow a genuine growth in self-employment. What we do not want – and this is the effect of the amendment – is a system which would merely allow people to be reclassified when, on objective standards, they were not self-employed. That is the effect of the new clause.

I stress that I have heard what my hon. Friends have said about how the present system operates. I am new to considering the issues raised here, but I undertake to look seriously at them. However, new as I am, I could not accept the new clause as drafted. I hope that, on the basis of what I have said, my hon. Friends will withdraw the motion. My hon. Friends the Members for Stirling and for Slough are great campaigners. I have no doubt that the campaign will go on, and who knows who might be converted.

Mr. Watts: I do not wish to push to a vote a new clause which might open the floodgates. It is not our intention to do that. I take some comfort from what my right hon. Friend has said, particularly about looking at some of the problems that have been highlighted. Perhaps when we come to the Finance Bill next year we shall have a go with something rather more tightly drafted. We might even see the skill of the Treasury draftsmen with the Government coming forward with amendments to the law to meet some of the objectives that we have described.

I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 14

EMPLOYMENT BONDS

"1. Income from employment bonds shall be exempt from income tax and gains realised on a disposal of employment bonds shall not be chargeable gains.

2. Employment bonds are securities issued by a body corporate resident and carrying on a qualifying trade in the United Kingdom the issue of which has been approved by the Board.

3. The Board shall not approve an issue of securities for the purposes of this section unless satisfied that

(a) the proceeds of the issue will be used for the purposes of a qualifying trade carried on in the United Kingdom;

(b) the making of the issue can reasonably be expected to result in additional full time employment in the United Kingdom for a period of not less than three years being offered to and accepted by not less than one individual for every £50,000 raised by the issue before expenses;

(c) the securities will be issued to and held by a recognised institution in accordance with the regulations for the time being prescribed under subsection (5); and

(d) the amount raised by the issue will constitute a normal commercial loan within the meaning of paragraph (5) of Schedule 12 to the Finance Act 1973.

4. A trade is a qualifying trade if it complies with the requirements of paragraph 6 of Schedule 5 to the Finance Act 1983.

5. The Treasury shall by order made by statutory instruments prescribed regulations for giving effect to this section, for imposing conditions relating to the giving and withdrawal of approval under subsection (3) and containing such incidental or consequential provisions as may appear to the Treasury to be appropriate, and may from time to time in like manner vary the regulations so prescribed.

6. Any statutory instrument made in exercise of the power conferred by subsection (5) shall take effect subject to an affirmative resolution of the Commons House of Parliament.

7. This section shall have effect with respect to securities issued on or after 6th April 1986".—*[Sir William Clark.]*

Brought up, and read the First time.

Sir William Clark (Croydon, South): I beg to move, That the clause be read a Second time.

New clause 14 stems from an idea by a Mr. Gareth Jones and a Mr. David Soskin who wrote an excellent paper on employment bonds. The new clause seeks to help unemployment in Britain.

7.45 pm

Having said that, what the Government have done for unemployment is not widely publicised. The percentage of the population of working age in work in the United Kingdom compares favourably internationally. We have just over 65 per cent. of the working population in work whereas West Germany has 59 per cent., France 60 per cent. and Italy 54 per cent. Therefore, we have a better percentage of people in work than do our three main partners in the EEC. The average in the OECD countries

is 58 per cent. compared with ours of over 65 per cent. We are beaten by the United States which has 68 per cent. and Japan which has 71 per cent.

Mr. Michael Meadowcroft (Leeds, West): Is not the particular difference that the proportion of long-term unemployed is far higher in Britain than in any of the countries that the hon. Gentleman has mentioned? Is not that the particular problem to which we must address ourselves?

Mr. Deputy Speaker (Mr. Harold Walker): Order. The new clause relates to employment bonds. I hope that the debate will not extend to one about unemployment.

Sir William Clark: I am grateful to you for your protection, Mr. Deputy Speaker.

The employment bonds are to help unemployment. The Government have taken measures to help the long-term unemployed, to whom the hon. Gentleman has referred, such as the restart scheme, the community programme, the new worker schemes, the two-year youth training scheme, the job release schemes, the adult training schemes and the enterprise allowance. One would think, to hear Opposition Members, that the Government were doing nothing about unemployment. I remind the House that the Government are spending over £3,000 million of taxpayers' money to help unemployment. The business expansion scheme has also created many new jobs throughout the economy since March 1983. It is worth putting on record that nearly 1 million new jobs have been created by the various Government measures.

However, having said all that, there is still more to be done. One of the snags in our economy today is the high cost of borrowing. If one compares the cost of borrowing in Britain with that of our competitors, one sees that Germany has a well-developed debt market whereby long-term loans of 10 years and more are available to industry at low rates of interest. The clearing banks in Germany take equity positions in various industrial companies and that must be of assistance to German firms because there is no interest element within that. The United States of America has for many years had something called industrial development bonds, which are similar to the employment bonds that I am about to advocate. Japan, another of our competitors, has long-term low-cost finance. I do not have to remind the House that the economies of those countries is buoyant. France, one of our partners in the EEC, has direct interest subsidies.

When we look around at our international competitors we can see that we lose out on the cost of financing a development. Moreover, the cost of borrowing in the initial stages of a business is vital. Once a business is established it can afford a higher rate of interest because profits are being generated. But in the initial years it is vital for the cost of money to be as low as possible.

I hope that my hon. Friend the Economic Secretary will not bother to criticise the wording of the new clause because all that I am asking him and the Government to do is to accept the spirit behind it.

The idea of the employment bond is to channel investment into genuine job-creation projects. Each bond will be issued by one of the clearing banks. It is suggested that for any one project there should be a maximum bond of, say, £10 million, although I am not arguing for that figure. The bank would create the bond and then sell it to investors. If it were sold to 100 people, they could take £100,000 each, or whatever it may be. Consequently, the money lent to the business would be covered by the employment bond.

There is one stipulation, and that is that the money lent from the bond would go to a project whereby genuine jobs would be guaranteed for three years and no job should cost more than £50,000 of that investment. That would mean that if there were a maximum of £10 million for one project, 200 jobs would be created. It is true that £50,000 per job is extremely high. The American experience is that in practice the figure works out very much lower. But, if one takes the worst, it would create 200 new jobs.

In order to make the bonds attractive the Government must give the interest on the bonds tax-free. If it were given tax-free any investor, particularly those at the higher rates of tax, would be attracted to them. Remember, the bonds must be directed to a genuine project which will create long-term jobs.

If one takes the example of, say, 100 units going into a bond, a taxpayer at the maximum rate of 60 per cent. will, if he gets a 10 per cent. return on his 100 units, receive 10 units of interest. But the Exchequer will take six of those units and he will be left with four. The net interest that he receives will be 4 per cent. Consequently, that investor can not only afford but it would be an incentive for him to lend his money at 6 or 7 per cent. tax-free.

We must remember that the individual employment bond scheme would be run by the banks. The banks would guarantee repayment to the investor. There could be a secondary market like the Euro dollar market in which an investor could buy and sell his bonds as and when he wished. I am sure that that would be an advantage. The Chancellor of the Exchequer and the Government should experiment with that. I suggest that the experiment should be £1 billion worth of employment bonds. I remind my hon. Friend the Minister that £1 billion worth of employment bonds would be about one eighth of the total manufacturing investment in the economy.

Before the Inland Revenue approved a scheme, it would have to be satisfied that it was a genuine project, that it created new jobs and, of course, that it was underwritten by the banks. If one considers a £10 million project, and assumes that the interest rate on it is 10 per cent., any individual or group of people investing that sum would collect £1 million a year in interest. If those people pay tax at the maximum rate, the Chancellor of the Exchequer would take 60 per cent. in tax. The loss to the revenue if the interest was tax-free would be £600,000 on £10 million invested. If one multiplied that to £1 billion the sum involved in the experiment the loss to the Exchequer would be £60 million. But we must remember that that loss of £60 million would create 20,000 new jobs. If one considers some of the job-creation schemes with which successive Governments have dabbled, that figure is small.

How successful will the scheme be? I can only remind my hon. Friend of the experience in the United States of America. An important report published recently by leading economists in the United States maintained that the success of the industrial development bond in the United States no one can say that its economy is not buoyant was shown by an increase of 4·75 per cent. in its gross national product. That 4·75 per cent. increase occurred between 1980 and 1985. If one could extrapolate that to the position in Britain, it could mean 1 million extra jobs in five years.

[Sir William Clark]

Employment bonds would be especially attractive to companies that cannot get off the ground, especially in low-return industries such as textiles, light engineering, food manufacturing and office equipment. In those industries there is a low rate of return on the capital employed. Consequently, with the base rate at 10 per cent., although one cannot borrow money at 10 per cent. anywhere and one is bound to pay two or three points above the base rate—if it is a new business, the chances are that it will pay 13 per cent.—interest charges are an enormous drain on a low-return industry, even if it is expanding.

One can compare the purchase of capital equipment in America, where, with an industrial development bond, one could borrow £1 million, £2 million or £10 million—whatever the cost of the plant and machinery was—and repay it over 10 or 15 years, with the position in Britain, where no financial institution would give those terms. The best one could get would be a leasing arrangement perhaps over five years. If an American competitor borrows £10 million, and he must pay it back in 10 years, he must find £1 million plus interest each year out of the new venture. In Britain, a £10 million loan for a similar plant to be repaid over five years means that a business man has the millstone round his neck of a £2 million repayment each year plus a much higher rate of interest than is payable abroad.

The scheme is a much better incentive for the Government to create employment at a much lower cost. No extra bureaucracy is involved except for the Inland Revenue's approval. The Inland Revenue must consider three things. Is it a genuine project? Will it create jobs? Is it underwritten? Those are three simple points. The scheme involves no bureaucracy because private enterprise will take the responsibility for its administration and the risk.

The scheme has worked well in the United States, and with unemployment at its present level it is another idea to help to solve the problem. The Government have done much to contain unemployment, despite the fact that we have been suffering, as everyone in the House knows, from many more people of school-leaving age entering the labour market and fewer people retiring.

I urge my hon. Friend not just to dismiss the scheme. I am sure that he will not criticise the wording of the clause. The spirit behind the clause is to attract investment into genuine businesses which will create genuine jobs.

Dr. Oonagh McDonald (Thurrock): Labour Members share the anxiety of the hon. Member for Croydon, South (Sir W. Clark) about unemployment in Britain. However, he should note that in Britain the underlying trend of unemployment is still moving upwards and that there are 1 million fewer people in work now than there were in 1979 when Labour left office. Since 1979, Britain has lost more jobs more quickly than the other EEC countries put together. Since 1979, jobs have been destroyed at an alarming rate. The hon. Gentleman is right to recognise that it is a serious problem and to attempt to provide a solution. Part of the analysis that the hon. Gentleman proposed is accepted by the Labour party, but not by the Government. We agree with the hon. Gentleman's statement that high interest rates are a strong disincentive for investment and especially for investment in job creation.

There is an urgent necessity for investment in job-creating projects. The hon. Gentleman is right to urge the Government to make such investment. We would propose different measures for job creation from the ones that he has proposed in the new clause.

I have two more points to make about the new clause. The hon. Gentleman compared it with the business expansion scheme. I do not suggest that it would operate in exactly the same way, because, of course, it would not. That was not the best comparison for the hon. Gentleman to choose. The Peat Marwick report on the operation of the business expansion scheme shows clearly that, at best, that scheme has maintained some jobs rather than created new jobs. If the hon. Gentleman examines the figures, he will discover that that is the case.

Another problem with the business expansion scheme is that it benefits higher rate taxpayers. Since its inception, the Government have had to introduce one tax avoidance measure after another to prevent the use of the business expansion scheme, not for the purpose for which the Government intended — job creation — but as a tax avoidance measure by higher rate taxpayers. I can see that the same difficulty may arise for his scheme which, as he suggested, would encourage higher rate taxpayers to invest in employment bonds.

8 pm

Sir William Clark: It is surely illogical to assume that. If we are endeavouring to channel investments into employment, creating jobs, all the Government can do is to give fiscal incentives to a potential investor. Those who are paying a higher rate of tax are obviously the potential investors.

Dr. McDonald: It is not at all illogical to make the point. Fiscal incentives cost the Government money. If fiscal incentives are designed for job creation, the Government need to see to it that job creation results or there is no point in giving fiscal incentives because the Government will be giving yet another tax handout.

The hon. Gentleman himself drew a comparison between the business expansion scheme and his proposal. The business expansion scheme has often been misused, as the Minister knows. It has been used for tax avoidance purposes rather than for new investment that will lead to job creation. One has only to look at agricultural property investment and the investment in fine wines that took place under the business expansion scheme. It is difficult to ensure that fiscal incentives like this go towards job creation.

I share the hon. Gentleman's concern that job creation should be the result. The method that he has chosen in proposing this kind of tax incentive for investment in employment bonds is a dubious one. He suggested that it would not cost a great deal of money. However, I shall be interested to hear the Minister's figures based on the suggested amount of £1 billion in bonds of this kind. Even if the cost is only £60 million, that money must be used for job creation. That is why, although naturally sharing the hon. Gentleman's objectives, the Opposition are dubious about the method that he has proposed.

The Economic Secretary to the Treasury (Mr. Ian Stewart): First, I compliment my hon. Friend the Member

for Croydon, South (Sir W. Clark) for giving us an opportunity to debate the interesting idea embodied in the new clause. He drew attention to the number of jobs generated in the economy in the last few years, but rightly said that we are all anxious to ensure that there should be as many ways as possible of encouraging the creation of new jobs. That sentiment, I think, is shared by hon. Members on both sides of the House.

My hon. Friend said that the high cost of borrowing in the initial stages was one of the greatest deterrents to projects that are likely to give rise to new job-creating businesses. There is certainly truth in that. It is very encouraging that longer term interest rates have for the first time in many years come down into single figures. Although there is a margin to pay on top of the strict money market costs, it has not been possible for companies to work on the basis of gilt-edged stock yielding less than 10 per cent. for many years now. If that has not created a climate in which it is easier for all businesses that want to expand to raise longer term finance, it has certainly been a substantial step in the right direction, and it is one of the important achievements of our financial policies in the last few years.

My hon. Friend may have guessed that I would not feel able to recommend to the House that the new clause be accepted. I do not want to attribute to him any great powers of clairvoyance, but there is a certain similarity between this debate and one that took place a year ago at a similar stage of the Finance Bill. I recall that the hon. Member for Thurrock (Dr. McDonald) was involved and, although I was not called upon to respond, my right hon. Friend the former Financial Secretary did. The debate was opened by my hon. Friend the Member for Kettering (Mr. Freeman), and he made a number of these points. As that debate is on the record, I looked to see whether any of the arguments had changed. Following that, I had the opportunity of a meeting with my hon. Friend the Member for Lewisham, East (Mr. Moynihan) and the two gentlemen, Mr. Jones and Mr. Soskin, to whom my hon. Friend referred. I had an interesting discussion with them.

I shall certainly follow my hon. Friend's request that I should not dwell too much on the wording of the new clause, but deal rather with the spirit of it. Indeed, I go even further and promise not to read the Treasury brief that has been put in front of me for this occasion. I do not know that it would necessarily be conducive to the conduct of the debate at five minutes past eight this evening. I do not wish to cast any aspersions on the Treasury briefs, because they are marvellous documents. All those of us who have the opportunity to rely on Treasury briefs will bear witness to that. The points that my hon. Friend makes are really general, not detailed, about the wording of the clause, and I shall therefore try to deal with them.

The first and most important point is whether relief of this kind would be an economic use of tax revenues forgone. Would it be sufficiently targeted on the type of companies that my hon. Friend has in mind? Having thought about this, when I met my hon. Friend the Member for Lewisham, East and again when my hon. Friend the Member for Croydon, South tabled the new clause, I could not convince myself that the degree of targeting of a proposal of this kind would come anywhere near a sufficiently satisfactory level to justify the introduction of such a wide-ranging relief. My hon. Friend said that these should be specific projects of a kind that would lead to the generation of new employment, in practice, but I think that it would be a great deal more difficult to achieve that with any degree of confidence and certainty in order to justify such a relief.

My second anxiety is that a great deal of investment that was going to take place anyway could be organised in such a fashion that it would qualify for relief under these arrangements. This is a factor that has always to be taken into account. Not only is there potential advantage to new activity – what is known in the jargon as additionality – but there is also the possibility that, unless such reliefs are very carefully defined, there is a great risk that, within the law, a great deal of activity that would otherwise have taken place but would not have come within the ambit of relief of this kind could be organised in such a way that it did come within its scope. That would mean an Exchequer cost that would not be related directly to the purpose that my hon. Friend has so rightly said deserves our attention.

My hon. Friend went on to say that the idea of these bonds has been inspired to some extent by experience in the United States and other countries. He made a general point about other countries, but one has to look at the financial conditions in each country and at existing markets. It is not easy to extrapolate from one country to another, regardless of the surrounding circumstances and taxation systems for companies, and say that they would operate just as efficaciously in another country.

My hon. Friend concentrated on the United States. Therefore, I ought to do so, too. Tax relief in the United States operates in a way that is bound to be popular with some of those who are involved. It is popular with the recipients because this money is a subsidy. Tax relief makes it possible to quote a lower rate of interest. Therefore, it is popular with those who are able to invest and gain a gross interest on bonds that are not liable to tax. It is also popular with those states in the United States that operate this system. They are able to offer tax subsidies to enterprises in individual states, but the cost falls on the federal Government. Ultimately, therefore, the federal Government have to bear the loss of revenue and to weigh up whether they believe they are getting a reasonable deal. The latest United States Treasury view is that

"inefficient, economically distortive, and ill-targeted tax expenditures of this type should be eliminated."

Preliminary steps towards that end have been taken in the United States.

One of the reasons why the United States came to that conclusion was that a significant proportion of the tax relief was being given as a subsidy to financial intermediaries or to higher rate taxpayers. I am sure that that would happen in this country, because our rates of personal tax are higher than those in the United States. If approximately one third of the cost in the United States was used not for the creation of new jobs but as a subsidy for those other parties, I do not think we could expect that the percentage that leaked out in that way would be any lower. Indeed, it could conceivably be higher.

The United States authorities concluded that for every $2 of interest costs that are saved by the borrower, the federal Government forgo more than $3 of revenue. That is not a formula upon which we could base a similar provision. That leaves aside any possibility of exploitation or lack of targeting to which the hon. Member for Thurrock alluded. A loan guarantee scheme or a business expansion scheme needs to be as closely targeted as

[Mr. Ian Stewart]

possible. It is inherent in any such scheme that one has to look at the limits of the target and to maintain vigilance, because the temptation for it to be used for purposes other than those that we have in mind are bound to be great.

If an experiment costing £1 billion were carried out — with an interest rate of 10 per cent. and with only top rate taxpayers at 60 per cent. involved — we should be talking of £60 million. However, it is almost impossible to quantify the cost because we do not know what rates of interest relating to the credit worthiness of the borrowers would be charged on particular bonds, and we should not know what were the individual tax rates of those who put

Finally, my hon. Friend said that the experience of this scheme in the United States was that the gross national product increased within a few years by about 4·75 per cent. That is a huge figure if it can be attributed to a single measure of this kind. The paper that includes these figures refers to a sum that is quoted in dollars rather than to a percentage of GNP. The GNP percentage is nearer 0·1 per cent.

On the evidence of the figures and the American experience, I do not feel that a case has yet been made for a provision of this kind. We are always anxious to find ways in which to encourage businesses to create more job opportunities. Along the lines of employment bonds there may be a formula that would work and be economical for the general body of taxpayers, but I regret that the formula that is contained in this new clause has not found it.

8.15 pm

Sir William Clark: That was a very disappointing reply, particularly as my hon. Friend prefaced his remarks by saying that he would not read the Treasury brief, and then proceeded to quote from the Inland Revenue brief.

My hon. Friend took me to task at the beginning of his reply on bank interest. I know that interest rates have been reduced and I congratulate the Government on that reduction. However, the idea behind employment bonds, as I tried to point out, is to obtain a lower rate for genuine projects. I do not accept my hon. Friend's assessment. If there are loopholes, it is up to the Inland Revenue to close them, as it did with the business expansion scheme. Of course, these ideas will be exploited, but it is up to the Inland Revenue to close the loopholes.

I said that the Inland Revenue would closely monitor employment bonds. The fact is that £60 million would create 20,000 jobs. The figure may be less or it may be more, but I believe that my hon. Friend agrees that a £1 billion issue of investment bonds would cost £60 million, and the risk would be taken by the banks.

In view of what my hon. Friend has said, it is obvious that this year we shall be unable to push the matter further. However, I assure him that the matter will not be forgotten and that it will be raised again. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 19

BINGO DUTY (NO. 2)

'(1) Schedule 3 to the Betting and Gaming Duties Act 1981 (exemptions from bingo duty) shall have effect subject to the following provision:—

(2) In subsection 2(1) (inserted by Finance Act 1982) there shall be inserted the following paragraph—

"(aa) the said bingo is played as an activity of a non-profit making members' club or society", or' *[Mr. Greg Knight.]*

Brought up, and read the First time.

Mr. Greg Knight (Derby, North): I beg to move, That the clause be read a Second time.

I am sure that it has not escaped your attention, Mr. Deputy Speaker, that this clause has all-party support. Appended to the clause are the names of more hon. Members than are appended to any other new clause. The clause would remove all non-profit-making clubs from the scope of bingo duty in respect of bingo being played as an activity of the club. If the new clause were agreed to, it would cost the Treasury £2·7 million. For that reason, the House will want to know why I urge that the new clause should be approved.

Since 27 September 1982, non-profit-making clubs have been obliged to pay bingo duty in respect of bingo that exceeds certain thresholds. The decision to make clubs liable to duty is not, I understand, a cornerstone of the Government's economic strategy and it does not relate to any central Treasury principle. It was introduced, firstly, as a result of pressure from profit-making organisations that felt that they were facing unfair competition. I do not accept that point.

Secondly, I understand that at that time the then Chancellor of the Exchequer was experiencing some difficulty with Conservative Members who did not accept the Government's proposal to increase the duty on derv. Other ways had to be examined of raising finance. Because of the circumstances in which non-profit-making clubs were brought within the scope of the tax, I hope that my hon. Friend will accept that there was less consultation on this issue than I am sure he would have wished. If the new clause is accepted, non-profit-making clubs will be exempted from bingo duty.

The distinction between profit-making organisations and non-profit-making organisations is that the profit from bingo played in clubs such as Royal British Legion clubs, Conservative clubs and Labour clubs is usually used to finance other activities and does not go into the pockets of owners and shareholders.

In the *Financial Times* on 17 June there was an article headed:

"Ladbroke sells Rank its bingo clubs in £67m deal."

The article reads:

"Rank Organisation yesterday become the largest licensed bingo hall operator in the UK with the agreed acquisition of Ladbroke Group's 36 bingo clubs and 42 high street amusement centres in a deal worth £67·5m."

Quite rightly, these clubs have to pay tax, and I do not seek in any way to alter their tax liability, but non-profit-making clubs should be exempt. Mr. Deputy Speaker, you represent an area of Doncaster and you know that non-profit-making clubs in Great Britain provide leisure activities for approximately 10 million people. In addition to providing entertainment, the clubs often sponsor and provide sporting activities.

In my part of Britain, the east midlands, many professional musicians got their first start in the clubs. If a youngster who is learning to play an instrument wants to go on stage and perform before an audience, often the only outlets — the only places which can give him an opportunity to do so — are the working men's clubs, Royal British Legion clubs or Conservative clubs.

Boxers like Tony Sibson often receive their first encouragement by way of the help given by non-profit-making clubs. Those clubs sponsor and assist young people and it is the modest bingo profit that is invariably used to help to pay for that sort of activity, rather than lining the pockets of proprietors.

In many areas the facilities in non-profit-making clubs are of social benefit to the communities that they serve. In such places bingo is primarily a fun game, a sort of low-powered gaming. Some people might even say it is a form of no-power gaming. Members do not gamble for high stakes of the sort that we see in the clubs operated for profit, many of which have taken over disused cinemas and other high street premises.

Many hon. Members may ask why this new clause is necessary. They may say that, after all, the present law provides for exemptions where the ticket sales from bingo fall below a certain level. I shall explain to the House why the present exemptions from bingo duty are inadequate and unfair.

At present, non-profit-making members' clubs are required to register with the Customs and Excise when prize money or money collected for the purchase of bingo tickets, whichever is the greater, exceeds £400 in a day or £1,000 in a week. When a club exceeds either of these thresholds it must within the following five days register for bingo duty with the local Customs and Excise office. Duty is then payable at the rate of 10 per cent. of the prize money or ticket money, whichever is the greater, in that week and in the following 12 weeks. Payment of the duty continues until 12 consecutive weeks occur in which the thresholds are not exceeded. At that time the club has a right to be deregistered.

In a normal week the majority of unlicensed clubs— that is, working men's clubs — do not reach the thresholds. Usually it is only in weeks during which a bank holiday occurs and in which, understandably, the number of club functions is greater that the threshold is reached and the club needs to register. The clubs find that, because bank holidays occur in virtually each quarter, many of them reaching the thresholds on perhaps only five, six or seven weeks of the year require to be registered for the whole of the year.

I have a letter dated 10 April from Her Majesty's Customs and Excise. It is addressed to the secretary of the Manningham ward Labour club, Whetley lane, Bradford, west Yorkshire. The letter could equally have been written to a Royal British Legion club, a Conservative club or a Liberal club. In the letter, the senior officer says:

"Dear Sirs . . . I am writing in connection with our recent visits and discussions regarding the bingo played in the Club and the liability to Bingo Duty when the small-scale bingo exemption limits are exceeded.

Examination of your Bingo Duty Finance Record Book has shown that the small-scale bingo exemption limits were exceeded during weeks ending 30 December 1984, 6 January 1985, 29 December 1985 and 5 January 1986 thus rendering all the bingo played in the Club during those particular weeks, and in each of the twelve succeeding weeks, liable to Bingo Duty."

The senior officer goes on to tell the club that it is liable for the sum of £2,183·77.

I draw this matter to the attention of the House to show that the mechanism not only causes problems in terms of record keeping, but is inequitable because in many cases clubs breach the threshold in one week, a week in which there is a bank holiday, and are then obliged to pay bingo duty for the following 12 weeks. If the trigger mechanism operates on every bank holiday, the club may find that it has to be registered all year and has to pay bingo duty during that time when for most of the year the income from bingo falls well below the thresholds.

The other difficulty experienced by non-profit-making clubs is that, unlike the organisations that are making money for shareholders, the non-profit-making clubs are managed by unpaid volunteers and quite often the extra paper work is unduly onerous. Many clubs are finding it difficult to get officers to serve on the committee; that is because of the onerous duties placed upon them by the provisions.

I hope that the House will accept the new clause and will exclude all non-profit-making organisations from the ambit of bingo duty. If my right hon. Friend the Minister feels that he cannot accept the new clause as drafted, I ask him to consider another point. Before 27 September 1982 non-profit-making clubs were exempt from the bingo duty provisions. They were brought within the provisions on that date, as I have said, following pressure from the commercial bingo clubs.

I have looked into the matter and have found that no non-profit-making club was consulted before such clubs were brought within the ambit of bingo duty. I do not entirely blame the Government for that, because at that time the non-profit-making clubs did not have an umbrella organisation by which they could be represented nationally and through which they could let their views be known. That is no longer the case, because in the last couple of years the Committee of Registered Clubs Association was formed specifically to look after the interests of the non-profit-making clubs and especially to make representations about legislation that affects the club movement.

If my right hon. Friend the Chief Secretary cannot accept the new clause today, I hope that he will give an assurance that during the next 12 months, and before next year's Finance Bill, he will meet members of the association, or at least listen to their views. If he gives that assurance, I may consider not pressing the new clause to a Division. But given the difficulties that I have outlined to the House, I hope that my right hon. Friend will at least be prepared to enter into a dialogue with the Committee

8.30 pm

Mr. Meadowcroft: I rise to underline the point made by the hon. Member for Derby, North (Mr. Knight). This is, indeed, an all-party matter. Sometimes, particularly when we discuss Treasury matters, hon. Members find that they have a collective opponent in the form of Treasury Ministers. We have to gather our strength and concentrate on the arguments that the Treasury may throw up. In this instance, we must point out that the income involved is crucial to the survival of those clubs.

The new clause may seem to involve a small issue, but I am glad that it was selected. It has enabled hon. Members to point out just how crucial non-profit-making members' clubs are to their communities. In many areas, they are vital to the fabric of society. They are one of the few institutions to be run by ordinary working people, for their benefit. It is important to stress that we are not dealing with clubs where people legitimately and deliberately wish to make a profit or with the sort of clubs that the police are often worried about, which just try to get round the licensing laws.

[Mr. Meadowcroft]

We are dealing with clubs that are run by members for the benefit of themselves and that of their local community. It is thus important to discover how best they can be assisted. During a recession, they are particularly important to the fabric of society. However, I doubt whether many clubs are now highly profitable. Of the 25 or so in my constituency, I imagine that very few of them are financially viable. If we could lift even a small burden from them, it might help them and their community to survive.

If the law on charities was not so restrictive, many of those clubs—if not all of them—would probably qualify to be regarded as charitable. Much of the work that they do is akin to being charitable. Only today a letter from the secretary of a club in my constituency raised the problem of one of his members in relation to the DHSS. That is typical of the sort of work carried out by clubs on behalf of their members.

I am not a great bingo lover, but as a politician I have learned over the years that it is fatal to stop bingo going on in a local club. In this instance, I doubt whether the loss of income to the Treasury will break the Government, but that income makes a difference between survival and closure to some of those clubs. Therefore, I hope that the Chief Secretary understands the problems faced by many of our clubs, and that he will respond sympathetically to the new clause.

Mr. Terry Davis: Hon. Members on both sides of the House—or perhaps I should describe them as all-party Members — have supported this new clause, and I listened to the speeches made with great care and interest. In fact, I have a particular interest to declare in that, no doubt like the Chief Secretary, I am a member of several clubs in my constituency. I certainly endorse the remarks made by the hon. Members for Derby, North (Mr. Knight) and for Leeds, West (Mr. Meadowcroft) about the good work done by non-profit-making clubs.

I have some sympathy with non-profit-making members' clubs and with the problems that they encounter in the present economic climate. However, I am not sure that I can support the abolition of the duty on bingo in clubs. I was impressed by the arguments of the hon. Member for Derby, North, who said that the measure would cost only £2·7 million. I can see that that is a small amount of revenue for the Treasury to lose. But I am concerned about the precedents that the new clause would create. Consequently, I await with interest the Chief Secretary's reply.

I accept what the hon. Member for Derby, North said about the problems of registration. It seems grossly unfair that clubs should be required to register for 12 weeks after every bank holiday and so are always subject to that tax. But perhaps we should be pressing the Treasury to do something about the problem of registration rather than pressing for the abolition of bingo duty in respect of non-profit-making members' clubs. However, that is a matter for the consideration of those hon. Members who are most concerned about this issue on behalf of the all-party group.

On behalf of the Opposition, I express some sympathy with the pleas that have been made, but I am not prepared to recommend that my right hon. and hon. Friends go into the Lobby if the new clause is pressed to a Division—at least not until I have heard the Chief Secretary's views.

The Chief Secretary to the Treasury (Mr. John MacGregor): I know of the considerable interest that has been shown in this subject by my hon. Friend the Member for Derby, North (Mr. Knight). He has demonstrated it not only by pressing Treasury Ministers in correspondence on the matter, but by raising the issue in the House tonight. I entirely support him in his commendations of the worthy work done, and social contribution made, by the non-profit-making clubs. I also fully understand the point made by the hon. Member for Leeds, West (Mr. Meadowcroft) about those clubs being crucial to the fabric of society in some parts of the country. Indeed, the hon. Member for Birmingham, Hodge Hill (Mr. Davis) made the same point. Thus, there is all-party agreement on that.

The hon. Member for Hodge Hill said that he would wait until he had heard what I had to say before deciding what action to take. That is the first time that he has invited me to make up his mind for him, and I hope that he will do so again. As my hon. Friend the Member for Derby, North rightly said, before September 1982 any club promoting bingo in accordance with sections 40 or 41 of the Gaming Act 1968 was automatically exempt from bingo duty. Following complaints from commercial clubs that they were facing unfair competition from exempt social clubs, the whole basis of exemption was changed in the Finance Act 1982, and then modified in the Finance Acts 1983 and 1984 so that there is now exemption for clubs where there is a £400 daily limit and a £1,000 weekly limit for stakes as well as prize values.

My hon. Friend the Member for Derby, North advocates removing all non-profit-making clubs from the ambit of bingo duty. If exemption was given to all members' clubs or societies of this sort, the commercial promoters of bingo would again face serious competition from the clubs. The number of commercial clubs has declined year after year, and if members' clubs did not have to pay duty on similar turnovers—I shall come to that point in a moment — that decline would be accelerated.

It is also possible that members' clubs, which may have restricted their playing of bingo in order to avoid breaking the exemption limits, would increase the amount of bingo played. Some hon. Members might argue that that would be a very good thing for the clubs. I can see that argument, but it would also increase the competition with commercial clubs.

Some hon. Members may know that in its pre-Budget representations the Bingo Association of Great Britain suggested that the exemption for members' clubs should be further restricted, as it still regards those clubs as representing competing interests. The Government have recently acknowledged the industry's difficulties by facilitating the introduction of a national bingo game. The problem is that the existing exemption limits are reasonably generous. In bringing non-profit-making members' clubs within the scope of the duty, we are talking about regular, high turnover bingo at what is really a commercial rate. I understand that the stake figures for quite a number of working men's clubs go up to £1,700 or £1,800 a week. I think that the accurate, up-to-date figure is 363 for the number of non-exempt, non-profit-making clubs. That is a very small proportion of all the clubs and societies, but in comparison with the commercial operators it is quite large. There are 513 commercial operators at present, involving some 900 outlets altogether. On the assumption that the clubs and societies

have one outlet each, they represent nearly one third of the total number of commercial outlets, and so there is a point to be made about commercial competition.

Commercial outlets have been under heavy pressure. Nearly 300 outlets have disappeared in the past four years. There is a question of balance. I would like to give the last figure so that all the figures have been given to the House. The cost of revenue lost would be some £3 million. That is a similar figure to that mentioned by my hon. Friend the Member for Derby, North.

A balance must be achieved. The changes made in 1982 and 1983 were intended to ensure fair competition between the members' clubs with a comparatively high turnover relative to the bingo promoters and the commercial bingo promoters. I am not sure that the case has been made to go back on the decisions that were taken then. There would be strong representations from those who make a profit out of bingo and who also provide a leisure facility in the community.

I would like to consider the specific points raised by my hon. Friend the Member for Derby, North. I have stated the reasons why we should not accept his new clause, which would sweep away all the requirements for bingo duty from clubs and societies. My hon. Friend made two specific points. First, he said that it is the mechanism which causes the problem. The hon. Member for Hodge Hill followed that point. My hon. Friend said that the mechanism caused problems in connection with record-keeping. I understand the problem of keeping paperwork for volunteers. However, any well-ordered club will have to carry out a considerable amount of record-keeping because the Customs and Excise, legitimately, in fulfilling Parliament's obligations, will go to clubs and societies from time to time and check whether they are above the exemption limits. A certain amount of paper-work would therefore have to be carried out.

My hon. Friend the Member for Derby, North made a second point concerning the difficulty about the way in which the exemption limit is established. He stated that there are specific parts of the year — for example, holiday periods — when some clubs suddenly find themselves above the limit and having an exceptional turnover for limited periods in the year. Under the present system, the clubs will have to register and pay duty for three months thereafter.

That provision was introduced because it would not have been practicable to treat each day or week separately. The new provisions were aimed at giving clubs the choice. It was reasonable to assume that most clubs would make the choice either to have bingo on a sufficiently substantial scale to be above the exemption limits for most parts of the year and accept that they would have to pay bingo duty, or they would wish to remain exempt throughout the year. In the latter case, when clubs ran into the specific problem — and there is evidence that many clubs do this — of the kind identified by my hon. Friend the Member for Derby, North of a high turnover in Christmas week or whenever, they could deal with that by reducing stakes in the Christmas period to keep below exemption limits. I am told that the number of clubs that are non-exempt has remained fairly static. That suggests that many clubs have been doing that.

Nevertheless, I accept that that does not meet the point. I stress that because it might be useful for some clubs to know that that is one way out of the difficulty. However, I can make no commitment to my hon. Friend the Member for Derby, North beyond saying that I would consider his point and see whether there is a way of dealing with it to meet the problem of the very high turnover in specific parts of the year. I do not make a commitment to bring some measure on that point back to the House next year. I would like to consider it and I am grateful to my hon. Friend for raising the matter in the House.

8.45 pm

My hon. Friend's other main point related to the umbrella organisation — the Committee of Registered Clubs Association. I would obviously be willing to receive representations about that. Whether we need to have a meeting is a matter I must leave open. These days I lead a hectic life and if necessary one of my hon. Friends may have to deal with that. I cannot make a commitment to regular meetings but I would be willing to receive representations. If we considered that a meeting would be sensible, we would have one.

I especially welcome the idea of an umbrella organisation. I would be happy for my Department and for the Inland Revenue to engage in discussions with such an organisation. In the past there have been difficulties in explaining to many smaller clubs the position on bingo duty and difficulty in publicising that position. There have been difficulties in dealing with arrears of duty when a club has strayed over the limits.

There is merit in having a body which represents, if not all clubs — as that would be difficult to achieve — many more than previously. I welcome my hon. Friend's point about the umbrella organisation and I would certainly welcome the opportunity to receive representations and consider certain points. I hope that I have explained why the new clause goes further than I would be prepared to recommend to the House that we should go tonight.

Mr. Terry Davis: I must thank the Chief Secretary for his comments as he has helped to make up my mind. He has been very forthcoming to his hon. Friend the Member for Derby, North (Mr. Knight) in agreeing to receive representations and to meet representatives of clubs. The main point appears to be the requirement for registration based on a limited experience of high turnover. There are several ways in which that could be tackled. Instead of being required to register if turnover exceeds a limit in one week, the limit should have to be exceeded for three consecutive weeks or perhaps for a certain number of weeks in a year, which would take care of the peaks. There are ways around that problem. I am grateful to the Chief Secretary for agreeing to receive representations and perhaps we can return to this point next year. In the meantime, I can assure the hon. Member for Derby, North that if the Chief Secretary does not have time to meet representations from clubs the Labour party Front Bench would be delighted to do so.

Mr. MacGregor: Long may the Labour party Front Bench have plenty of time on their hands to do that.

The hon. Member for Birmingham, Hodge Hill (Mr. Davis) has made a reasonable point. We ought to see whether the mechanism is causing unnecessary problems and if there is a way around that. On that basis, I hope that my hon. Friend the hon. Member for Derby, North (Mr. Knight) will understand why I cannot accept the new clause and I hope that he will be prepared to withdraw it.

Mr. Knight: I am grateful for the wide measure of support that I have received on this issue from both sides

[Mr. Knight]

of the House. Unfortunately, many of the hon. Members who supported the clause were unable to be present this evening. I do not know whether they are out playing bingo somewhere, but I have received their apologies for absence.

I am also grateful for the comments of the hon. Member for Birmingham, Hodge Hill (Mr. Davis). He is correct to say that it is primarily the mechanism which is causing many of the clubs difficulty. I was sorry to hear that the hon. Member for Leeds, West (Mr. Meadowcroft) does not like bingo. However, as the House will know, the hon. Member for Leeds, West is a musician. He must therefore appreciate that bingo in clubs has given employment to many musicians because without bingo in many cases there would be no way of funding entertainment in clubs.

I am extremely grateful to my right hon. Friend the Chief Secretary to the Treasury. I do not necessarily agree with his comments on why he cannot accept the clause. I still believe that there is some merit in the clause. In view of my right hon. Friend's generous comments, however, and the welcome sign that he would be prepared to receive representations and, if necessary, to attend a meeting, I am sure that all concerned with the clubs movement will warmly welcome his comments. In the spirit of my right hon. Friend's gesture, I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 21

LUNCHEON VOUCHERS

"In subsection 4 of section 36 of the Finance (No. 2) Act 1975, in the definition of "voucher", after the words "this Act", there shall be inserted the words "or a voucher exchangeable and only exchangeable for food to be consumed on the premises in which the voucher is exchanged or freshly prepared for immediate consumption, except to the extent (if any) by which the value of the voucher or vouchers given to the employee exceeds £1 for each working day."'.—*[Mr. Michael Cocks.]*

Brought up, and read the First time.

Mr. Michael Cocks (Bristol, South): I am much encouraged by the response of the Chief Secretary to the last clause. I therefore beg to move, That the clause be read a Second time.

Out of consideration for the House, I did not take part in the previous debate, although I was sorely tempted to do so as I am chairman of the Bristol, South Labour club and felt a great affinity with much that was said. It may not surprise the House to learn that relations between the Bristol, South Labour club and the Bristol, South constituency party are rather strained. In spite of this unfortunate lack of identity of views, I am glad to say that, unlike some of the clubs that have been described tonight, the Bristol, South Labour club is thriving and prosperous and is prepared on occasion to donate money to causes which we consider to be worthy.

I am pleased to introduce the new clause because by doing so I am giving the House an opportunity to consider and possibly to rectify an anomaly which discriminates especially against small firms, young people and lower paid workers. These are three groups which the Government, and particularly the Chancellor of the Exchequer, are always telling us that they are most anxious to assist.

The present position is probably known to right hon. and hon. Members. Everyone who is given a luncheon voucher by his employer has to pay tax on every penny that he receives above 15p a day. That tax has to be paid by the employee; it cannot be paid for him by the employer. This is in strong contrast to the treatment of those employees who eat in company canteens, which are frequently heavily subsidised. They do not have to pay any tax on the benefit that they receive. Whether it is a factory canteen or a directors' dining room, they are not liable to 1p extra on their tax. The anomaly is manifestly unfair and it is becoming increasingly unfair as the years pass as a result of inflation. The inequity puts at a disadvantage firms which are not large enough to maintain a staff canteen and which cannot afford all of the overheads that go with it when it comes to recruiting staff.

Luncheon vouchers were introduced after the war when 15p, or three shillings—or three bob, as I prefer to call it — was sufficient to buy a three-course meal. I can remember after the war having a number of substantial blowouts in the then British Restaurants, and the total bill for a good feed was no more than three shillings. At that time the value of a luncheon voucher equated roughly with the price that was being paid in factory canteens. Today, 15p will scarcely buy a cup of coffee. The value of a luncheon voucher is in no respect equal to the amount of subsidy which goes into maintaining staff canteens.

By any standards, the tax-free element of luncheon vouchers is absurd. It has been absurd for a long time and the anomaly has been recognised for a long time. In 1975, an attempt was made to make the luncheon voucher system more realistic. A number of enlightened Members tried to rectify the anomaly by supporting an amendment that was moved in Committee during the consideration of what was then the Finance (No. 2) Bill. An amendment was moved to increase the tax-free element from 15p to 50p, and the Member who moved it used words which are difficult to improve upon. He said:

"We seek the change simply on the ground of equity between the employees who have to have luncheon vouchers because their employers are either too small or do not have the premises to provide canteen facilities and those who have canteen facilities, for whom the fringe benefit has been able to keep pace with the cost of food. We seek to make the tax-free benefit more realistic in terms of current costs.

The Financial Secretary will be aware that 15p now goes not very far at all in many parts of the country, particularly in London, in assisting an employee to have a decent lunch. We seek to bring the amount into line with reality."—[*Official Report, Standing Committee H*, 1 July 1975; c. 649.]

Those were wise words then and they are wise words now. They were the words used by the right hon. Member for Norfolk, South (Mr. MacGregor), who is now the Chief Secretary to the Treasury. I commend them to the House today. The right hon. Gentleman has a chance that is not presented to many who stay in this place for any time. He can demonstrate that he does not say one thing when he is out of office and another when in power. Two faces are not for him. He has a chance to strike a blow for consistency, honesty and sincerity.

When the issue was drawn to my attention I was tempted initially to table an amendment in the precise terms used by the Minister, as he now is, in 1975. However, I resisted what might be described as a tease. I thought that it would be better to table a new clause in words which

overcame some of the objections which were raised in 1975. I succumbed to the tease in Committee, but some of my colleagues argued that I had not brought the value of luncheon vouchers in line with current practices, so I have added the words

"or freshly prepared for immediate consumption".

This relates to food which can be purchased by luncheon vouchers. I have taken into account the many snack and sandwich bars, for example, which have come into existance since 1975, when the Minister tabled his amendment, and instant food and food which is taken off the premises.

Luncheon vouchers are provided by many small employers and they are given mainly to young and lower paid workers. The tax-free element governs to a large extent the value of vouchers issued, or which in many instances can be issued. An employer who issues vouchers worth more than 15p a day has to set up machinery to deduct tax at source from each of his employees who receives more than 15p daily. This is expensive and troublesome and consequently in most instances the amount given is limited to the tax-free limit of 15p a day. I am sure that an increase in the tax-free level would result in an increase in the value of the voucher issued for the majority of recipients. Many young and low-paid workers would receive an increase and small firms would be in a better position to compete with firms large enough to run staff canteens.

About 14,000 British companies provide luncheon vouchers for about 500,000 employees. An increase in the value of vouchers would provide more employment in the catering industry, especially for small and family businesses. About 30,000 caterers are involved already. The new clause would cost money and in Committee I expressed my sympathy with the Chief Secretary for the demands which were made on him for resources from various Departments. If the new clause were to be approved, however, a good deal of benefit would be returned to the Treasury in a reduction in unemployment and extra tax revenue. Fewer low-paid people would be in the poverty trap, where it is sometimes more beneficial to be unemployed than to take a job.

t is possible also that the new clause would help to turn people away from having junk food for lunch. If they were encouraged to have something more substantial, that would be of benefit to their working ability and to their general health. Other countries have recognised the benefit of the concession. I do not normally take examples from the continent, but in France the benefit is equivalent to £1·40, and in Portugal, £1·50.

As the Chief Secretary said some time ago, the benefit increase is long overdue. I hope that the right hon. Gentleman likes the change that I have made to the clause since it appeared in Committee. I think that between us we have come up with a pretty good formula to increase the safeguards over any abuse which may be made, or thought to be made, by those who use vouchers for other purposes. I do not think that the receipt of luncheon vouchers is what is sometimes described vulgarly as a perk. It is a genuine and desirable benefit. I certainly would not support it if I thought that it was just another perk.

If we brought the value of the tax-free element to the present equivalent, having regard to inflation, the original 15p would have to go up to about £3. I do not ask for that. I think that an increase to £1 would go some way to demonstrating that the Government have the interests of small employers and young workers at heart. At a comparatively small cost to the Treasury, the Government can assist 500,000 workers. There can be few cheaper ways of showing that they mean what they say about the problems.

9 pm

Since I tabled the clause, I have had a number of representations. I think that a number of hon. and right hon. Gentlemen have also had them. The interest shown by various organisations and individuals has reinforced my view that reform is long overdue. I do not want to embarrass the Chief Secretary by congratulating him too heartily on his prescience in pointing the way. He was a sort of parliamentary pathfinder in 1975, blazing the way for the reform that he now has a chance to pick up.

It is most unusual to find oneself in the position of being able to do what one was thinking about 10 or 11 years ago. If the Government accept my new clause, I should be the first to congratulate them. I would not make any cheap party points about saying one thing in opposition and doing another in government. If any of my colleagues felt inclined to go along that path, I should do my best to damp it down. It would be a most praiseworthy event if the Chief Secretary were able to cough up on this occasion.

If the Government oppose the reform, despite my best blandishments, some of my colleagues might be so churlish as to point out that one thing was said in opposition and another in government. However, the Chief Secretary can rely on me to put the best possible gloss on the outcome of the debate. He is a decent chap; I am sure that he will do his best. I am giving him an opportunity to cast an eye over a simple and inexpensive reform that would help a number of people who are probably most deserving of assistance. The measure would help entrepreneurs who are setting up small businesses and younger people going to work, possibly for the first time.

Mr. Penhaligon: Can the right hon. Gentleman say which is the most expensive proposal in real terms the proposal argued in 1974, or the proposal put so wonderfully to the House by the right hon. Gentleman? Perhaps the answer is that his proposal is the cheapest.

Mr. Cocks: I am obliged to the hon. Gentleman. I was thrown a little at first because he used the superlative when he should have used the comparative. I know that he did that only to test my knowledge of English grammar. I agree entirely with the point that he made. I hope that that will be a further reinforcement to the Chief Secretary to cast a favourable eye over the new clause. However sympathetic he may be, he may feel that further consultations are required and that perhaps the net should be spread more widely. I should not be aggressive if he made such a point. I look forward with great interest to the response from the Treasury Bench.

Mr. MacGregor: As the right hon. Member for Bristol, South (Mr. Cocks) has made clear, the matter is a regular runner in Finance Bill debates. As the right hon. Gentleman pointed out, it has been run in Committee, without success, by some young Back-Benchers who have just become Members. Following representations made to them, Back-Benchers may subsequently have been converted to a different view. I shall say something about that later. As the right hon. Gentleman knows, the matter has not been run only once; it has been run many times.

[Mr. MacGregor]

I am aware that the right hon. Gentleman has been prevented from making contributions to our debates for some years. He has certainly made some charming, witty and well-researched contributions to our debate this year. I can see that he has spent many years storing up his contribution. He will know, from his research, that the matter has come up regularly. Therefore, he will not be surprised at some of the points that I shall make to him in return.

As has frequently been pointed out, tax relief on luncheon vouchers was introduced in 1948. Subsequently, it was developed in a different form by way of extra-statutory concessions. It was introduced in the immediate post-war period when conditions and requirements were quite different from those which exist today. The problems were quite different. For example, the income position of employees has changed substantially since then.

The right hon. Gentleman said that one of the reasons for the introduction of tax relief on luncheon vouchers was that people who had subsidised meals in work canteens were advantaged compared with those who did not have subsidised meals at their place of work. The luncheon voucher system was intended to deal with that. Today the great majority of employees have neither luncheon vouchers nor an employer-subsidised canteen and therefore must meet the full costs of their meals from their pay net of tax. The current daily luncheon voucher with the 15p tax concession is equivalent to a tax-free payment of £40 a year. Increasing the concession on the scale suggested by the right hon. Member for Bristol, South would certainly discriminate substantially further against the vast majority of employees who have the benefit of neither provision.

I, too, have been doing research. I think that the right hon. Member for Bristol, South will remember the response to a parliamentary question in February 1979, under the previous Labour Government, when the then Financial Secretary to the Treasury — the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) — responded with these words:

"I do not think that such an increase would be justified. To increase the value of the concession would be unfair to the millions of workers who have the benefit neither of luncheon vouchers nor of subsidised canteens." — [*Official Report*, 12 February 1979; Vol 962, c. *423*.]

That is the point I am making now and about which I am convinced. I shall be interested to know whether the hon. Member for Birmingham, Hodge Hill (Mr. Davis) holds the view that was held by the then Government or whether he has changed his mind.

During the period of the last Labour Goverr ient, my right hon. Friend the Member for Kingston upon Thames (Mr. Lamont), the present Financial Secretary to the Treasury, put the point correctly when he said:

"I accept the case that benefits in kind should be taxable. I think that it would be far better to have lower tax rates, higher pay, and a totally sensible tax regime. But that is not the world in which we live." — [*Official Report*. 17 May 1976; Vol. 911, c. 1070.]

That was an accurate comment on the position under the last Labour Government. I am sure, although I cannot quite recall, that that must have been one of the reasons why I was advocating some relief for as many people as possible from the very high tax regime, the levels of which had been increased in 1975.

There are other reasons why the new clause would introduce even greater unfair discrimination against all those who do not have the benefit of these provisions. I shall refer first to perhaps the least important. The right hon. Member for Bristol, South said that, if we accepted his recommendation, it was likely that fewer people would eat junk foods in the middle of the day. There is evidence — I recall what happened when I had the benefit of luncheon vouchers and saw what happened with many people — that often luncheon vouchers are not used for the purpose intended. They are often used to purchase goods and not simply to purchase lunch-time meals. It is a problem. It is difficult to prevent that. Obviously, increasing the limit would increase the scope for misuse. However, that point is secondary to the issue of unfair discrimination.

The concession would be very costly. That is an important point. The current claim, on figures which we have been able to establish — I think they come mainly from the company that produces the luncheon vouchers — is that about 400,000 employees currently receive luncheon vouchers. If that is accepted as the normal figure and if one uses the normal calculation of the number of days in the year on which luncheon vouchers are available, the annual cost of the present 15p exemption is about £4 million. Increasing the exemption to £1 a day, as suggested by the right hon. Member for Bristol, South, would increase the cost to at least £30 million, but it could well be beyond that.

If the tax exemption were increased to £1, there would obviously be a greater incentive for more employees to request luncheon vouchers and for more employers to grant it. There could easily be a substantial increase in the number of luncheon vouchers and the cost would rise accordingly. In talking about that scale of tax relief and the costs, it becomes important to consider whether this is the right priority at this time. I do not believe that it is.

What we are endeavouring to do with the tax regime and the point made back in 1976 by my right hon. Friend the Financial Secretary are relevant to my next point. We believe that priority must be given to reducing the burden of taxation to the benefit of all taxpayers, rather than to extending special relief to particular groups such as those who have luncheon vouchers. Given that approach and determination, I must challenge whether it should be a priority, or an objective at all, to encourage the spread of perks and benefits in kind. Remuneration in cash rather than kind gives employees greater freedom to decide for themselves how to spend their income. There is also the point that, at the end of the day, benefits in kind are just another form of remuneration.

I do not think that the right hon. Member for Ashton-under-Lyne was in the Chamber when I referred to his response on this subject. I would be interested to know whether he agrees with himself.

Mr. Robert Sheldon: I only came into the Chamber to hear whether the arguments have altered. I regret that the right hon. Gentleman has not discovered anything new. I was able to discover one or two new aspects. I am afraid that the right hon. Gentleman has let me down.

Mr. MacGregor: What has altered is that the cost is rising in terms of priorities. Many of the arguments have not changed. In fact, I accept the arguments. What is different is our determination to reduce the burden of

taxation on employees generally. Therefore, that is why there is a point of principle here. When one accepts that benefits in kind are a form of remuneration and, in principle, should be taxed accordingly, especially in fairness to all taxpayers not in receipt of them—I know that we are not in a perfect world in that respect—I do not believe that it is right substantially to extend the benefit in kind and the tax treatment of it, as the right hon. Member for Bristol, South suggested. It would not be available to all taxpayers and, in any case, I do not believe that it is the right approach at present.

It is for that reason that I have to say to the right hon. Member for Bristol, South that I am sorry to disappoint him but we are in a different tax regime and my point of view makes sense.

Mr. Terry Davis: I should like to congratulate my right hon. Friend the Member for Bristol, South (Mr. Cocks) on tabling this new clause and drawing attention to what I would describe as an obvious injustice in that the value of luncheon vouchers has not increased for many years. There was an increase at one time. It used to be 12½p, half a crown, and was then increased to 15p. That was a long time ago and there has not been an increase since. Clearly, the amount has not kept pace with inflation since luncheon vouchers were originally introduced in the 1940s.

Obviously the amount should have been increased and equally obviously the Government should accept my right hon. Friend's new clause in view of what was said by the Chief Secretary to the Treasury in 1975 when he not only debated this proposal but actually moved a new clause to this effect in Committee. He tells us that he has subsequently seen the force of the arguments adduced by my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) on that occasion. I understand that my right hon. Friend pointed out that he was not relying on the Treasury brief because he was teased by Conservative Members on the Committee that he was relying on the brief they had used during the previous Conservative Administration. Those arguments, which were so hackneyed and had such little force for the Chief Secretary in 1975, have prevailed in his mind since he came to office a few months ago.

The right hon. Gentleman described this issue as a regular runner. To my knowledge, it has not been discussed for four or five years, certainly not in this Parliament. I am not going to tease the Chief Secretary any more, but he should have been consistent and at least have expressed more sympathy with the arguments of my right hon. Friend the Member for Bristol, South, even if he was not allowed to accept the new clause.

The Chief Secretary put some new arguments. He said that the world, or at least the tax regime in this country, has changed since 1975. He said that, because this country does not have what he described as a high tax regime in 1986, the force of the argument for an increase in luncheon vouchers had declined. In the days when I used to receive luncheon vouchers, they were issued to more junior people in the company. They were not given to the directors, who had rather better eating arrangements. I did not resent that. The fact is that luncheon vouchers brought particular benefit to the more junior and lower-paid people in the office.

Mr. Hanley: The Conservative principle is that those people should be taken out of tax altogether.

9.15 pm

Mr. Davis: I am delighted to hear that, but that has not happened under the present Government. The people who have had their taxes reduced are precisely those on the highest rate of tax, not those on the basic rate of tax. The fact is that the marginal rate of tax for the low-paid has increased under this Government. When one takes into account the impact of indirect taxes, they are even worse off. The hon. Member for Richmond and Barnes (Mr. Hanley) shakes his head. He must have missed our debate in Committee on clause 15.

Mr. Hanley: I am sure that the hon. Gentleman will remember that I was present during that debate. The tax-free benefit that has been proposed by the right hon. Member for Bristol, South (Mr. Cocks) amounts to about £66 a year for a person paying 29 per cent. tax. The Government have reduced taxation upon exactly the sort of people that the hon. Gentleman has been talking about by more than £66 a year.

Mr. Davis: That is not true. I am sure that the hon. Gentleman believes it, but it is a fairy story. I gave the figures in our earlier debate. If the hon. Gentleman was present, obviously he did not take them in. I should be happy to discuss the matter with him privately afterwards, and to show him the tables that have been produced by the most respectable outside organisations, showing that the marginal rate of tax paid by people in that income bracket has increased under this Conservative Government. The people who have really benefited from the reduction in taxation and who are no longer living in a high tax regime are people like the hon. Gentleman, whose income is much higher than that of people who benefit from luncheon vouchers.

The second reason that was given for the Chief Secretary's change of mind was that there is some abuse of luncheon vouchers. It existed in 1975 as much as it does now in 1986. I see that the Chief Secretary is nodding. So that is a bogus reason.

I had some sympathy with the Chief Secretary when he then said that the provision would cost £30 million, so the Government cannot afford it. The Government have a philosophical approach towards benefits in kind, and I think that the Chief Secretary was alluding to the Government's philosophy during the latter part of his remarks. It has been made clear on Report in Finance Bills in the past two years that the Government have a philosophical objection to benefits in kind, including not only luncheon vouchers but factory and office canteens. I do not think that I am quoting unfairly the previous Financial Secretary, the right hon. Member for Croydon, Central (Mr. Moore). In our debates on workplace nurseries, I am sure that I remember him saying that if the Government had the option today, in the 1980s, they would not exempt the benefit of eating in a factory or office canteen from liability to tax. The fact is that the arrangements for canteens and luncheon vouchers have existed since the 1940s, and the Government are not prepared to experience, particularly in the run-up to the general election, the outcry that would ensue if they put their philosophy into practice. That is their position. If they had their way, they would not be giving those exemptions now.

The Chief Secretary asked me directly what I would do it I were in his shoes. I am tempted to say, "Wait and see,"

[Mr. Davis]

although that would not be a satisfactory answer. The Labour Governments of the past have not increased the tax-free value of luncheon vouchers—I am sure that my right hon. Friend the Member for Bristol, South (Mr. Cocks) played some part in ensuring that that did not happen in his previous role as Chief Whip in the Labour Government—and I would not hold out any hope that the next Labour Government would increase the tax-free value of luncheon vouchers, precisely because of priorities. The Chief Secretary estimated that the provision would cost £30 million, which is a substantial sum. The sums of at least £25 million for the personal equity plan and £30 million for luncheon vouchers add up to significant amounts. The next Labour Government would want to use such substantial sums to put our priorities into effect, which, in any case, are different from those of the Conservative Government.

Therefore, although I have a great deal of sympathy for my right hon. Friend the Member for Bristol, South, and would not wish to oppose his arguments as a friend because I recognise the force and justice of his case, I cannot tell him that I would support him if he pressed the new clause to a Division because I do not want to put a future Labour Chief Secretary in the position in which he has put the present Chief Secretary, the right hon. Member for Norfolk, South (Mr. MacGregor).

Mr. Cocks: I am grateful to the Chief Secretary for his contribution. I agree that in 1948 the position was different.

Then a dynamic Government got 6 million people out of the forces and back into civilian life without any massive unemployment. They put our war industries onto a peacetime footing and on a smooth and equitable basis. They took into public ownership the clapped-out public utilities which had been run on a care and maintenance basis throughout the war. At the same time, the Government repaired and restored over 2 million homes which had been destroyed or severely damaged due to the German blitz. All this occurred when our overseas assets had been flogged to buy essential war equipment, food and raw materials and the bulk of our merchant shipping fleet had been sunk. I agree that the situation in 1948 was entirely different but I will not go on to draw a parallel with how the Government are tackling the problems facing the country today.

I thought there was a certain inconsistency in the Chief Secretary's argument that people should be given their money to spend as they liked but then said that one of the reasons why he was not in favour of luncheon vouchers was that they might be abused by a small number of people who might use them for other purposes. I thought that was a weakness in his argument.

I understand the right hon. Gentleman's argument about the possibility of a large uptake if this scheme was introduced. Such an uptake could not be predicted. Given the difficulties under which Treasury Ministers labour in attempting to keep within limits and always having to look for economies, an open-ended commitment of this nature is difficult to undertake. I understand that.

I was encouraged when the Chief Secretary said that this was not the right priority. I hope that this opens the door to show that the Treasury mind is not entirely closed on the matter. It may well be that last Thursday night we had a curtain-raiser to the possible date of the next general election. The Secretary of State for the Environment came to the House and announced that water privatisation was off the menu for this Parliament.

I worked in the usual channels for many years and I know that, unfortunately, with the best will in the world one often imputes base motives to people in circumstances where others may have given them the benefit of the doubt. I thought that the announcement was a ploy for possibly having a nice fat carrot next year at a general election. Perhaps the Government will offer to increase mortgage relief from £30,000 to £35,000 or £40,000. I declare an interest because I am at present in the process of upgrading my mortgage commitment to £40,000. I trust that the House, and even the Chancellor, who is present, will take that into account.

I thought last Thursday's announcement was a sprat to catch a mackerel. In scavenging about, the government may think that luncheon vouchers are an attractive thing to put in the shop window. However, I do not think that that will be sufficient to return them at the next general election.

Because of the comparatively forthcoming statement by the Chief Secretary and his mention of priorities, and understanding his difficulties about taking on a commitment—the full extent of the expenditure was not foreseen—it would be in the best interests of the House if I were to beg leave to withdraw the clause. At least we have had a debate about it and the points can be considered. No doubt one party or the other will return to the matter at some future date.

Motion and clause, by leave, withdrawn.

New Clause 22

BOARD AND LODGING ALLOWANCES

'In section 189, subsection (1), Taxes Act 1970, after "defrayed", the following words shall be inserted—

"Any employee may make a claim for board and lodging in respect of expenditure incurred while away from his normal place of work, providing he is maintaining, or contributing to the maintenance of, a residence in the vicinity of his normal place of work.".'. — *[Mr. Wrigglesworth.]*

Brought up, and read the First time.

Mr. Wrigglesworth: I beg to move, That the clause be read a Second time.

This clause arises from a case which I have taken up on behalf of a constituent. I have pursued it over a period of years to try to get for him what I believe is proper justice in the legitimate claims that he makes for expenses and which he is taxed upon. My constituent is involved in a long-running dispute with the Inland Revenue. I raise this matter this evening because it has wider implications and interests than merely those of my constituent.

My constituent is a single man and is sent to different parts of the country to work for one or two weeks at a time. His employers have apparently agreed with the Inland Revenue that, where an employee is married, hotel costs can be reimbursed free of tax, but that in the case of a single employee tax and national insurance contributions must be deducted from his expenses, and it also costs the company additional employer's national insurance contributions.

I should have thought that the employee concerned could make a section 189 claim, but the basis of the

Revenue agreement is that a single person does not have to maintain a fixed abode, and so is taxable on living expenses which are reimbursed, whereas a married person does and so is not taxable. The concept that a married man must keep an abode and that a single man must not is nonsense. It underlines Ministers' judgments in my correspondence with them.

The present Revenue treatment of this company's case produces farcical results when a married person and a single person are away together on business on an out-of-town job. They both claim expenses but those expenses are taxed differently. Surely the Revenue is wrong not to admit a section 189 claim.

My new clause seeks to make the treatment of single and married people the same in those circumstances. At present people such as my constituent are losing considerable sums from having to pay tax on necessary expenses incurred when they have an abode at home. I see no reason why such people should be treated differently from their married colleagues when they have exactly the same responsibilities of maintaining a home.

I hope that the Minister will be prepared this evening to give some assurance to me, my constituent and many others in the same position that he will reconsider the provisions of the law and, perhaps, accept this new clause so that there may be equality of treatment between married and single men claiming expenses in this way.

Mr. Norman Lamont: The hon. Member for Stockton, South (Mr. Wrigglesworth), through the case of his constituent, has certainly uncovered a complicated matter and I for one am grateful to him for raising it. I do not think that his new clause is the right way to tackle the problem for reasons which I shall explain, but I shall say how I think I could approach it constructively, even if I cannot guarantee to solve it.

Under the general rules of schedule E, an employee is chargeable to income tax on all of the remuneration from his employment, including any allowances or reimbursed expenses, except to the extent that he is entitled to an offsetting deduction for expenses incurred.

Obviously the schedule E expenses rule must be strict. An employee may have a deduction only for expenses he "necessarily" incurs in travelling in the performance of his duties, or which he otherwise incurs "wholly, exclusively and necessarily" in the performance of those duties. That means that if an employee necessarily incurs additional expenses of travel or accommodation as a result of travelling in the performance of his duties, or of his being required temporarily to perform those duties at some location away from that where he usually works, such expenses will normally already be deductible under the existing statutory rules. Where, as will usually happen, the employee receives an allowance from his employer to cover those expenses, that allowance will not in such circumstances be taxed on the ground that the employee would be due an equal and offsetting expenses deduction.

9.30 pm

For this reason, the new clause would be superfluous. Indeed, though no doubt the hon. Gentleman did not intend this, it could actually leave some employees worse off. For example, as drafted, the new clause would allow relief for board and lodging expenses only if the employee was maintaining or contributing to the maintenance of a residence in the vicinity of his normal place of work. The hon. Gentleman will see that that could operate to some people's disadvantage.

The schedule E expenses rule is nevertheless a strict one and has been strictly interpreted by the courts. It is well established that relief is not admissible for the expenses that an employee incurs in travelling between his home and the place where he normally works, or for the expense of maintaining a home at or near his normal place of work. The reasoning here — the hon. Gentleman will be familiar with it — is that such expenses are not incurred in the performance of the duties of the employment. Rather they are expenses of a personal nature which simply put the employee in a position to carry out those

Though strict, it is obviously right and sensible that the line should be drawn in that way. Virtually all employees will to a greater or lesser extent incur such personal expenditure in travelling between their home and their place of work, and of course we all incur living expenses wherever we work. In short, the law already makes suitable provision for the deductibility of expenses, including board and lodging.

I gather from the constituency case that he has raised that the hon. Gentleman is especially concerned about the tax treatment of allowances for single employees under a working rule agreement, which are taxed, whereas those paid to married employees are not.

Working rule agreements are drawn up between representatives of employers and trade unions to govern rates of pay and conditions of work in the construction and various allied industries. The Inland Revenue is not a party to the agreements itself, but in view of the high degree of mobility of employees in the industries concerned the Revenue has for many years agreed that payments of certain of the allowances under the agreements — including those for board and lodging — should not be taxed, on the basis that in the generality of cases the employee would be entitled to an offsetting expenses deduction for some or all of the expenses in question. In short, this arrangement has no statutory effect but is simply one of administrative convenience for the benefit of employers, employees and the Revenue alike. It is welcomed by employers and is designed to obviate the need for the many individual expenses claims that would otherwise arise.

One of the allowances is for board and lodging, where the employee is working at a site which necessitates his living away from home. Under the Revenue's practice in respect of such agreements, such lodging allowances paid to a single employee who does not maintain dependants at his permanent home are taxed, whereas those paid to a married employee or to a single person with dependants are not.

The reason for this difference in treatment is that it is clear in the case of a married man or a single man with dependants that, in addition to the cost of his lodgings while away from home, he will continue to incur the expense of maintaining a permanent home for his dependants. The case of a single man without dependants is less clear cut and may be distinguished because he may or may not have continuing responsibilities.

This is an extra-statutory concession, but I quite see that the distinction is somewhat arbitrary. However, if it is to work, the Revenue and employers alike need clear-cut

[Mr. Norman Lamont]

rules and definitions which can be operated in practice and which we do not have to police with too many local inquiries. That is why the line has been drawn in this way.

This is a complicated matter and I have tried to explain the difference between the statutory position and the extra-statutory position and how it is operating. Nothing, as it operates, is denying any taxpayer of any of his statutory rights. In so far as there is a concession, it is obviously a concession which benefits the married person with dependants or the single person with dependants. They are getting a concession. No one is denied any statutory right as a result of the way in which this operates.

When I looked into the matter, I felt uneasy about the point which the hon. Gentleman has raised. I cannot give a clear assurance that there is an easy answer to it, but we shall look carefully at it to see whether there is a practicable way in which this particular feature in the arrangements operated by the Revenue might be relaxed so as to take account of the single employee who does not have dependants living with him but who is, nevertheless, maintaining a permanent home, which, I think, is the precise point at which the hon. Gentleman is getting.

Mr. Wrigglesworth: I am grateful to the Minister for rehearsing the background to this matter. I have been through it in correspondence with his predecessor and know it well. I have summed up the basic grievance in my speech which the Minister has come to at the end of his remarks.

The working rule agreement is the basis of the anomaly, but it is intolerable that, as is so clearly demonstrated, when a married man and a single man, both with homes in the same town, go to work in another town together, the single man should be taxed on the hotel accommodation that he must have in order to carry out this duties, while his married colleague is not taxed. He is worse off although he is carrying out his duties at work. That is an intolerable situation which does not apply only to my constituent. It has wider implications for others, which is why I have raised it this evening.

I am grateful to the Minister for saying that he will look at it. It is an arbitrary distinction and I hope that he will find some way of overcoming it, not just in the case of my constituent, under his particular working rule agreement, but in all working rule agreements that apply to other employees in other parts of the country.

I can understand, and I think my constituent understands, that it is to the benefit of the Revenue, firms and employees that arrangements of this sort should operate. It is clearly to everybody's benefit that they should, but not if they give rise to anomalies of this sort.

I have fought to try to have this put right for some years and I plead with the Minister to take action on this quickly so that the anomaly is not continued. I know that he cannot find and announce the solution now, but I hope that he will be able to come to the House soon, having expressed his understanding of the predicament in which my constituent finds himself, and announce that a solution to it has been found.

The Minister having given those assurances, I am pleased to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New Clause 24

EXTENSION OF SECTION 5A OIL TAXATION ACT 1975 (ALLOWANCE OF EXPLORATION AND APPRAISAL EXPENDITURE) TO EXPENDITURE INCURRED IN DEVELOPING AN OILFIELD

"(1) With respect to expenditure incurred on or after 1st July 1986, section 5A of the Oil Taxation Act 1975 (allowance of exploration and appraisal expenditure) shall be amended in accordance with subsections (2) and (3) below.

(2) For subsection (1)*(b)* of section 5A of the Oil Taxation Act 1975, there shall be substituted—

"*(b)* is so incurred either wholly and exclusively for one or more of the purposes specified in subsection (2) below or, being expenditure which would be allowable under section 3 of this Act in relation to a field, is incurred before the first day of the critical half year as defined in section 1(4) of this Act for that field."

(3) At the end of subsection (1)*(c)* of section 5A of the Oil Taxation Act 1975, there shall be added—

"or, if it does so relate, was incurred on or after 1st July 1986."." *[Mr. Kennedy.]*

Brought up, and read the First time.

Mr. Charles Kennedy (Ross, Cromarty and Skye): I beg to move, That the clause be read a Second time.

I am grateful that the new clause, which I have tabled along with my hon. Friend the Member for Caithness and Sutherland (Mr. Maclennan), has been selected and that we have the opportunity for a short debate on this important matter. I hope that the House will understand if I put the matter in context by painting the importance of the issue to my constituency, to my part of the country and to the economy as a whole.

The House will be well aware of the growing concern in the oil and oil-related industries as the result of the developments that have taken place as a result of the dramatic and remarkable fall in price on the international market. That fall in price has beneficial consequences for many aspects of the economy. Indeed, no secret has been made of that fact by Ministers, who have welcomed it. However, it has carried with it a downside, as most things do, in respect to the pace and momentum of North sea oil

My concern arises because in the Ross, Cromarty and Skye constituency there are two major fabrication yards, Howard Doris on the Kishorn site, Wester Ross, and Highlands Fabricators, which, I am glad to say, recently won the substantial Eider platform contract, leading to an audible sigh of relief throughout the economically depressed Easter Ross area. In addition, there is McDermotts, Ardersier, in the constituency of my hon. Friend the Member for Inverness, Nairn and Lochaber (Sir R. Johnston), which was unlucky in regard to the Eider award. There are many examples of the oil-related industries creating employment generally on the supply and servicing side. Therefore, the downturn in prices that has given rise to a downturn in development activity is bad news for areas dependent on the large construction contracts and servicing and supply contracts that come from the momentum of North sea development as a whole.

With OPEC in some disarray, we can hardly look to the Treasury to solve such a complicated and volatile international problem. I do not ask the Minister to try to perform miracles in promising or guaranteeing specific levels of oil price in the future and stability in the market; coming even from these Benches, I think that that would be fairly unreasonable, given the geopolitics and

economics of oil at present. However, the Government should give us the opportunity to hear from the Dispatch Box at this stage their views on steps with regard to the tax regime and certain aspects of it as they affect development work in the North sea.

I have had a fair amount of correspondence of late with Ministers on the matter. It is worth bearing in mind that the rewards for Britain's current attractiveness as a location for petroleum investment are high. I refer to an industry study of two years ago on the geological potential of the United Kingdom. It is estimated that beween then and the end of the century about 80 new fields could be developed, 100 production platforms built, 1,400 appraisal and development wells drilled and over 2,700 miles of offshore pipeline installed. That would be expected to call for an expenditure of up to £60 billion at 1984 prices, three quarters of which could reasonably be anticipated to be awarded directly via contracts by British companies. That is a considerable long-term potential. I think that we all agree that we want to see as much of that potential realised as possible.

The argument that is beginning to build up in oil circles and elsewhere is that the time has come to look at the existing tax structure for North sea work and see whether there is anything that the Government can do at this stage, because of the depressing effect of reduced oil prices, to encourage development work.

9.45 pm

A few weeks ago I made proposals both to the Department of Energy and to the Chief Secretary to the Treasury. The Minister with responsibility for industry at the Scottish Office commented on some of the points that I made. He endorsed the view of both the Treasury and the Department of Energy and said that there was little evidence that the tax regime was making economic projects uneconomic. That is not a clear-cut issue. Even this new clause is not the panacea to all ills, but the distinction that is being made by Ministers is missing the point to a certain extent.

It is valid to argue that a project that is economic before tax considerations are taken into account remains economic, even under the present fiscal regime. It is not the tax regime that has led to the problem. The fall in the price of oil has led to the problem. Constraints surround what the Government could do, although one could argue that they could do more. However, that is not the point that I want to make this evening. The Government could encourage the oil companies to continue development work by altering the tax regime. This was acknowledged by the Chancellor of the Exchequer in his Budget speech on 18 March. He said:

"Otherwise, I propose only minor technical changes to the taxation of North sea oil; but I am continuing to keep the economics of incremental investment under review, and shall not hesitate to introduce at the earliest opportunity any changes which may prove necessary to ensure that worthwhile projects are not frustrated by the fiscal regime." —[*Official Report*, 18 March 1986; Vol. 94, c. 174.]

The industry welcomed that statement. Under the strict criteria of the Chancellor's argument a cogent case can be made for saying that as yet there is little evidence of worthwhile projects being frustrated purely by the fiscal regime. However, given the fall in the price of oil, the fiscal regime is one means by which some stimulus could be provided to create the momentum that is now lacking.

I acknowledge that there are difficulties. Different types of fiscal alterations could be introduced, but I do not intend to rehearse them tonight; some of them are outwith the bounds of the new clause. I am more interested in the principle that is at stake, which is what action could be taken by the Government. One of the difficulties was best summed up in a recent article by Dominic Lawson, who wrote an article in the Lombard column under the appropriate title

"Taxing times in the North Sea."

He referred to the general argument surrounding the petroleum revenue tax regime and made the very important point that if the Government introduced certain concessions the oil majors would perhaps not channel the money right back into the North sea. They are baulking at North sea developments because they are not sure that the project will give a satisfactory return irrespective of the tax regime.

Money given back by the Government is more likely to fuel the acquisition of one company's reserves by another. That outcome would not be attractive to the Government and I would share their view about that. Mr. Lawson goes on to detail some of the other difficulties that would arise if the type of concession given was the one that we now read so much about in the financial press. It is a concession promoted by the major companies and it would benefit them.

I appreciate that there is a genuine problem and I do not pretend that this new clause would in itself be able to overcome it. The Scottish Grand Committee recently debated the oil industry and in the Committee the Minister of State, Department of Energy developed the argument about which I have spoken. He said:

"Several companies and associations in the oil industry have put forward suggestions for change. I suggest to the Committee, however, that the tests that we apply to those suggestions have to be, first and foremost, not merely what effect a tax change has on the cash flow of a company. A company will naturally argue for changes in tax that will help cash flow".—[*Official Report, Scottish Grand Committee*, 24 June 1986; c. 9.]

The central point is surely the purpose for which the increased cash flow is used. It should be used in a way that will not simply generate more profits for the company with no guarantee of subsequent reinvestment in the areas in which we seek investment.

One of the ideas being canvassed goes slightly beyond the scope of the new clause, but is relevant to the issue that the new clause seeks to address. It is the abolition of inter-field ring fences on development costs. The ability of the oil companies to set development costs and new projects against PRT on existing fields could reduce the net capital investment on new field development and shorten the pay-back period. That abolition would arise from the concession which allows exploration costs to be set against PRT.

If that kind of change is considered, I strongly urge that the principle of ring fencing should be retained for the whole of the North sea. I say that for the reasons that I have outlined: that any returns accruing to the oil companies as a result of such a concession would have to be reinvested directly in the continuing development of the North sea as opposed to being directed to other activities. It is that type of approach to which I hope the Government will give further consideration, and it is with that type of approach and in that spirit that the new clause is moved.

[Mr. Charles Kennedy]

The clause is not perfect, and since I tabled it I have been advised that if I want to make its provisions more comprehensive about the development work that could be encouraged I should add at the point which reads

"under section 3 of this Act"

the words "and section 3 of the Oil Taxation Act 1983". Therefore, I am the first to concede that the clause is not as good as it could be, and on that ground alone I suspect that the Minister will probably reject it.

The clause is put forward to voice the view that we must be getting near the stage where some kind of Government action is required to forward development work. In putting forward that case, it must be remembered that we are not talking just about profits, jobs, industries and communities such as mine. Those things are important, but we are also talking about the beginning of the disbandment, especially by many of the major companies, of the development teams, the people who are concentrated in Aberdeen and elsewhere. Those people have the ability to work as a team and to carry forward development plans and projects from concept to reality.

With the industry in some disarray and with there perhaps being some over-reaction to the present difficulties, we shall lose some valuable people as they are dispersed. A signal from the Government might do something to retain those important people, so that if the price picks up again development work can be carried out and seemingly non-viable fields can once again become viable. Such a measure might favourably affect the viability of certain projects.

The aim of the new clause is to permit expenditure on developing a field to be offset against PRT payable on another field owned by the same licensee. The clause works by expanding the relief currently available for exploration and appraisal expenditure on searching for oil and so on, as contained in section 5A of the Oil Taxation Act 1975. The relief is limited to expenditure incurred before "the critical half-year". That means that relief is limited to the period before the six months in which production from the field exceeds 1,000 metric tonnes.

Thus, the aim would be to limit the qualifying expenditure to that incurred in developing the field, as opposed to operating it. Rather as I said about the use of any extra returns that may accrue to companies, my anxiety is about development work and about maintaining its momentum.

Relief would be available only for expenditure incurred from 1 July 1986. Thus, if a field commenced production after that date, but expenditure had been incurred in the period bridging 1 July, only the expenditure from 1 July would qualify. Having admitted the difficulties, complexities and political constraints that would face any Government, especially following the difficulties in which OPEC finds itself, I hope that the Minister will be able to accept the spirit in which the new clause has been moved. I hope that he will also accept the genuine local concern about present developments in the oil industry and the effect that is already being experienced on the Scottish economy. I fear that things will get considerably worse if the current slowdown in development persists.

It is also worrying that when the Chancellor referred to this difficulty, he also told us that his Budget strategy was based on the price of oil probably levelling out this year at about $15. That figure is beginning to look rather optimistic. In recent days, the price has fallen still further. But even in the unlikely event that the price returns to an average of $15 a barrel, it must be recalled that the Scottish Development Agency recently did a computer projection which showed that if that oil price was projected over a 10-year period it would lead to a cut of no less than 40 per cent. in spending by the companies. That means big trouble for some of the firms and major industries that have contributed so much in terms of advanced international technology. Moreover, the oil industry contributes to 25 per cent. of what is left of our manufacturing capacity.

Those are the reasons for this admittedly imperfect new clause. I hope that the Minister will give us the benefit of the Treasury's thoughts at this stage. I also hope that, when the Treasury continually says that it is keeping the matter under review, it is not just wringing its hands while the oil industry collapses round our ears, rather like the price of oil has done, but that it is ready to step in and to take preventive action. I hope that the Treasury is convinced that such action will be of assistance. Indeed, hon. Members on both sides of the House are becoming increasingly sure that it will be.

It being Ten o'clock, further consideration of the Bill stood adjourned.

BUSINESS OF THE HOUSE

Ordered.

That, at this day's sitting, the Patents, Designs and Marks Bill *[Lords]* may be proceeded with, though opposed, until any hour. *[Mr. Peter Lloyd.]*

Finance Bill

Not amended (in the Committee and as amended in the Standing Committee), again considered.

Question again proposed, That the clause be read a Second time.

Mr. Norman Lamont: The hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) has a strong constituency interest in the oil industry and in the offshore supply industry. I appreciate what has prompted him to move the amendment and I am grateful for the restraint with which he did so. I noted the hon. Gentleman's comments about Mr. Dominic Lawson. I am not sure how seriously those comments were meant, but I assure the hon. Gentleman that all Treasury Ministers read Mr. Dominic Lawson very seriously.

The new clause seeks to widen the definition of expenditure qualifying for immediate PRT relief to include any development expenditure other than long-term assets incurred before total production from the field reaches 1,000 tonnes. Its intention, I assume, is to include all development expenditure although as drafted, capital expenditure qualifying for relief under section 3 of the Oil Taxation Act 1983 is not covered. In other words, the aim is considerably to extend the scope for companies to offset North sea costs against the PRT payable in respect of other fields. In that case, it is a new development because it breaches the present field-by-field basis of the charge.

The new clause represents a significant relaxation of the present North sea fiscal regime. The hon. Member argued that some relaxation is required to cushion the impact of the fall in oil prices. It would be wrong simply to focus on the rate of tax. Admittedly, that looks high, but it is only part of the story. Account must also be taken of the

especially generous reliefs built into the system. The net result is a regime that is well-tuned to adapt automatically to oil price movements.

On the Government's calculations, tax take on an accruals basis as a proportion of pre-tax North sea revenues remains almost unchanged in 1986 from the 1985 figure. If we compare tax with the pre-tax trading surplus —that is, sales revenue minus operating costs—we see that the proportion has fallen quite significantly. The North sea continues to provide substantial profits for the oil industry while the tax regime ensures that the Government bear their share of the consequences of the price fall. It should be remembered that these conclusions exclude the industry's downstream operations and these are generally more profitable than has been the case for some time.

The Government have long made it clear that one of the overall objectives of the North sea tax regime is to leave companies with adequate incentives for future exploration and development. It was with this objective in mind that we introduced in the 1983 Budget a package of generous reliefs aimed at exploration and new fields. In our view, there is no evidence that the tax system as thus reformed, is causing problems. Virtually all developments which are economic in pre-tax terms remain economic after tax. The hon. Member admitted that in his remarks and said that as yet there are no signs that developments were being held up. I am sure that the hon. Gentleman will not argue that something which was uneconomic before tax should be made economic after tax.

I assure the hon. Member that the Government are in no way complacent about the problems which could be created by the fall in oil prices. It is our practice to keep the overall impact of the regime under review and in recent months we have kept a particularly close watch on the position. We believe that it is especially important to maintain contact with the industry. In addition to our regular contacts, we have specifically invited the industry to submit evidence about the operation of the present regime in the new situation.

Some evidence has already come in and this is being analysed. In addition, we have made our own analysis, which suggests that where lower prices seem to be causing delays, tax cannot be blamed. Projects that are uneconomic after tax are almost always uneconomic before tax. In any event, as a result of the changes that we made in 1983, many of the next generation of projects are paying virtually no PRT and no royalties. They will be subject to the same regime as companies in the rest of the United Kingdom's industry and will pay only corporation tax.

Even if it appeared that some relaxation of the present regime were needed, it is not clear that the measures set out in the new clause would provide the answer. By providing an incentive to projects which would otherwise be uneconomic, distortions would inevitably be introduced into the system. Investment priorities would be determined in part by fiscal considerations. In general, there is no guarantee that the tax thus saved by the companies would be channelled into increased activity on the United Kingdom's continental shelf. Such activity might be channelled outside the United Kingdom altogether.

For these reasons, we do not believe that the cost of the proposed change could be justified. I have explained to the hon. Gentleman the extent to which we watch developments. For the reasons that I have given, some of which he has heard before, I cannot accept the new clause.

Mr. Kennedy: I shall not say that I am grateful, but I thank the Minister for his reply. I accept that it cannot be argued that it is tax, in splendid isolation, which is causing all the problems in the North sea. It is OPEC and not tax which is doing that. However, the one lever which is at the Government's disposal and which can influence development activity is the fiscal regime. I enter the plea that the Government keep that under close review. I was glad to hear what the Minister said about that in his reply. The right hon. Gentleman has told us that a close review is taking place with a view to the making of any changes which may become worth while, and which may yet persuade Ministers of the need for action. As the Chancellor of the Exchequer said in March, Ministers will not hesitate to make changes.

We do not want to see any accruals which would come to oil companies being directed elsewhere. I hope that other changes that the Treasury may consider in due course can be geared in a way that ensures that any returns coming to the companies can be reinvested directly in development work, which will lead in turn to contracts for companies which employ many people—sadly, some do not—in the north of Scotland, of which they can take advantage. I thank the Minister for his indication of Treasury thinking at this stage from the Lawson in the *Financial Times* and the Lawson at No. 11. I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

Further consideration adjourned. — *[Mr. Peter Lloyd.]*

Bill (not amended in the Committee, and as amended in the Standing Committee), to be further considered this day.

Patents, Designs and Marks Bill *[Lords]*

As amended (in the Standing Committee), considered.

10.10 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): I beg to move, That the Bill be now read the Third time.

The Bill is a non-controversial amending measure. It is of restricted scope and is directed to two particular purposes. Since this is the first time that the Bill has come before the House, let me briefly state what these purposes are.

Clause 1 and schedule 1 amend the Trade Marks Act 1938, the Registered Designs Act 1949 and the Patents Act 1977 so that the Patent Office will no longer be obliged to keep its statutory registers in documentary form. The Patent Office will therefore be able to computerise such parts of the registers as it finds expedient as soon as this becomes possible. The public will be able to inspect the material on the computerised registers—for example, on VDUs at the Patent Office—and to obtain hard copies.

The other main subject of the Bill is service marks. Provision is made for the registration of service marks by the Trade Marks (Amendment) Act 1984, which was originally introduced by my hon. Friend the Member for Loughborough (Mr. Dorrell). That Act is not yet in force, but the Government intend to implement it from 1 October this year. Before that can be done, however, a number of consequential amendments need to be made to existing legislation, and that is the purpose of clause 2 and schedule 2.

Several amendments to the Bill were effected in Committee, but they were all technical. Some were consequential on amendments already effected in another place, and others were directed to correcting an omission in the 1984 Act. They were all, as I have said, technical amendments and the Bill before the House today is, in all major respects, no different from the Bill as brought from another place.

10.11 pm

Mr. Bryan Gould (Dagenham): This small but useful measure is brought forward at a time when the whole world of intellectual property is in a state of rapid transformation. First, there was the White Paper "Intellectual Property and Innovation" published in April this year, which I assume presages a major piece of legislation to be introduced in the new Session. Then there is the change in the status of the Patent Office, a change which I should make clear that Labour Members regard with some scepticism, and which has aroused the anxieties of the work force at the Patent Office. That is one aspect of the new legislation that we shall consider with considerable care and critical judgment.

Less controversially, there is the impending decision to be taken as to the siting of the European Community's trade marks office. I make clear the support of Labour Members for the campaign waged by the Government in support of siting the office in Britain. We support that campaign, both on its merits and because we believe that it is high time that we had placed with us in this country the headquarters of a major European Community institution. It is a sort of quid for a substantial quo.

In case you are on the point of saying, Mr. Deputy Speaker, that none of those matters is strictly relevant to the Bill, I concede immediately that the Bill, as the Minister has said, concerns itself with two small but, in their own way, important points. The first enables the Patent Office to bring itself into the computer age. I think that the Bill removes obstacles rather than commands the Patent Office to do that. The Patent Office is well advanced in its plans for the computerisation of its records. Secondly, the Bill, in a sense, makes consequential amendments which will pave the way for the introduction of service marks in October this year.

We support both those worthwhile measures. Accordingly, during the brief earlier stages of the Bill, we have contended ourselves with asking the odd probing question and watching the progress of the Bill with a benevolent eye. Now that it has reached its final stage, we are happy to give it a Third Reading.

10.14 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I am grateful to the Under-Secretary of State for allowing this brief debate to take place. I am sure that he agrees that, because the Bill originated in the other place and was considered in Standing Committee, it is appropriate for us to spend some time rehearsing it on the Floor of the House.

I congratulate the Under-Secretary of State on the smooth passage of the Bill which he has piloted through the House. Obviously, there were more complex debates in the other place. The alliance is grateful that the Government listened carefully to the contribution of my noble Friend Lord Lloyd of Kilgerran, some of whose amendments were considered in depth and some of which were accepted. His knowledge is recognised by both sides of the House.

The Bill's objectives, restricted though they are, are to be applauded. Some work remains to be done if the legislation is to meet the needs of modern business. I single out the inclusion of service marks as an especially welcome provision. We do, however, have some doubts about the costs of acquiring these new service marks. If small business men use professional advisers, it can cost as much as £1,500 to £2,000 to obtain a United Kingdom patent. If that is extended to a worldwide patent, it could cost as much as £50,000. The Government would do well to bear in mind those costs and to ascertain whether they can be reduced.

Lord Lloyd of Kilgerran described this aspect of the law as being full of "fulginous obscurity" — a well-known Welsh expression. We believe that small inventors should be able to register service marks more cheaply than at present.

As Lord Lucas and the hon. Member for Dagenham (Mr. Gould) said, we now have the White Paper on intellectual property. I think I would be ruled out of order if I followed its arguments, but I should like some of its ideas to be included in the legislation. I accept that, if that had been done, the measure might have been made controversial and its progress might have been stymied.

We are still slightly surprised that the Government did not respond more positively to the proposal to extend privilege to patent agents who do trade mark work. Those agents do work which, in other cases, would be done by solicitors or even counsel. They play an important role in the creation of wealth and work extremely closely with

industry. It is slightly perverse to continue this lack of privilege, to which reference was made in the other place. Recently, in "Reports of Patent Cases 1983", Mr. Justice Nurse is reported as having said:

"It seems odd and perverse that, if a trade mark agent was entitled to advise a client in relation to legal matters and to conduct certain legal proceedings on his behalf, the same privilege should not apply as would certainly apply in a case where the advice was being given and the proceedings were being conducted by a solicitor."

We should have been happier if such a provision were included in the Bill. We hope that there will be opportunities to include such a measure in the not-too-distant future.

I return to where I began, by congratulating the Under-Secretary of State on piloting the Bill so smoothly towards the statute book.

10.18 pm

Sir John Page (Harrow, West): I commend these new measures, which will modernise the registers of trade marks and bring Britain into line with the most modern practices in the rest of the world. In this new modernised system there is a perfect opportunity for the European trade mark office to be brought to England, to Greater London. It would be a great advantage for the country to have the European trade mark office here and it would be right and proper that it should be so. I must say, in an entirely objective manner, that the place for it to be is Harrow. We have an old intellectual background, with a modern dynamic community. Nowhere in Europe could fulfil all the criteria for the office more successfully than Harrow with its nearness to London airport and London, magnificent communications and magnificent schools.

I am grateful to have this opportunity, on behalf of myself and my hon. Friend the Member for Harrow, East (Mr. Dykes), who is in his place and who, with his European knowledge, blazed the trail for the Government to follow to Harrow. We hope that soon the whole weight of the Government's prestige will be behind having the European trade mark office in England and I think that it should be in Harrow.

Question put and agreed to.

Bill accordingly read the Third time, and passed, with amendments.

European Community (Agricultural Reforms)

10.21 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): I beg to move,

That this House takes note of European Community Documents Nos. 6466/86, draft Regulation amending Regulations 797/85, 270/79, 1360/78 and 355/77 on agricultural structures in order to adjust agriculture to the new market situation and maintain rural areas and draft Decision amending Decision 83/641 on joint research programmes and programmes for co-ordinating agricultural research, and 7126/86, draft Regulation amending Regulations 797/85, 355/77 and 1360/78 on agricultural structures to take account of the accession of Spain; and supports the Government's view that these measures should have as a primary aim the closer alignment of agricultural production to the requirements of the market and that the measures must be both cost-effective and containable within existing expenditure ceilings.

With the leave of the House, we shall tonight consider principally the package of socio-structural measures contained in European Community document 6466/86, but it will be convenient to take with it European Community document 7126/86, which extends to Spain the provisions of Council regulation 797/85.

The proposals in document 6466/86 are designed to complement the agricultural price measures agreed by the Council of Ministers at the end of April. They seek to assist farmers to adjust to price restraint but they also seek to achieve a measure of progress towards diverting agricultural land to alternative uses.

We welcome the attempt by the Commission to complement price measures with structural measures to achieve a better orientation of agricultural production within the Community in order to reduce surpluses. As the House is well aware, we have fought long and hard to try to get agricultural production in the Community into a better balance and reduce the burden of supporting surplus production.

Against that background we shall be examining very closely the consequences of the proposals for the Community budget. The Commission had estimated that the package would cost about 900 million ecu over the period to 1991. The expenditure up to 1989 would fall within the current five-year financial framework for the European agricultural guidance and guarantee fund guidance section as a whole. The Commission has stated that the present five-year framework figure would be sufficient to accommodate this expenditure.

We also welcome the Commission's recognition that environmental concerns must be given due priority in any consideration of the future direction of the common agricultural policy. That is reflected in certain of the measures proposed in the socio-structures package, notably the proposals relating to environmentally sensitive areas.

I would like now to deal in a little more detail with the substance of the package. First, under the pre-pension scheme, farmers aged 55 or over who took their holdings out of production or handed them over to young relatives would be eligible for an annual payment attracting an EAGGF contribution of 25 per cent., 50 per cent. in certain less favoured areas, to a maximum of 4,000 ecu for married farmers and 2,500 ecu for single farmers. The precise level of pre-pension payable, for a minimum of five years and a maximum of 10 years, would be left to member states to determine in the context of their own socio-economic conditions. Where land was fallowed or put to non-agricultural use such as forestry, the pre-pension would be supplemented by an annual hectarage payment, payable, in the case of forestry, over the period of establishment. There would also be provision for agricultural workers aged 55 or over, displaced as a result of the scheme, to receive a pre-pension.

The likely effectiveness of a general age-related outgoers scheme, such as the proposed pre-pension arrangements, in reducing surplus production will need to be carefully considered, but we are worried that its effectiveness in that respect will be limited not least because it provides for succession by a younger relative. So we shall be looking for further justification for adopting the approach that the Commission has suggested.

Beneficiaries of the pre-pension scheme would also be eligible for capital grants towards the cost of adapting their holdings to non-farming functions, providing they were environmentally acceptable.

We have some reservations about that radical step. The proposal could cover such things as racecourses, golf courses and so on. There is no requirement that the owner demonstrate that the investment is sound or what benefits will accrue. That provision, therefore, needs much more examination.

As regards pensions for farm workers, we already have a well-established social security system in the United Kingdom, which includes provisions for redundancy payments and for unemployment benefit. I do not believe that an additional measure such as this is required or that it would be helpful.

It is proposed that member states may pay an annual premium to young farmers who reduce production either by farming their holding more extensively or by producing for quality rather than quantity. We shall clearly want to consider the proposal in much more detail than it has been possible to do so far. But we doubt that the proposed arrangements would provide sufficient inducement to restrain production and whether they would therefore be cost-effective. Their administration would also be extremely complex and at first sight there would appear to be major problems of enforcement.

I now refer to the proposals on environmentally sensitive areas. When regulation 797/85 was agreed in March of last year, we successfully negotiated provision for designation of environmentally sensitive areas. Then the Commission also committed itself to making further proposals to provide for EC funding of the measures, and it has now done that. However, to safeguard EC funding, more specific conditions are proposed, including a maximum payment against which reimbursement would be paid, and a requirement that payments be made annually on a hectarage basis and that each ESA agreement must run for at least five years. I can appreciate the Commission's concerns, but the proposals are disappointing. They introduce an unnecessary degree of inflexibility, which we shall seek to have removed, although obviously at this stage I cannot predict our chances of success.

The package contains a number of proposals relating to the payment of compensatory allowances in the less favoured areas. They include amendments to the framework under which hill livestock compensatory allowances are payable.

First, it is proposed to vary the present range within which HLCAs have to be paid—that is, from 20·3 to 101 ecu per livestock unit, up to a maximum of 101 ecu, or around £64, per hectare. The Commission proposed a minimum allowance of 30 ecu per livestock unit and a new maximum of 120 ecu per hectare of livestock unit in areas where the severity of the permanent natural handicap justified it. Secondly, it is proposed to increase HLCA allowances by 50 per cent. where producers undertake to improve quality or to change production to meet market needs, or significantly reduce the intensity of production for five years. Thirdly, it is proposed that the maximum allowance attracting EAGGF contributions should be set at 3,000 ecu, or around £1,900, per labour unit.

Fourthly, it is proposed that, where land goes out of agriculture under the pre-pension arrangements, HLCAs would continue to be paid for the duration of those arrangements. Fifthly, it is proposed to amend the provision relating to the afforestation of HLCA land by extending the period during which producers who afforest all or part of their HLCA land may have such land taken into account in their HLCA calculations from 15 years to 20 years.

If adopted, these proposals could have a significant effect on the existing arrangements for paying HLCAs in this country; and, in general, we can give them a cautious welcome. However, there are aspects that are not entirely clear, and in negotiations in Brussels we shall seek to secure improvements. But the proposals are framed so that member states will have a good deal of discretion on the actual implementation. Decisions on the precise nature of any changes in the HLCA arrangements as a result of the new EC proposals would be taken in the context of the review of economic conditions in the hills and uplands which we conduct each autumn. I am not, therefore, in a position at the moment to spell out the full opportunities that might be available to less favoured area producers — or to give a realistic indication of the cost implications.

It is also proposed to extend the system of compensatory allowances to other farmers in the less favoured areas, though a range of commodities would be specifically excluded from coverage. The objective of this proposal is not entirely clear. It seems to us unlikely to control surpluses and is therefore unattractive, even as an optional measure. Moreover, given that compensatory allowances are restricted to the less favoured areas, it is questionable how much scope there is for encouraging non-livestock production here in the United Kingdom.

I now turn to the measures proposed on forestry and farm woodlands. These are of course areas which will need particularly careful attention as we consider ideas for alternative uses for land now producing agricultural surpluses. The Commission has proposed certain changes to the existing provisions on farm forestry in regulation 797/85, which we have not so far implemented in the United Kingdom because we have considered our national grant schemes to be more favourable. It has also included in the pre-pension proposals provisions which could lead to the afforestation of land taken out of agriculture by those qualifying for the pre-pension. Both these sets of proposals will need careful examination. They will also require to be considered against the background of the proposals which will flow from the EC Commissions consultations on forestry, which we expect to see later this year.

The proposals on training would specifically include three areas of training within those which are eligible for EAGGF reimbursement — training in production of quality lines, in the application of production methods compatible with environmental protection and in forestry skills for farmers. The proposals are a small though welcome addition to a wider regulation covering vocational training. They would be expected only to have a minor effect in the United Kingdom if the regulation on training is implemented.

The Commission has also proposed two measures in the marketing area. They modify regulation 1360/78 on launching aid to producer groups and regulation 355/77 on grant to projects involving investment in marketing and processing. The first proposal, the extension of the life of regulation 1360/76, would apply only to Belgium and the Mediterranean regions. It therefore brings no benefit to the United Kingdom, where we have our own system of formation grants for co-operatives under the agricultural and horticultural co-operation scheme. The Government will therefore be particularly concerned about the financial implication of the proposal. There is little doubt that agricultural structures in the Mediterranean member states need improving but we would need to be satisfied about how useful the proposal is likely to be given that there has been no expenditure under it in recent years.

The second proposal on marketing would amend regulation 355/77 to enable encouragement to be given to investment in the marketing and processing of "alternative crops". The Commission has organically grown products particularly in mind. The maximum grant would be increased by five percentage points. Individual projects not falling within an investment programme could also be aided at the basic rate. We accept that the possibility that individual projects may be aided may be useful, but may be unnecessary where member states already have investment programmes for the sectors concerned. We will be investigating the proposed higher rates of grant because there are restricted funds available for this regulation. We will need to be satisfied that they are really necessary, even though the Commission expects to contain expenditure within the existing provision.

Provisions for modifying the Community's agricultural research and development programme are included in the package. These are intended to redirect the programme to take account of recent developments affecting agriculture.

Our objectives will be to ensure that the changes proposed to the programme are justified in their own right and do not overlap with other Community initiatives in this area. We will also seek to ensure that such work is most appropriately dealt with on a Community rather than a national basis and represents value for money. We will also bear in mind that concerted action between scientists in the Community, in the form of seminars and information exchanges, can be a quicker and cheaper way of advancing scientific thinking than shared cost research. In a process of adjustment we clearly need to ensure that we have wide and rapid access to results which will be of assistance to agriculture.

In conclusion, our overall attitude towards the socio-structures package is to welcome it as an expression of the

[Mrs. Peggy Fenner]

Commission's intention to assist the reorientation of agricultural production within the Community in the face of price restraint. But we are not yet convinced that it is the right way to proceed. There are elements contained in it which we support, but as I have mentioned, there are also elements which will require a great deal of further consideration. We shall also be paying particular attention to the financial implications of the package in terms of cost effectiveness. I shall listen with great attention to the view of hon. Members on the package as a whole and on its constituent parts. I can assure the House that these will be fully taken into account during the course of the discussions on the package within the Community.

Document 7126/86 amends regulation 797/85 on agricultural structures to take account of Spain's accession to the Community. It was discussed by the Council of Agriculture Ministers at the end of May and was agreed in principle, subject to the approval of the European Parliament.

The proposal stems from a statement issued by the Community on 18 April 1985 during the Spanish accession negotiations. The statement acknowledged the structural shortcomings in certain areas of Spain, and confirmed the Community's readiness to make provision for certain favourable conditions under the existing structures legislation. Although the proposal goes further than the statement, all the proposed measures are well precedented elsewhere. The measures provide for some easing of the eligibility conditions for compensatory allowances and capital grants. They also provide for a temporary increase in the maximum rate of capital grant which may be paid and for an increase in EAGGF reimbursement for aids to investments on holdings, compensatory allowances and for aids to joint investment schemes in the least favoured of the less favoured areas.

The Commission has also proposed changes to regulations 355/77 and 1360/78 to take account of Spanish accession. Under regulation 355/77, investment projects in the more disadvantaged regions of the Community receive 50 per cent. or 35 per cent. FEOGA grant rather than the usual 25 per cent. The proposal is to include Spain in the countries eligible for the higher rates of grant and to define the regions to which the rates apply. As regards regulation 1360/78, the proposal is merely to include Spain in the list of member states to which it applies. The Commission has said that the expenditure will be met from within existing financial provisions. The proposals were both agreed by the Council of Agriculture Ministers in May.

10.45 pm

Mr. John Home Robertson (East Lothian): I was about to thank the Parliamentary Secretary for her lucid explanation of the documents, but I am not sure whether such thanks would be very convincing. I wish that the hon. Lady could have seen the expression on the faces of her officials in the Box when she undertook to give detailed consideration to all the points raised in the debate.

The term "socio-structural policy" could only have come from Brussels. However, it appears to be a first timid step in the direction of a comprehensive policy for the benefit of rural areas. The Labour party has been calling for such an approach for some time, and welcomes the fact that it may be on the agenda at last.

I must express a fundamental doubt whether the basic objectives of a rural policy can possibly be dealt with within any comprehensive European framework. The patterns of rural communities, farms and the natural environment of the countryside are subject to so many essentially local variations that it seems to us that it would be more sensible to deal with such local affairs at a national level. My hon. Friend the Member for Pontypridd (Mr. John) has repeatedly called for the repatriation of national aspects of the common agricultural policy, and any proposals for structural reform seem to be obvious candidates for national decisions and initiatives within a framework of European priorities.

What the CAP lacks in logic it makes up for in momentum. We have known for years that the system of unrestricted market support through intervention was distorting agriculture, penalising the consumer and fleecing the taxpayer, but the juggernaut is still rolling on, and this year will probably bring even more intervention stores for junk cereal surpluses that no one would want even if they could afford to buy them. The system should go bust, but it will probably not be allowed to. What we need now are policies to restrict output, encourage better types of farming and protect rural communities. My party has made a range of suggestions including disincentives for the production of surplus commodities and incentives for the production of things that we need more of, especially timber.

Such a major shift of direction will require carrot as well as stick. We have had some stick in the form of milk quotas, the co-responsibility levy and higher intervention standards. I take it that the documents before us are supposed to offer a somewhat diminutive carrot to encourage farmers to produce less of the surplus commodities and to do so in a more sensitive manner.

One cannot turn a barley baron into a fully-fledged Friend of the Earth overnight, and the Minister knows that many people in the industry are facing a culture shock. I speak not just for myself but for a number of farmers in my constituency. However, in the past, agriculture has responded spectacularly to incentives and guidance from Governments and from the Community. Just as the industry has responded to production incentives, I have no doubt that it can work within a different set of priorities in future.

The trouble is that the industry has been adrift in a sea of indecision for a number of years. The word "Jopling" has passed into the farming vocabulary as a term for prevarication, confusion and muddle. The prospect of the Minister taking over the Presidency of the Council of Agriculture Ministers at this critical stage is causing some alarm and despondency. But never mind, we have here some new ideas so it is fair enough that we should have a look at them.

The first heading that we are discussing is this so-called pre-pension scheme, which seems to be another way of saying early retirement. I welcome any initiative which could start to establish a career structure in agriculture. It would let older farmers retire and young entrants into the industry. But I question whether a pension of £2,547 a year, less than £50 a week, would be enough of an incentive to persuade many 55-year-old British farmers to retire. Indeed, it is not entirely clear to me why we should want 55-year-old farmers to retire anyway.

Mr. Andy Stewart (Sherwood): Is not the £2,500 that is being offered as a pension about the net farm income that most farmers of 55 are receiving at the moment anyway?

Mr. Home Robertson: I rather doubt that. The average British farmer could expect a considerably higher return than that, although there have obviously been particular problems in particular sectors, of which the hon. Gentleman is as well aware as I am.

The other question which should be raised is why a beneficiary will be allowed to relinquish his farm only to a close relative. Is there not a strong case for encouraging farmers to relinquish land to some appropriate local agency, such as a county council smallholding scheme, which could let the land to a suitably qualified young person who wants to start a career in farming? We have proposed a land bank for that sort of purpose which would fit well with such a publicly funded early retirement scheme.

The other alternative in the pre-pension proposal seems downright bizarre to many of us. Article 1*(c)* provides for the abandonment of farms which includes

"simple abandonment of the land without allocation for any other utilization",

although the farmer might be required to "maintain" the land, for which he would be paid £95 per hectare per year.

I would reject that idea out of hand. I doubt whether it would work. For a start, £95 per hectare would not cover the basic cost of maintaining a farm and its steading. Obviously jobs would be destroyed and the resulting rural dereliction would be fully as ugly as urban dereliction can be.

I can easily anticipate the sort of complaints about weed seeds blowing around from officially abandoned farms, and that would be the least of the problems. If the Minister will not take that from me, perhaps I may refer her to the speech made by the Minister of State, Department of the Environment, to the Oxford farming conference in January this year, if that would not be too painful. We for our part do not want to see any such abandonment of farms.

I want to raise one or two detailed points about the pre-pension proposal. The principal one is whether a landlord's consent will be required for a tenant to enter the scheme. That point should be cleared up. While I am on the general subject, may I ask how the great set-aside debate is progressing in her Department? This sounds like some kind of variation on the theme of quotas, but if it could encourage farmers to bring fallowing back into their cropping system, it could be useful from all points of view. There is a world of difference between "abandonment", as referred to in the documents, and incentives for managed fallowing, which is good husbandry and good for the environment, quite apart from its effect of reducing production.

The second point covered in the documents is the question of helping young farmers to adopt less intensive husbandry techniques. The specific question that I want to ask is why is it necessary to encourage only young farmers to adopt such methods? Surely if that is a worthwhile objective it is a worthwhile objective right across the board.

The next question that must be put is: how can it work? All of us are now supposed to be in favour of the idea of less intensive farming—it is rather like being against sin—but how precisely can the Minister define "less intensive practices" for the purposes of operating a package of incentives? I warn her that there is an underworld of agricultural consultants out there waiting to take advantage of any loopholes in any grant scheme.

The third section relates to the less-favoured areas. I am intrigued by the possibility of compensatory allowances being paid for crops and produce other than cattle and sheep. I doubt whether there is is scope for such diversification in the British upland areas, but I should be interested to know whether and how the Government propose to implement the suggestion in Britain, or whether it is entirely for the benefit of Herr Kiechle in Germany. The Royal Society for the Protection of Birds has raised the question of the damaging effect of overstocking, which is positively encouraged by HLCAs at present. It is a fair point. Might it be better to operate the scheme on the basis of area rather than headage? The Minister said that that was possible. Will she consider the point further? I stress that the Opposition strongly support the principle of more effective assistance in less-favoured areas.

The fourth point relates to environmental grants. The Opposition welcome the principle of incentives for farming practices which enhance or protect the rural environment. The Minister acknowledged that the Government have already made a token gesture in that direction with the six environmentally sensitive areas, which are yet to be selected. Indeed, we are still waiting for the legislation to return from the House of Lords. We welcomed the initiative, but it must be greatly expanded if it is to have a significant effect. The Government have earmarked £6 million for the pilot scheme of six sites, and the proposals that we are debating tonight could provide a further 25 per cent., or £1·5 million, from European funds. Will the Minister treat that extra money as extra cash for this purpose, and take advantage of it by designating another two environmentally sensitive areas, or will the money simply follow so much European money into the maw of the Treasury? I hope that we can have a specific answer from the Minister this evening.

The Minister also mentioned afforestation. The incentives that are suggested appear to be consistent with the proposals made by my hon. Friend the Member for Pontypridd a year ago, so we support them. But I must press the Government on this issue, because we are still waiting for them to implement article 20 of the previous structures directive, which would have provided much more generous and appropriate incentives for small-scale tree-planting on farms than is available through the Forestry Commission's planting grant scheme. How long must we wait before that is implemented, let alone any fresh proposals under this directive?

The documents also deal with research and training. The draft Council regulation states:

"Existing agricultural training schemes should be stepped up so that farmers can receive the services they require if they are to reorient their production, apply production methods compatible with protection of the countryside and afforest agricultural areas."

Amen to that.

Since the Minister of Agriculture, Fisheries and Food will be the President of the Council that considers that draft, he will have some explaining to do to his colleagues about what he has done to our agricultural advisory, research and development services in recent years and months. Only last week, the Ministry announced that it

[Mr. Home Robertson]

would slash another £4·1 million off the Agriculture and Food Research Council's research and development budget, and a further £2·8 million off the Agricultural Development and Advisory Service's research and development budget. We oppose that attack on ADAS, the AFRC and the Scottish agricultural colleges. We recognise the vital role of research, advice and training in such difficult times for farming, so on this occasion we must support the Commission, not the British Minister.

May I conclude on the vexed question of funding. It was originally intended that the guidance section of the common agricultral policy, which deals with structures, would account for 25 per cent. of European agricultural spending. It still accounts for less than 4 per cent. If we want the radical restructuring which the industry requires, and if we want to protect rural communities from the worst effects of that restructuring, we shall need realistic funding from the European Community and from the national Governments. Anyone who reads the publication *Agra Europe* will have been disturbed to see in the April edition this year the following statement:

"Although there was broad agreement on the content of the proposals in the Commission, discussion centred on the difficulties of financing the measure. It seems unlikely that they will be implemented this year in view of the Community's budgetary difficulties, and there is even doubt as to whether there will be enough cash available to introduce them in 1987."

All this talk about a socio-structural package—I would prefer to call it a rural policy—will be so much hot air if it is not backed up by the resources that are required to make it work.

What are the prospects of getting the national back-up funding that will be necessary to make it possible to implement these proposals in Britain? Since the British Minister of Agriculture, Fisheries and Food is now going to be the President of the Council of Agricultural Ministers, will he have either the clout or the ability to persuade his colleagues to begin to shift resources away from the bottomless pit of intervention buying, and to divert appropriate funding into a more constructive, comprehensive rural policy? That is the question that has to be answered.

10.55 pm

Mr. David Harris (St. Ives): Despite the valiant attempts of my hon. Friend the Minister to make some sense of this rather woolly document, I could not help wondering in the course of her speech what an upland farmer, say, from Bodmin moor would have thought about the start of the debate if by chance he had strayed into the Strangers' Gallery. These matters are complicated and woolly, and we all wrestle with them and wonder what they really mean.

I echo the question posed to my hon. Friend by the hon. Member for East Lothian (Mr. Home Robertson). What, for example, are the prospects of bringing in the pre-pension scheme? There is a great deal of interest among farmers on this matter. What is the attitude of Her Majesty's Government to the scheme? Are they really enthusiastic about it? Will they push it in the term of the United Kingdom presidency?

I want to concentrate on one aspect of the documents, the section dealing with compensatory allowances for less favoured areas. My hon. Friend was rather baffled when she touched on this part of the documents about the scope for extending the allowances to other types of production. So indeed was the hon. Member for East Lothian. I wonder, therefore, whether I could direct my hon. Friend's attention to a unique less favoured area in the country, the Isles of Scilly, which form the only less favoured area that is not a hill area. She will be aware that the designation of the Isles of Scilly came about some four years ago, and, as the then Member of the European Parliament for Cornwall and Plymouth, I had a small hand in winning that designation. It has meant very little to the farmers and, particularly, the growers on the Isles of Scilly simply because the animal population of the Isles of Scilly is very low. There are no upland farms. Our whole approach in this country to the less favoured areas is based on compensatory allowances for hill farmers.

My hon. Friend will know that the Isles of Scilly National Farmers Union has been pressing strongly in the intervening years to persuade the Government to institute a scheme in which designation of the islands as a less favoured area really means something to horticulture, in particular, on the islands. So far, I am afraid, the union and I have failed in our objective to persuade the Government to come forward with some such scheme. We have received a lot of sympathy from the Ministry. Indeed, the Minister's noble Friend Lord Belstead met me last year on this question. The upshot of our talks was that the Government were sympathetic, but unfortunately a suitable vehicle has not yet arrived by which the change could be made. I am wondering whether the suitable vehicle has arrived tonight in this House.

May I ask my hon. Friend the Parliamentary Secretary to examine, in particular, paragraph 2 of the document, on page 15, which refers to the possibility of an extension, and consider whether that would be a suitable vehicle for the extension of compensatory allowances to other forms of production, particularly horticulture, on the Isles of Scilly. If my hon. Friend were to do that, she would not be opening the door to a great increase in public expenditure. I have already said that the Isles of Scilly are unique. It is the only non-hill area to be designated as a less favoured area.

By happy chance, my attention was drawn to this matter today by the secretary of the Isles of Scilly branch of the National Farmers Union, Mrs. Penny Rogers, who has written to me about it. I shall be writing to my right hon. Friend the Minister of State. In the meantime, however, I should be most grateful if she would ensure that her officials looked into the matter. I shall be pressing them upon it.

11 pm

Mr. Robert Maclennan (Caithness and Sutherland): The draft regulations are in principle exceedingly important. During the price-fixing debate that was held earlier this year some hon. Members took the view that the deal that the Government had brought home from Brussels was so bad for British farmers that only the structures package, which was considered to be complementary to the prices package, might help to retrieve the situation. Alas, the Minister has said nothing tonight to comfort those farmers whose incomes were shattered last year, partly by the appalling harvesting conditions and partly by the systematic and deliberate downward pressure that has been exerted on farmers by this Administration.

The Minister's speech will probably read better than it sounded in the House. She took the trouble to explain the provisions of the draft regulations and in some cases gave the Government's view on the principles, but her speech will convey almost nothing to the farming community about what the Government intend British farmers to derive from the package. She said nothing about money, although that is what we wished to hear about. I hope that the Minister will say more about it.

If adequately financed, this series of proposals could achieve some of the objectives that the Commission, the Government and other parties in the House support. They would redirect agricultural production to commodities that are not in surplus, encourage the diversification of land use and help to ease out of agriculture those who wish to leave the industry. These are meritorious objectives. However, when they are set against the Commission's budgetary proposals it appears that very little is likely to be achieved.

The Commission has costed this package at 896 million ecu over a period of five years. To illustrate how little this is, I reckon that there are 45 million hectares of less favoured area land in the Community. All these funds will not be directed towards the less favoured areas, but if, for the sake of argument, that sum of money were to be concentrated on the less favoured areas alone, it would work out at about £13 per hectare over the five-year period. The farmers will not hang out their flags in jubilation if the Community's proposals are implemented. They will be even less enthusiastic about the proposals because there is no price tag from the Government.

The Commission's document that the Government have put before us shows that the package is almost valueless and contains no major commitment by Governments. What the Commission says bears repeating. It says:

"it will only be possible to put the measures into practice from 1987 at the earliest, . . . the new measures will be put into effect only gradually as and when administrative and budgetary measures are taken at national level."

We have heard almost nothing from the Government about what they intend to do in that respect. We cannot regard this as the end of the matter and we shall have to question the Government about the progress of their thinking.

Mr. Ivan Lawrence (Burton): We will.

Mr. Maclennan: I am glad that the hon. and learned Member for Burton (Mr. Lawrence) shares my views on these matters. We have a long history of agreeing about many things. I should like to raise a couple of important issues of principle with the Government. Do they intend to offer any new research or advisory back-up money to assist and facilitate some of the transformations that are taking place? Will they look again at the proposals to reduce ADAS funding and to cut experimental husbandry farm schemes and expenditure on the Scottish colleges of agriculture?

It is nonsense on the one hand to produce a package for far-reaching structural change and on the other to cut the advice about how to make it work effectively. The hon. Member for East Lothian (Mr. Home Robertson) spoke about the most recent announcements of Government cuts in this field, but it is never too late to ask the Government to think again. If they are serious in wanting the kind of adaptations that the Minister spoke about, they ought to reconsider.

I notice that the proposals about hill livestock compensatory allowances call for more flexible headage payments. There is some merit in that proposal and it is one that the alliance put forward at an earlier stage. The Minister did not make it clear how the Government see these variations being made. There is a great deal to be said for local and regional determination of these varying rates, and we would like to see some movement in that direction. Regrettably, such movement is not apparent.

The weakness of the proposals is that there is no direct recognition of the potential importance of these schemes concerning the need to reduce surplus production. The proposals smack too much of tokenism. They are all worthy objectives, but the pre-pension scheme is probably set too low to offer any real inducement. As the Minister said, it is likely that, because the farm can be taken up by a close relative, people will not be taken out of agricultural production. In itself, it is a meritorious scheme and will help to provide a sensible career structure for farmers, but it does not have much to do with the central core of thinking about the agricultural problems of the Community.

Above all, this package does not recognise that the problem of massive overproduction, especially of cereals, will not be solved by taking a few marginal farmers out of cereal growing. The major problems are created by the extremely efficient, large farms whose owners have been encouraged over the years by an absurd open-ended system of price support hugely to intensify their production. None of the measures will touch these people. They will affect—or might beneficially affect—those at the margin who are under enormous pressure because of the policy being pursued on price support. It is not a sensible way to contribute to the reduction of production on a large scale.

The Minister looked to the House for suggestions as to what might be done and I have mentioned a few points in that respect. However, a Minister in opening a debate of this kind has a duty to tell the House and the industry what the Government have in mind and not simply to come along with an open mind and describe the regulations in a generalised way, and say nothing about the money that the Government propose to put into the proposals to make them work.

I believe that the regulations represent a token of good intentions put forward by the Commission under considerable financial pressure because the budget on the Community's agricultural fund is so heavily canted towards the price regime and therefore inadequately directed towards the structural side. Although this is a step forward in that context, no one in the farming industry will believe that it will mark the difference between bankruptcy and profitability within the foreseeable future.

The impact of the proposals on farmers in this country as opposed to their impact on farmers in other countries, appears to raise the possibility that there might be discrimination here arising from the proposal to place ceilings on the payments per farm in the less-favoured areas. I hope that the Minister and those who negotiate in Brussels will pay close attention to that possibility.

In conclusion, I must state that I do not agree with the hon. Member for Pontypridd (Mr. John), who said that the structural measures of the European Community should be repatriated. We pay a lot into the Community budget in support of farming and we ought to get a lot out of it. We do not get as much out of it as we might and that

[Mr. Maclennan]

is largely due to the misdirection into open-ended price support. If we tried to match consumer needs to output and supported that amount of commodities which the Community needed, there would be a substantial amount of Community money available for suitable structural schemes. However, it would never be right that the full burden of that should be borne by Brussels. The proposed proportions in the package are probably about right. However, they are far too low and we look to the Government to say at least something tonight about the order of magnitude of the amount of money that they propose to make available under these schemes over the proposed five-year period.

11.15 pm

Mrs. Fenner: Many matters have been raised and I hope that I shall be able to cover them all. The hon. Member for East Lothian (Mr. Home Robertson) raised a number of general points and I take issue with him over his remarks about penalising the consumer. We are doing all that we can—this we have done over many years—to curb surpluses in the CAP. I do not take kindly from the hon. Gentleman his comments about the consumer being penalised when I recall that food prices rose by 25·6 per cent. a year when the previous Labour Government were in power. The House will know that food prices have risen by 3·1 per cent. this year. This Government know a good deal about protecting the consumer.

The hon. Member asked about young farmers and wanted to know how the Government defined "less intensive production". As I explained in my earlier remarks, we see difficulties in administering and enforcing the proposed measures. We shall be probing the proposals in our discussions in Brussels on the package. The hon. Gentleman talked about the damaging effects of overstocking, about which the Royal Society for the Protection of Birds is concerned. We are aware of concerns about overstocking, but it is not a general problem in the United Kingdom. There are isolated examples, but United Kingdom rules provide safeguards against overstocking. We are always willing to consider new ideas on improving the rules. We shall consider extremely carefully the scope offered by the new package.

The hon. Member suggested that we should pay by area rather than by headage rates. EC rules do not allow for hectarage payments on livestock and the package does not amend that. The hon. Gentleman commented on our set-aside scheme. We are considering ideas for a voluntary set-aside scheme for cereals, which could apply Communitywide. The scheme concentrates on cereals because that is where the greatest problem lies. The Commission estimates that by 1991 grain stocks in the Community could reach 80 million tonnes if nothing is done. They now stand at 15 million tonnes.

The hon. Member asked specifically about the pre-pension scheme and landlord's consent. There is no specific requirement for a tenant to obtain his landlord's consent. The pre-pension scheme is voluntary, and if a tenant chooses to take advantage of it he must comply with the terms of his tenancy agreement. Normally that contains provisions on good husbandry, which could well preclude the abandonment of agriculture without the landlord's consent. We are well aware of the implications of the pre-pension scheme for relations between landlords and tenants. We shall want to ensure that the Commission's proposals are fair to both parties.

The hon. Member commented on the non-implementation of article 20 of the existing structures regulation on forestry. As I said earlier, the article was not implemented because our forestry grant and broadleaf woodland grant schemes are more attractive. The implementation of the article in the United Kingdom can be reconsidered in the light of the proposed amendments that are contained in the package, which are designed to make the article more attractive. That is something that can be reconsidered.

My hon. Friend the Member for St. Ives (Mr. Harris) asked, among other things, about the pre-pension scheme. We have already expressed our reservations about the pre-pension scheme proposals as we are not convinced that they will be cost-effective in reducing the surplus production. The hon. Member for Caithness and Sutherland (Mr. Maclennan) said a number of times that the Government should say exactly what we shall do, but this is an opportunity for the House to debate the issues. When we go to Brussels we shall be able to discuss the scheme and draw attention to the matters about which individual Members are concerned. As I have said, there are matters about which we, the Government, are concerned. In some instances we feel that the proposals are ambiguous or are not likely to work and will not, therefore, be cost-effective.

The hon. Member for Caithness and Sutherland said that the package will be ineffective in reducing surplus production. We tend to agree with him. That is why we are considering ideas for cereal set-aside, which we believe are designed to tackle the roots of the over-production problem.

The hon. Member for East Lothian mentioned environmentally sensitive areas. We are not very satisfied with the proposals that have been put forward, as they lack the flexibility that we would wish. For instance, they have specific conditions attached to them which we would not have found helpful in the work that we have done in connection with the Norfolk Broads. We want to see a slightly more flexible arrangement for ESAs.

Mr. Home Robertson: We are not terribly satisfied with the level of funding or the scope of the environmentally sensitive areas scheme. I should be grateful to the Minister if she would say whether the additional £1·5 million that will become available for ESAs in Britain as a result of the additional grant will be treated as extra money which could extend the scope of the scheme in the first year, or whether the money will simply be swallowed up.

Mrs. Fenner: The present schemes that are already listed for this year and which form part of the proposals in the Agriculture Bill will continue. The others will be additional. The ESAs that are being introduced are funded nationally under an article already provided.

Mr. Home Robertson: Is the amount of £1·5 million that is to be provided in the first year additional to the £6 million that is already budgeted?

Mrs. Fenner: Until the EC legislation is amended, the existing text of the article permitting ESAs is the law. It is under that article that the present ESAs are conducted.

This is a complicated package. We have deep reservations about many parts of it. There are many parts

to which we give a cautious welcome. I hope that hon. Members will feel that they have had an opportunity tonight to discuss the matter before it is settled in Brussels.

Mr. Harris: Can my hon. Friend say that the points I raised about the isles of Scilly will be considered by her Department?

Mrs. Fenner: Yes, indeed. The point that farmers other than livestock farmers could be in receipt of hill livestock compensatory allowance is raised by the new proposals. It is a matter that we shall consider.

Question put and agreed to.

Resolved,

That this House takes note of European Community Documents Nos. 6466/86, draft Regulation amending Regulations 797/85, 270/79, 1360/78 and 355/77 on agricultural structures in order to adjust agriculture to the new market situation and maintain rural areas and draft Decision amending Decision 83/641 on joint research programmes and programmes for co-ordinating agricultural research, and 7126/86, draft Regulation amending Regulations 797/85, 355/77 and 1360/78 on agricultural structures to take account of the accession of Spain; and supports the Government's view that these measures should have as a primary aim the closer alignment of agricultural production to the requirements of the market and that the measures must be both cost-effective and containable within existing expenditure ceilings.

Immigration Appeals

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Maude.]*

11.22 pm

Mr. David Clelland (Tyne Bridge): Tonight I raise a matter that concerns justice, fairness and equality of treatment under the law. The subject affects an often already disadvantaged minority — those who have applied to come to our country to live and who want to be a part of our community. At a time when the world is concerned about the inhumanity and injustice of apartheid in South Africa, and when our Prime Minister has appealed for a measure of equality in that troubled country—even though she refuses to back up her words with deeds—I draw attention to a glaring anomaly in our own system. It is an anomaly that the Government have the power to correct. I hope that the Minister of State, Home Office—the hon. and learned Member for Ribble Valley (Mr. Waddington)—will tell us that he will give sympathetic consideration to it.

To illustrate the nature of the problem, I shall tell the House a story about a little boy — a nine-year-old youngster alone in Bangladesh. It is also a story about injustice and the increasing inaccessibility of a fair hearing to an ever-growing number of ordinary men and women. If my experience is any indication of the problem, there can be very few hon. Members who have not had, at some point, a request from a constituent for help in an immigration case. I have already dealt with quite a number of cases in what is a relatively short time representing the people of Tyne Bridge.

The small boy in this case, Bablus Muskad, is the son of Abdul Muskad, a British resident since 1957, and Mala Bibi Muskad, Abdul's first wife. Bablus, like Abdul's other children, was born in Bangladesh, where his father went for long periods, whilst retaining his British citizenship. Mr. Muskad applied in 1979 for his second wife, Gulnahar Bibi Muskad, and her two children, to join him in England. Bablus was not included in that application, because his mother was still alive. Sadly, by the time the application came through, Mala Bibi had died. Naturally, Gulnahar looked after little Bablus who was only three and a half at the time, with her other children after Mala Bibi's death.

The family arrived in England in 1983 and immediately applied for Bablus to join them. His first interview with the authorities was, of course, in Bangladesh. He was asked many questions about his relationship with Gulnahar and her two sons, Bablus's stepbrothers. The eight-year-old, like eight-year-olds the world over, was confused and imprecise about these relationships. He called Gulnahar his mother and said that his stepbrother was his brother. They were understandable mistakes, given that Gulnahar had looked after Bablus since he could speak.

Many people might find it incredible that those mistakes by an eight-year-old were enough to make the interviewing authorities reject his application to join his father and the stepmother who had cared for him for so long. Bablus was left with a loose network of aunts and uncles, some of whom he did not know, to look after him.

Of course, Mr. Muskad lost no time in appealing against the decision. He was lucky enough to be advised by the family services unit in Newcastle, but it soon found that to take the appeal to tribunal meant that he, together

[Mr. David Clelland]

with any other members of his family who were going to give evidence, would have have to travel to Leeds, where the newly centralised immigration appeals office for the whole of the north of England is based.

The catch about this system of appeal is that each appellant has to pay his own costs. There is no provision in this tribunal, as there is in industrial tribunals and employment tribunals, for appellants to reclaim travel costs or other expenses. In this case, Mr. Muskad first had to go down to Leeds, with one of his sons to act as interpreter, to see the United Kingdom immigration advisory service. He had to go back a second time with Gulnahar and another son for a further visit. Then, since of course the onus is on the appellant to produce as much corroborative evidence as possible, all four members of the family went to Leeds to give evidence to the tribunal.

This particular story has a happy ending—for those hon. Members whose hearts have not been hardened by over exposure to Thatcherism. The Muskad family won their case and Bablus has now been united with his father and stepmother. But that decision took nine return journeys to Leeds at considerable cost to the family and, of course, there are other costs to take into account, such as the travel cost of the family services worker, who helped and advised the Muskad family through the maze of legality.

Even so, Mr. Muskad got off lightly. The adjudicator could have decided, as often happens, that further inquiries should be made in Bangladesh. The hearing would then have been adjourned until a future date when the family would have had to go down to Leeds yet again. If the appeal had been unsuccessful, Mr. Muskad would probably have had to go down to London, again with his family—for the burden of proof rests squarely upon the appellant—but at an even greater cost.

Bablus Muskad's case highlights a glaring failure in the legal appeal system to meet the needs of those men and women who rely on it.

The legal system has recognised that there is a need for appellants to be able to claim some expenses. In social security appeal tribunals, medical appeal tribunals and industrial tribunals the appellant can not only claim travel expenses but loss of earnings—for himself and for the witnesses he calls to support him. Legal aid has recently been extended to include patients appearing before mental health review tribunals. Ironically, had Mr. Muskad been a convicted criminal, appearing before a prison board, he would probably have been able to claim legal aid.

In most other tribunals there is provision for the legitimate expenses of claimants and witnesses whose evidence is material to the case to be met from public funds, although not those of their legal representatives. But there is no provision for this in these immigration appeal cases. It goes without saying that the attendance of witnesses in most immigration appeals is crucial, given that the onus of proof is always on the appellant and that the appellant's case will be that much stronger if corroborated by the evidence of other witnesses.

It is easy to see how the expenses involved in travelling, subsistence and loss of earnings can run into hundreds of pounds. What sort of legal system is it that first weaves a web of complexity around itself and then adds an extra layer of financial cost? A Newcastle solicitor recently wrote to me saying:

"there is no doubt that extreme hardship is caused to many claimants, and it is not unfair to conclude that there are certainly a number of cases in our experience where, because of the distance involved in getting to Leeds and the time that that involves — and the expense that our costs and the travel costs involve — some people decide that it is not worth going through with the system. If that is the case, then of course it is a strong indictment of the system, because there is no point at all in having a system of judicial review of cases of this nature which is not effectively and realistically accessible to the parties who are expected to use it."

By definition, these are not simple, straightforward cases. They are highly complex and are of the utmost importance to the individuals concerned, as they deal with their liberty to remain here or ability to bring their families to this country.

There is a strong argument in favour of extending legal aid to this increasingly complex area. The absence of aid has far-reaching consequences, for instance for the appellants' representatives who must also travel to Leeds or London with a properly prepared brief.

In April of this year I had some correspondence with the Lord Chancellor about the current study and review of the legal aid scheme. The noble and learned Lord stressed the Government's commitment to an effective legal aid scheme. That being so, it is time they drew immigration appeals into the network of assistance.

The transfer of the immigration appeals office to central offices in Leeds was, I gather, one of the earliest steps towards the centralisation of Government Departments to cut costs. As is often the case, any saving for the Government purse has resulted in ordinary people having to dig deeper into their pockets. While the Home Office is not famed for handing out money, there is a real need for appellants before immigration appeal tribunals to have at least some access to public funds for the repayment of travel expenses.

In April last I asked the Home Secretary

"if he will make funds available for the purpose of providing travel expenses for persons involved in immigrant appeal hearings."

The Minister of State, not a man to mince words or to use two words where one will do, replied:

"No". — [*Official Report*, 17 April 1986; Vol. 95, c. 466-7.]

Though that may have been a factual answer, I had hoped for a more considered and comprehensive one. Hence tonight's debate, which gives the hon. and learned Gentleman the opportunity to give a considered and comprehensive answer.

In the light of what I have said and in the interests of fairness and natural justice, I hope that the Minister's answer tonight will be to the effect that the Government intend to extend the payment of expenses to immigration appeal tribunals.

11.33 pm

The Minister of State, Home Office (Mr. David Waddington): The hon. Member for Tyne Bridge (Mr. Clelland) has raised an important point, though he rather spoilt his argument by raising some blatantly party political issues, including at one point making a sneering reference to what he called Thatcherism.

The system to which he is drawing attention has been in existence since the immigration appeals system was created, and therefore any criticisms he has of it would have been just as appropriate in the days of the last Labour Government. So it is nonsensical and rather childish of

him to try to turn this into a party political issue. It is, nevertheless, an important issue, and he questions whether legal aid should be available in immigration appeals.

I remind the hon. Gentleman that the Wilson committee, which recommended the setting up of an appeals system, was of the opinion that if the legal aid scheme was extended to tribunals in general, immigration appeals could no doubt be brought within the scope of that extension, but there were no good grounds for giving priority in respect of immigration appeals. I am bound to say that we see no reason to dissent from that view. I shall explain why.

There is no provision in the Immigration Act 1971 for the payment of expenses to people attending hearings before the appellate authorities, but section 23 of the Act provides for a grant to be made to a voluntary organisation that provides advice or assistance to persons having a right of appeal under the Act. Such a grant is made to the United Kingdom immigrants advisory service, which provides a free service advising appellants about their appeals and representing them at appeal hearings. The grant this year is £870,000. We are grateful to UKIAS for undertaking that work.

Most appeals are heard initially before independent adjudicators. Adjudicators sit not only in London but in Manchester, Birmingham and Leeds, to make it easier for appellants and sponsors who live in the north and the midlands to attend hearings. They also sit in Edinburgh, Glasgow, Belfast, Bristol, Cardiff and Southampton. It should therefore be possible for people to attend a hearing centre within reasonable distance of their home. Furthermore, the procedural rules allow for an appeal to be transferred from one adjudicator to another, and that provision can be and has been used to make it easier for an appellant or a witness to attend an appeal hearing. The Immigration Appeal Tribunal, which in the main hears appeals from an adjudicator's decision sits only in London, but the tribunal normally relies on documentary evidence and oral submissions from the appellant's and respondent's representatives, so it is not usually necessary for an appellant or his sponsor to attend the hearing in person.

Rule 27 of the procedure rules provides for the appellate authorities to issue a witness summons, but subject to the caveat that no person shall be required to travel—that is, made to travel against his will—more than 10 miles from his place of residence unless the necessary expenses of his attendance are paid. If the decision to summons a witness is solely that of the appellate authority because, for instance, it is felt that a particular person's evidence is essential to fair determination of the appeal, the expenses are paid by the appellate authority. If the summons is issued at the request of either party to the appeal, responsibility for payment then falls on that party. If either party feels it necessary to support its case by calling witnesses but without the formality of seeking a witness summons, the payment of expenses is a matter between the party and the witness.

If an appellant or a witness were to suffer considerable financial loss because of a serious mistake by the Home Office or the appellate authority in connection with the appeal proceedings, consideration would be given to the provision of an ex gratia payment. But the mistake would have to be a serious one, that is, more than just an inadvertent error. Loss caused by the adjournment of a hearing would not qualify unless the adjournment itself was caused by serious error. That is in line with the practice of the courts where costs of adjournments are included in the overall costs of the parties to the action. Within the immigration appeals system, each party bears its own costs but, as I said at the beginning, a free advisory service and free representation is provided to minimise the costs faced by a person appearing before the appellate authorities. That was not thought unfair by the previous Administration. We do not think it unfair now.

The hon. Gentleman mentioned a particular case. I cannot comment on it because I did not have notice of the fact that he would mention it and I have no notes about the case before me, but it was an illustration of the fact that there is an appellate authority which can review the decisions of entry clearance officers. In that case, an adjudicator reviewed the decision of an entry clearance officer and allowed entry to the person concerned. Therefore, that was an illustration of the system working, not an illustration of it not working. I do not think that I can comment further on the case.

Once again, I am greatful to the hon. Gentleman for allowing me at least to make clear how the system works and how it has worked, under the previous Labour Government and this Government since it was devised.

Question put and agreed to.

Adjourned accordingly at twenty minutes to Twelve o'clock.

House of Commons

Wednesday 9 July 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

FOREIGN AND COMMONWEALTH AFFAIRS

South Africa

1. **Mr. Hoyle** asked the Secretary of State for Foreign and Commonwealth Affairs if he will ask the European Economic Community Council to instruct the European Economic Community Trade Ministers to consider effective trade measures against South Africa.

2. **Mr. Hardy** asked the Secretary of State for Foreign and Commonwealth Affairs when the European Economic Community Council will next discuss the situation in South Africa and action by European Economic Community member states.

6. **Mr. Wareing** asked the Secretary of State for Foreign and Commonwealth Affairs what information he has as to how many European Economic Community member states support Her Majesty's Government in their opposition to economic measures against South Africa.

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): The Twelve are united in a common policy towards South Africa designed to hasten the process of peaceful reform and to encourage the South African Government to begin a dialogue with genuine representatives of the black population. The European Council recently entrusted my right hon. and learned Friend with a mission to southern Africa, the aim of which is to try to help establish the conditions in which the necessary negotiations can commence. He is currently visiting Zambia, Zimbabwe and Mozambique in pursuit of this objective, and plans to travel to South Africa towards the end of the month.

Mr. Hoyle: Does the Minister agree that it would be sensible and sane for her right hon. and learned Friend the Foreign Secretary to call off this useless charade, especially now that it has been condemned as a fudge by President Kaunda? The ANC will not meet him, the Church leaders do not want to see him, and even his friend, President Botha, is keeping him waiting. Would it not be more sensible for him to stop making a spectacle of himself, call off this farce and return home and try to persuade the Prime Minister to listen to the views of the black population, who want meaningful economic sanctions.

Mrs. Chalker: The hon. Gentleman is very wrong. The Heads of Government of the Twelve agreed on an urgent need for genuine dialogue on the future of South Africa. They wish a further effort to be made to seek to establish conditions in which dialogue can commence. This is not a lost cause. We are trying again the road to persuasion. As the Prime Minister said in *The Guardian* this morning:

"We can still help to get negotiations started."

When a meeting is sought with the ANC or with any other group, I hope that there will be a positive response. It is quite certain that in meeting my right hon. and learned Friend President Kaunda also believes that there is a future in dialogue through negotiation.

Mr. Hardy: In order to obtain a realistic record, will the Minister of State tell the House which Governments of the member states of the EEC are willing to apply sanctions and which are opposed to sanctions?

Mrs. Chalker: There is not a complete list. A number of countries believe that pressure should be applied, but many countries and many people who have called for sanctions believe that effective measures may not necessarily be general economic sanctions, to which Britain is opposed. It is through the consultations that my right hon. and learned Friend and others are undertaking that, if necessary, we will find what effective measures may have to be considered by the European Council and at the Commonwealth review meeting.

Mr. Wareing: Is it not a fact that the EEC countries have allowed themselves to be bullied and manoeuvred by the Prime Minister? Because of the need to have a unified policy, they have had to give way to the attacks being made by the Prime Minister upon the idea of economic sanctions. Can the Minister of State name just one country in the EEC that is doing less than Britain to bring pressure to bear upon South Africa?

Mrs. Chalker: The hon. Gentleman is sadly wrong. Other countries in the EEC are taking a variety of measures, and we are certainly taking as many as any of them.

Sir Peter Blaker: In view of the petty party point-scoring by Opposition Members, would it not be as well for the House to remember that it was a Conservative Government who secured a solution to the problem of Rhodesia after years of abject failure by a Labour Government?

Mrs. Chalker: My right hon. Friend is absolutely correct. I seem to remember a previous Prime Minister thinking that he could effect a quick answer in about 1965, but it took another 14 years. It was a Conservative Government who brought to an end the tragedies in Zimbabwe. I hope that all the efforts, not only of this Government, but of my right hon. and learned Friend on behalf of the European Community, will lead to a framework for dialogue within which we can bring an end to the awful violence which is taking place on all sides in South Africa.

Mr. Temple-Morris: Does my hon. Friend accept that there is no option now, whatever our individual views may be, but to support my right hon. and learned Friend the Foreign Secretary in his enterprise and efforts in southern Africa? Will she emphasise that he goes there on behalf of all EEC countries with strong United States links and that, therefore, he represents overwhelmingly the majority of South Africa's major trading partners? Will my hon.

Friend also emphasise to South Africa that, if it does not have the sense to listen to my right hon. and learned Friend, it may not get another chance?

Mrs. Chalker: I endorse wholeheartedly what my hon. Friend has said about the significance of this mission. It offers an important opportunity to break the cycle of violence in South Africa and to promote the very necessary dialogue and negotiation that we all want to see. My right hon. and learned Friend's mission deserves the support of the entire international community. Those Opposition Members or others who seek to talk it down for narrow partisan reasons should ask themselves seriously whether they are doing the cause any good at all. I remind the House that five of South Africa's major trading partners are united behind my right hon. and learned Friend's mission to find a peaceful solution to the terrible problems of apartheid.

Mr. Adley: Does my hon. Friend accept that Conservative Members, who have a genuine concern for the rights of black people in South Africa believe that dialogue is better than monologue and find faintly nauseating the antics of the right hon. Member for Leeds, East (Mr. Healey) in constantly trying to make partisan points which do no good whatsoever for the aspirations of black people in South Africa? Will my hon. Friend bear in mind that we support what my right hon. and learned Friend the Foreign Secretary is doing, but, if he is unsuccessful, we expect the Government to align themselves with our friends in the Community and in the Commonwealth and take whatever action is considered to be appropriate?

Mrs. Chalker: The dialogue upon which my right hon. and learned Friend has embarked is the last chance perhaps to get a successful dialogue going. It is wrong to assume that this mission will fail. I have seen all sorts of headlines and comments by right hon. and hon. Members. What is going on is a gradual, steady effort to make sure that everybody who can be involved is involved in the dialogue, which must surely come. I sincerely hope that all right hon. and hon. Members and the media will see that what is really going on is a positive effort to start the dialogue for negotiations between all peoples in South Africa.

Mr. Beith: Does the hon. Lady understand, from what the Prime Minister said on the radio this morning, that there are no economic measures that the Government would contemplate using if the Foreign Secretary's visit does not achieve the results that were set out for it? If that is so, how will that help the Foreign Secretary in his task?

Mrs. Chalker: My right hon. Friend the Prime Minister said nothing different this morning from what she has said before. This morning on the radio programme "Today" she said:

"I am and remain against punitive economic sanctions—general economic sanctions."

However—and the hon. Gentleman did not refer to this—my right hon. Friend then said that she understood that the Commonwealth was very concerned that we

"show what they call signals or gestures of disapproval of South African policy of apartheid . . . and we agree with those and operate them, as a gesture, a signal to South Africa that the world thoroughly disapproves of the system of apartheid and wants it to end."

I can find no fault whatever with that policy, which is the policy of the whole Government.

Mr. John Carlisle: Does my hon. Friend accept that the economic sanctions that have been taken by this Government and others against South Africa have already resulted in starvation, lengthening dole queues and a lot of misery to black South Africans? Will she take this opportunity to clear her own position: that she shares the view of her right hon. Friend the Prime Minister that economic sanctions are not the answer? Will she get a message through to her right hon. and learned Friend the Foreign Secretary that he must not ask of the South African Government anything that they cannot possibly deliver in these circumstances?

Mr. Winnick: The hon. Gentleman gets paid for saying that. *[Interruption.]*

Hon. Members: Withdraw.

Mr. Speaker: Order. There is so much noise that I do not know what was said. What word should be withdrawn?

Mr. Wilkinson: On a point of order, Mr. Speaker. The hon. Member for Walsall, North (Mr. Winnick) alleged that my hon. Friend the Member for Luton, North (Mr. Carlisle) was paid to put his question.

Mr. Speaker: Order. If that is so, the hon. Member for Walsall, North (Mr. Winnick) must withdraw the allegation.

Mr. Winnick: I do not wish to take time out of Question Time. May I deal with the matter at the end of Question Time?

Hon. Members: No.

Mr. Speaker: Order. Let us set off in a good way. Will the hon. Gentleman please withdraw that remark? He is an hon. Member, like everybody else.

Mr. Winnick: I have the greatest respect for you, Mr. Speaker. I am convinced in my mind that what I said was absolutely correct.

Mr. Speaker: Order. Whatever the hon. Gentleman may be convinced about in his own mind, in this Chamber he must withdraw that comment.

Mr. Winnick: I shall do so only because of your ruling, and for no other reason, because I have not changed my mind one tiny bit. However, if you tell me to do so, in your capacity as Speaker, although what I believe is true, I have no alternative but to withdraw. Only in those circumstances do I withdraw.

Mr. John Carlisle: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I am not taking any more points of order. The hon. Gentleman has had his say.

Mrs. Chalker: The matter of South Africa is terribly serious, and it behoves the House not to catcall in one way or another. We want to see a speedy end to the awful regime of apartheid. My hon. Friend the Member for Luton, North (Mr. Carlisle) says that general economic sanctions will have, and have had, damaging consequences before. I must point out that it is the potentially very serious effects on South Africa's neighbours, as well as on black people in South Africa, if general economic sanctions were to be applied, that makes us consult so widely and seriously about the best way to bring about an

effective change in South Africa. That is what my right hon and learned Friend will do throughout his mission and thereafter.

Mr. Healey: Does the Minister believe that the Foreign Secretary's chances of success in his mission have been improved by the fusillade of interviews given by the Prime Minister since he left London? In the course of those interviews the Prime Minister said that she was sorry that South Africa was not in the Commonwealth, she severely criticised the Governments of Zambia and Zimbabwe, she said that she was against economic sanctions in general, that she would support signs and gestures but did not believe that they would have any effect, and, finally, she said that she hoped the Commonwealth summit would take no action on South Africa. Has the Prime Minister not cut the ground from under the Foreign Secretary's feet and made his mission impossible?

Mrs. Chalker: If anyone has made my right hon. and learned Friend's position impossible, and sought to persuade persons, as I understand it, not even to meet him, it is the right hon. Member for Leeds, East (Mr. Healey).

Mr. Healey: That is absolutely untrue.

Mrs. Chalker: My right hon. Friend the Prime Minister understands very well the anger, despair and hopelessness of many people in South Africa and southern Africa. She fully supports the mission undertaken on behalf of the European Community by my right hon. and learned Friend, and she is seeking in every way possible to make sure that we view the possibilities ahead in a realistic way that will help to bring about that necessary pressure on the South African Government.

Mr. Healey: On a point of order, Mr. Speaker. I ask you to give the Minister a chance to withdraw the disgraceful statement that I sought to persuade African leaders not to see the Foreign Secretary. I ask her to consult the high commissioner in Lusaka, with whom I stayed, who will tell her that I spent the whole visit trying to persuade President Kaunda to see the Foreign Secretary and to withdraw his threat to leave the Commonwealth.

Mrs. Chalker: I would like the right hon. Gentleman, with whom I have frequently had good and thoughtful discussions on this subject, to assert in the House this afternoon that he fully supports my right hon. and learned Friend's intention and wish to meet the ANC and all other groups with which we seek to promote dialogue in an effort to bring an end to apartheid. I said to the right hon. Gentleman that I had understood that that had happened. If that is not the case—the right hon. Gentleman knows me well enough; he knows I will withdraw—I ask him to assert here this afternoon that he is fully in favour of my right hon. and learned Friend meeting all the political groups and all the people whom he seeks to meet in an effort to bring about the dialogue that we all urgently want.

Several Hon. Members *rose*——

Mr. Speaker: Order. I will call the right hon. Member for Leeds, East (Mr. Healey) on the next question.

3. **Mr. MacKenzie** asked the Secretary of State for Foreign and Commonwealth Affairs what recent actions have been taken by Her Majesty's Government against the present Government of South Africa.

7. **Mr. Greenway** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's policies towards South Africa.

Mrs. Chalker: The Government have implemented a wide range of measures against South Africa, including the United Nations arms embargo, the Gleneagles agreement and those agreed with our Commonwealth partners at Nassau and our European partners in Luxembourg in 1985. We have also made representations to the South African Government on a number of issues, most recently the restrictions imposed under the state of emergency and the detention without charge of a large number of people. Our objectives remain an end to apartheid, a solution to the South African problem by negotiation and a suspension of violence on all sides. We shall continue with all our partners to do everything we can to help achieve those goals.

Mr. MacKenzie: Does the Minister accept that many hon. Members who dislike any form of extremism clearly believe that what has been done has not been enough? If we are to show our intense dislike of the fundamental philosophies of the South African Government, clearly much stronger measures will have to be taken than those that the Minister has just announced. That view is shared by many people, not least by the Church of Scotland, which has considerable experience of African questions.

Mrs. Chalker: I understand what the right hon. Gentleman is saying. Obviously the measures that we, together with other countries, have sought to take have not been enough, because they have not yet brought an end to apartheid. However, we should remember that considerable steps have begun to be taken in South Africa. They are not sufficient and, indeed, they must be followed by further steps to end apartheid as speedily as possible. However, as the right hon. Gentleman knows, as a result of the European Council meeting the Community will look at other measures that might be needed.

Mr. Greenway: Does my hon. Friend agree that nothing but bloodshed will be achieved unless the South African Government and all sections of the community there can be induced to speak, and that no amount of pressure on one section of the community or another which drives sections of the community into a bunker will help anybody? What measures does my hon. Friend envisage will achieve proper talks for the whole community?

Mrs. Chalker: It would be presumptious of me to say what further measures might bring about the much sought after peace that we all wish to see. It is right, during this period leading up to the Commonwealth review and further European meetings, that we should continue to discuss with our partners the real effects of each measure which has been discussed, because it is only when we measure how many people might be put out of work in southern Africa and how many might be brought to much greater hardship than they already suffer in South Africa and in the front-line states that we can judge the best way ahead.

Mr. Barnett: One of the arguments which the Prime Minister repeatedly uses against economic sanctions against South Africa is the damage that she believes they will do to the economies of front-line states and to the

African people in South Africa. What rights does the Prime Minister believe she has to speak on behalf of African people in the front-line states or South Africa?

Mrs. Chalker: It is not just my right hon. Friend the Prime Minister who believes that general economic sanctions would not bring about an end to apartheid. On 2 July, in *The Times*, Mrs. Helen Suzman said:

"What they would do, in fact, is to lay off workers as the economy wound down—a sombre prospect in a country with no social security safety net, no dole and no food stamps."

She went on to say:

"Effective sanctions would wreck the economy and destroy the inheritance that blacks will undoubtedly share in the not-too-distant future."

I remind the House that Mrs. Helen Suzman has been a South African Opposition Member of Parliament since 1961, and I believe that she is as right as my right hon. Friend the Prime Minister.

Mr. Mark Carlisle: Does my hon. Friend agree that many of those of us who wish to see genuine fundamental change in South Africa and who supported my hon. Friend in her decision to see Mr. Oliver Tambo regret bitterly the attitude of the ANC and Bishop Tutu in not being willing to see my right hon. and learned Friend the Foreign Secretary? Does she also agree that it would help if the right hon. Member for Leeds, East (Mr. Healey) would use his considerable influence to encourage such meetings rather than to undermine my right hon. and learned Friend?

Mr. Healey *rose*——

Mrs. Chalker: I am afraid, Mr. Speaker, that it is my turn.

We understand exactly what my right hon. and learned Friend said. I previously invited, and do so again, the right hon. Member for Leeds, East (Mr. Healey) to assert in the House that he is very much in favour of my right hon. and learned Friend the Foreign Secretary meeting all those whom he seeks to meet. When one sets out on a complicated mission such as this, I sincerely hope that hon. Members realise that it takes time to set up meetings between many others. When a meeting is sought, be it with the ANC or any other group, it is hoped that there will be a positive response, which I am sure the right hon. Member for Leeds, East will encourage.

Mr. Healey: I thank the Minister for withdrawing her earlier imputation. [HON. MEMBERS: "No, she did not."] Yes, she did. The Minister will be aware that I met Mr. Oliver Tambo before I left for South Africa and strongly encouraged him to meet the hon. Lady. He was minded not to do so, as I am sure she knows—*[Interruption.]* Yes, that is the case. When I was in Lusaka I suggested that the Foreign Secretary's visit would give the ANC an opportunity of pursuing discussions and, in fact, I invited the Foreign Secretary in this House on Monday of this week to seek to meet the ANC on his visit. But the hon. Lady must accept that the depth of feeling against the British Prime Minister among the Governments of the front-line states and among many Commonwealth and European countries, as illustrated by the withdrawal of Nigeria from the Commonwealth Games today, is something about which the Prime Minister should be a great deal more sensitive than she showed herself to be in the bizarre series of inteviews to which I referred.

Mrs. Chalker: I note that the right hon. Gentleman has not asserted what I asked him to assert.

Mr. Healey: I have.

Mrs. Chalker: There needs to be not just an emotional response to the many emotional comments being made on this issue, but a realistic assessment of what the possibilities and effective measures might be. It is positive measures as well as restrictive measures that are most likely to be effective in promoting change in South Africa. If every hon. Member will consider the consequences of each and every point that is being discussed, we might come up with a far better solution than the ones that are being shouted and barracked about by Opposition Members.

Portugal

5. **Mr. Ron Brown** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about the United Kingdom's relations with Portugal.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): Anglo-Portuguese relations are excellent. This year we are celebrating the 600th anniversary of the treaty of Windsor. This historical alliance is complemented by our joint membership of NATO and the European Community. Bilateral trade and tourism continue to flourish.

Mr. Brown: As there have been repeated calls for the release of Nelson Mandela, will the Government continue with their principled position by approaching the Portuguese Government and suggesting that it would be appropriate now to release Otelo Carualho, the leader of the 1974 revolution against Fascism? Is that not appropriate?

Mr. Eggar: It would not be appropriate for us to interfere in what is an internal judicial matter affecting Portugal.

Mr. Wilkinson: Will my hon. Friend and the rest of the Foreign Office team use their best influences to grant a favourable response to the application for membership of the Western European Union which was lodged by the Portuguese Government some time ago and has since then languished upon the table?

Mr. Eggar: I shall certainly bear my hon. Friend's point in mind. I know that there are other right hon. and hon. Members who feel similarly.

South Africa

8. **Mr. Sedgemore** asked the Secretary of State for Foreign and Commonwealth Affairs if he will now make a statement on the Government's response to the report of the Commonwealth Eminent Persons Group.

Mrs. Chalker: We are considering very carefully what response we should make to the report by the Eminent Persons Group and look forward to a full discussion of the way ahead with Commonwealth leaders at the review meeting in August. We believe that the group's objective of promoting dialogue in the context of a suspension of violence remains valid.

Mr. Sedgemore: Bearing in mind that black people in South Africa and in the front-line states, the Eminent

Persons Group and decent people in Western democracies want sanctions because they believe that liberty, freedom and democracy are more important than short-term material comforts, who does the Minister support—the civilised people of the world, or her shrivelled Prime Minister with her Judas mentality?

Mrs. Chalker: I did not think that the hon. Gentleman would sink so low. I have to remind him and many other hon. Members that the measures already in place are being lost sight of. We have been taking measures, positive as well as negative, for years. Prior to the agreement last year with our European partners, Britain had a policy of not trading with South Africa in arms or paramilitary equipment, not co-operating with them in military and nuclear spheres, not selling oils to South Africa, not selling computer equipment to the South African police or armed forces and discouraging sporting contacts. We made further agreements with our European partners at Luxembourg last year and, following the Commonwealth Heads of Government summit at Nassau last October, we ended Government-to-Government loans, ceased funding trading missions and agreed to ban the import of gold coins. Those measures are already in place. What we are discussing with our European partners, the Heads of the economic Seven and the Heads of the Commonwealth is what could be effective in making South Africa bring about a real end to apartheid. We shall go on doing that. It is exactly what my right hon. Friend the Prime Minister is working for, as well as the rest of the Government and Conservative Members.

Mr. Gow: To what extent, if at all, is British foreign affairs policy still based upon the principle that we should not interfere in the internal affairs of other states and on the basis that we should not enter into discussion with terrorist organisations or organisations that have not repudiated terrorism?

Mrs. Chalker: I fully understand my hon. Friend's anxieties. I have to say that in South Africa, which is no longer a member of the Commonwealth, there are many British passport holders and many British people. There are also long links with South Africa. I do not think that in the efforts we are making we are in any way telling South Africa how the non-racial democracy that the whole world has been calling for should be brought about. That is for South Africa to agree with all its people.

On the subject of meeting groups that have been involved in terrorism of one sort or another, I have to say that my right hon. Friend, now the Home Secretary, met the Palestine Liberation Organisation in 1982-83 in an effort to bring about understanding. I believe that we must meet groups to understand the situation if we are ever to resolve the differences that have led to the lack of dialogue and the totally unacceptable situation in South Africa.

Mr. Tom Clarke: Does the Minister accept that the Prime Minister's interview on Canadian television last night did the greatest disservice to the report of the Eminent Persons Group? Does she accept that that was quite unconvincing — *[Interruption.]* There are those who might seek to thwart free speech in South Africa, Mr. Speaker, but I am sure that you will not allow that to happen in the House. The Prime Minister said that she could not carry other countries with her on sanctions. Is that not unacceptable, given that she has introduced a veto in the Security Council?

Mrs. Chalker: The hon. Gentleman surely knows that the reason why we have not been able to accept chapter 7 mandatory economic sanctions is the very fact that we believe that they would have a very deleterious effect and would not bring about the result which I believe the hon. Gentleman genuinely seeks in South Africa, which is an end to apartheid, the unconditional release of Nelson Mandela and other detainees, the removal of the ban on the African National Congress and other political parties and a start to dialogue and negotiation. If one considers that, and considers in full what my right hon. Friend the Prime Minister has said rather than taking up partial comments, which is all that I have heard in the House today, one realises that one has to work as hard as one can for dialogue and an end to violence. That is exactly what we are doing.

Mr. Nicholas Winterton: Does my hon. Friend accept that, like the more responsible members of the Eminent Persons Group, that great British leader, Sir Winston Churchill, believed fervently in "jaw jaw" rather than "war war", whether it be about military or trade sanctions? Only the Soviet Union could benefit from trade sanctions. Will my hon. Friend give the House an assurance that while our right hon. and learned Friend the Foreign Secretary is in southern Africa, he will see Bishop Makoena of Soweto, who represents 4·5 million black Christians and Chief Gatsha Buthelezi, who represents 6 million black Africans? Both those distinguished leaders of black South Africans believe that sanctions will be damaging and do not wish the British Government to support sanctions against their country.

Mrs. Chalker: My hon. Friend and I, as well as my right hon. and learned Friend the Foreign Secretary, are united in believing that general economic sanctions would not be in the best interests of the black people in southern Africa. I know that my right hon. and learned Friend will do his best to meet as many people like the gentlemen whom my hon. Friend suggested, and many others. It will be a question of time, and of what can be fitted in, but we are willing to listen to representations from all such people.

9. **Mr. Meadowcroft** asked the Secretary of State for Foreign and Commonwealth Affairs what reports he has received from Her Majesty's ambassador in South Africa on the situation in the townships since the imposition of the state of emergency.

Mrs. Chalker: Her Majesty's embassy continues to keep us fully informed on all aspects of the situation in South Africa, including reports on visits by the ambassador and his staff to the townships.

Mr. Meadowcroft: Given the intolerable censorship imposed by the South African regime, how far do our diplomats have to conform to that censorship? Is it not important that the Government should be able to assist in the dissemination of genuine information from within South Africa, and how far would the hon. Lady assist that process?

Mrs. Chalker: As far as I am aware, Her Majesty's ambassador and his staff have not been stopped from going about their lawful business of travelling within normal restrictions in southern Africa. They have certainly reported on what they have found, on a confidential basis. Whether all that information could be verified at present it is impossible to know, because of the state of emergency.

It is, therefore, absolutely essential that that state of emergency is brought to a speedy end at the earliest possible time so that free reporting may start again in South Africa.

Mr. Jim Spicer: My hon. Friend will know of the magnificent work that is being done by the Urban Foundation in the townships. Is there any reason why Her Majesty's Government should not make a direct grant to the Urban Foundation for the work that it is doing in improving the lot and conditions of the people who live in the black townships?

Mrs. Chalker: I have been informed that the Urban Foundation was getting a great deal of finance from business in South Africa, which is absolutely right. We ourselves have added a further £15 million of new assistance over five years for southern Africa, which was mentioned by my right hon. Friend the Prime Minister in the House on 1 July. That is in addition to some £22 million already committed, much of it going to South Africa and the neighbouring states for the very reasons that my hon. Friend would wish. I do not know whether it is feasible to fund the Urban Foundation in the way that my hon. Friend says, but I know that all the resources that are being used for helping black people in southern Africa are there to help their education and training, and the re-establishment of homes and schools. I believe that all offers will be welcome wherever they may come from—Government or the private sector.

Helsinki Final Act

10. **Mr. Janner** asked the Secretary of State for Foreign and Commonwealth Affairs whether he intends to attend the next conference concerning the Helsinki accords and conference in Vienna in November.

The Minister of State, Foreign and Commonwealth Office. (Mr. Tim Renton): Participants in the conference on Security and Co-operation in Europe have not yet decided at what level to hold the opening session of the Vienna meeting. If it is at Foreign Minister level, my right hon. and learned Friend plans to attend.

Mr. Janner: Do the Government not find it odd that a conference on human rights is to be held in a country which has just elected Kurt Waldheim as President? When do the Government expect to conclude their investigations into the interrogation — and subsequent deaths — of British prisoners of war by German army group E — Waldheim's group? Will that be before the conference? Is there any hope of the Government achieving anything other than a cover-up if they will not even ask for access to the relevant documents from the files of the United Nations and the Federal Republic of Germany?

Mr. Renton: As the hon. and learned Gentleman will know, the Madrid CSCE meeting, which concluded in 1983, provided for the next follow-up meeting to be held in Vienna from 4 November 1986. That is what will happen. As for the hon. and learned Gentleman's question about Dr. Waldheim, I mentioned to him when replying to the foreign affairs debate some weeks ago that the Ministry of Defence was still searching into its records with regard to the evidence and the details that the hon. and learned Gentleman sent to the Ministry. I understand that the search is not yet complete, but when it is, the Minister will get in touch with the hon. and learned Gentleman.

Mr. Rhodes James: Will my hon. Friend expedite those inquiries? Will he look into the case of Sergeant John Dryden, who fell into the hands of unit E, was interrogated and sent for special treatment under Waldheim?

Mr. Renton: The MOD is searching carefully into the evidence that the hon. and learned Member for Leicester, West (Mr. Janner) has sent. We cannot prejudge the results of that search, but the Ministry will be in touch with the hon. and learned Gentleman as soon as the search is completed.

Mr. James Lamond: Will whoever represents us at the conference draw to the attention of one signatory of the Helsinki Final Act — Turkey — the fact that we object strongly to its troops occupying the sovereign territory of another signatory to the Helsinki Final Act—Cyprus—refusing to withdraw troops, bringing settlers to northern Cyprus, trying to establish for all time that it has a right to be there, and refusing to co-operate in tracing the many hundreds of Greek Cypriots who disappeared during the invasion 12 years ago? Could not that matter be raised under the Helsinki Final Act?

Mr. Renton: The Vienna conference will deal with three broad matters following the Helsinki Final Act — security, economic and humanitarian matters. In the humanitarian part of the conference, the question of human rights in eastern Europe will be followed up actively, not least by members of our delegation.

Mr. Terlezki: When the Foreign Secretary goes to Vienna, will he be very positive and ask at the conference whether it would be possible to arrange for the Eminent Persons Group to visit the Soviet Union on a fact-finding tour, as there are millions of innocent people imprisoned and persecuted in the Soviet Union? What is good for the blacks is also right for whites.

Mr. Renton: I understand my hon. Friend's point. The recent Inter-Parliamentary Union delegation to Moscow, led by that eminent person my noble Friend Lord Whitelaw, handed over a list of human rights cases that it wished the Soviets to look into. The Soviet failure so far to implement the Helsinki Final Act, especially in relation to human rights, is a matter of great concern to us and one that will be taken up regularly at the Vienna meeting.

Mr. George Robertson: Before anyone goes to Vienna in the autumn, would it not be worth while for the British Government to speak out against the United States veto of the agreement almost reached at Berne in the same forthright terms as the President of the Federal Republic of Germany did last Wednesday in the Royal Gallery? Does the Minister agree that progress in freeing people from the artificial and wholly indefensible restrictions on their ability to travel will come about only when the United States starts to listen to its European allies?

Mr. Renton: The hon. Gentleman refers to the United States' refusal to agree to the summary document after the Berne meeting on human contacts. The United States delegation took the view that the document was in some ways a backward step from agreements that had been reached and announced publicly. That is why the United States delegation did not support the document. We took

the view that, although we should have liked to support it, the Americans had a perfectly understandable point of view of their own on that issue.

South Africa

12. **Mr. Winnick** asked the Secretary of State for Foreign and Commonwealth Affairs what position Her Majesty's Government are taking towards adopting economic measures against the South African regime.

Mrs. Chalker: We receive a large volume of correspondence both for and against the imposition of economic sanctions against South Africa. Together with our European and Commonwealth partners, we have already adopted a number of restrictive measures towards South Africa designed to send a strong political signal of the need for fundamental reform, but it remains our view that general economic and trade sanctions would hinder rather than accelerate the process of peaceful change in South Africa, to which we are fully committed.

Mr. Winnick: Is the Minister of State aware that anyone who has the slightest doubt about the Prime Minister's true views on South Africa and the measures required need only read today's interview in *The Guardian*, in which she expresses the most craven and disgraceful appeasement of apartheid? No doubt the Prime Minister's comments will be noted by Commonwealth leaders. As the Minister of State has expressed quite different views both in the House and on television, is she proud to be arguing such a shoddy case at the Dispatch Box today?

Mrs. Chalker: I have not expressed different views. As an individual I may use different words, but I assure the hon. Gentleman that, as my right hon. and learned Friend the Foreign Secretary said on Monday, we are seeking exactly the same end and in the same way. If the hon. Gentleman continues to take such a partial view of my right hon. Friend the Prime Minister's total opposition to apartheid and her repetition of the way in which economic sanctions would harm the black people of South Africa and the front-line states, he is taking a very one-sided and blinkered view of the reality of modern trade and the effect that economic sanctions would have on black people. I ask him to look again at the full facts of the situation.

Mr. Rathbone: Will my hon. Friend confirm that it is the Government's aim to take all measures necessary to bring pressure to bear on the South African Government to hurry up the process of reform and to carry through extensive reform so that, one hopes, there can still be evolutionary rather than revolutionary reform in that country?

Mrs. Chalker: As my right hon. Friend the Prime Minister told the House on 1 July, we are considering certain contingency plans outlined in the June communiqué following the European Council summit at The Hague. We are looking at positive as well as restrictive measures to bring about the change so urgently needed in South Africa. My hon. Friend has our assurance that that is being fully done.

Ms. Clare Short: The Minister asked us earlier to make a realistic assessment of the situation. Is not a realistic assessment that the South African Government are not willing to negotiate, which is why there is a state of emergency and why the whole of the leadership and the trade union leadership are in prison? The South African people are willing to fight and die for their freedom. That is their only route to success, as it was for the people of Zimbabwe. The question is: which side are we on? If we say in advance of any talks that we are not willing to take either general economic sanctions or even punitive economic sanctions — the whole point of which is to punish and pressurise—does it not mean that we are not on the side of the fight for freedom by the black people of South Africa? That is what the whole world knows, to our shame.

Mrs. Chalker: The Government are doing, and will continue to do, all those things that are necessary to bring about peaceful change. I warn the hon. Lady that it is all too easy to talk about blanket general economic sanctions without realising their exact effect. It is obvious that many people, such as Chief Buthelezi, but also many others who represent the black communities, are gravely concerned about the effect of sanctions. I know from my discussions with many people, including Mr. Oliver Tambo, that they have no wish to inherit an economic desert, which would be the result of general economic sanctions.

Sir Frederic Bennett: Did my hon. Friend happen to see a very interesting programme on BBC television on Monday evening — one of its very rare moments of objectivity — called "The Other Side of the Sanctions Equation", which showed quite convincingly that the death rate of young African children in one of the homelands has doubled because of the economic measures already taken? Is that really what Opposition Members want to happen again and again?

Mrs. Chalker: My right hon. Friend draws our attention to a programme which, sadly, I did not see, but to which my right hon. Friend the Prime Minister referred during questions yesterday. Of course we wish to take no measures that will inflict upon black people in South Africa and the other front-line states the sort of future that some unthinking Opposition Members seem to think should happen, without any care for those people — a care which this Government really have.

Mrs. Dunwoody: If the hon. Lady is genuine in her desire to protect the peoples of black South Africa, will she today come to the Dispatch Box and say, quite simply, that when economic sanctions are imposed this country will give positive economic and political aid to those most in need in the front-line states?

Mrs. Chalker: It would be presumptuous of me to say today what will be in place, whether or not the South African Government take more rapid steps towards the ending of apartheid in the coming weeks. I have already said this afternoon, as the hon. Lady would know if she had been listening, that a further £15 million will be spent over five years—not only £12 million to help non-white South Africans, but £3 million for transport projects in the front-line states. We are giving that aid in addition to another £22 million already announced. The hon. Lady should possess herself in patience for the outcome of the discussions to bring an end to apartheid, through my right hon. and learned Friend's mission.

USSR (Human Rights)

13. **Mr. Steen** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will seek an

opportunity of raising the plight of religious minorities in the Union of Soviet Socialist Republics in his discussions with the Foreign Minister of the Soviet Union during Mr. Shevadnadze's visit to London on 14 and 15 July; and if he will make a statement.

Mr. Renton: My right hon. and learned Friend and I expect to discuss with Mr. Shevadnadze the full range of issues in East-West relations, including arms control, regional questions and human rights. We shall bring to his attention the need for better implementation of commitments under the Helsinki and Madrid CSCE documents, in particular as regards the treatment of their citizens, including religious minorities.

Mr. Steen: While the Soviet Union understandably resents interference in its domestic policy, does my hon. Friend agree that human rights know no frontiers and that we need to encourage the Soviet Union to recognise the freedom of the individual and freedom from religious persecution as of paramount importance? When my hon. Friend sees the Foreign Minister, will he ask him to release Mr. Alexei Magarik, a Hebrew teacher recently sentenced to three years' hard labour for his teachings?

Mr. Renton: I listened carefully to what my hon. Friend said. It is absolutely right that, despite the commitments of the Soviet Union under both United Nations and CSCE documents that it has signed, it does not yet give freedom to religious minorities from persecution or allow them to leave the country if they wish. That is one of the commitments in those documents. I shall look into the case that my hon. Friend has referred to. We shall see whether it would be appropriate to include that among the matters that will be discussed with Mr. Shevadnadze.

Mr. Beith: While continuing to press the cases of those Jewish families seeking to emigrate, and continuing to press cases such as that of Irina Ratsushinskaya and other Christians imprisoned in the Soviet Union, will the hon. Gentleman press upon the Soviet Foreign Minister that nothing could do more to enhance the reputation of the Soviet Union in the West than a far more civilised attitude to such matters?

Mr. Renton: I agree with what the hon. Gentleman has said. I am aware of the sad case of Irina Ratsushinskaya, about which many hon. Members have written to me. I raised the case with the new Soviet ambassador when he called on me some weeks ago. We shall consider including that case among those to be discussed with Mr. Shevadnadze.

Mr. Sumberg: Is not the best test of a free society how it treats its religious minorities? By that test, does not the Soviet Union stand condemned? When my hon. Friend meets the Soviet Foreign Minister, will he make it clear that we seek nothing less than a full implementation of the Helsinki agreement?

Mr. Renton: That is the attitude that we have taken on many occasions with Soviet Union Ministers. It is a point that we shall make again during Mr. Shevadnadze's visit next week.

Palestine Liberation Organisation

15. **Mr. Ernie Ross** asked the Secretary of State for Foreign and Commonwealth Affairs if he will continue the dialogue started by his predecessor as President of the Council of European Community Ministers, Mr. Hans Jan der Brock, with the chairman of the Palestine Liberation Organisation, Yasser Arafat.

Mr. Renton: We shall continue to maintain contact with the PLO, but at present we have no plans for further ministerial meetings.

Mr. Ross: Does the hon. Gentleman accept that the predecessor of the Foreign Secretary ended the contact between the PLO and the European Community? Does the hon. Gentleman think that it would be useful to promote some initiative that would follow on from the Venice declaration?

Mr. Renton: Our views on contacts with the PLO are well established. There are often contacts at official levels, but meetings at higher levels remain difficult while the PLO's policies reamin, to say the least, ambiguous on Israel's right to secure and recognised borders and on the use of violence.

Mr. Walters: Will my hon. Friend take this opportunity to reaffirm that the Palestinians, like any other people, should have the right to exercise their right of self-determination and also to choose their own leadership?

Mr. Renton: Yes. The principle of the right to self-determination is spelt out in the Venice declaration. It is a principle to which we subscribe. We agree strongly that Palestinians must choose their own representatives, including their leadership. Those people must be willing to take some risks to obtain peace in the middle east.

Mr. Faulds: Is the hon. Gentleman aware that the more the British Government tag along with the ignorant attitudes of the American Administration, the less likely is the advance of the Palestinian cause or peace in the middle east?

Mr. Renton: It is a great pity that the hon. Gentleman, who has a considerable knowledge of the middle east, overstates his case so dramatically and thus ruins a solid basis to some of his arguments.

Mr. Marlow: I wonder whether my hon. Friend, in consideration of the Palestinian issue, would like to discuss with the Israeli Government their connivance at the cover-up of the murder of two unarmed Palestinian prisoners? Perhaps he would like to take with him the hon. and learned Member for Leicester, West (Mr. Janner), who seems deeply concerned about the behaviour of international statesmen.

Mr. Renton: I note what my hon. Friend has said. He will fully agree that the matter, about which we have all read a great deal, is obviously one to be pursued by the Israeli authorities. I have no doubt that they will do so with great care.

Mr. Janner: Will the Minister observe that my hon. Friend's question, unlike his supplementary question, referred to a dialogue with Yasser Arafat? Before considering having any such dialogue, will the Minister consult the Governments of Syria and Jordan to see whether they are prepared to have a dialogue with Yasser Arafat, otherwise the truth will become apparent—that this man does not represent the Palestinian people, who are entitled to their rights, but not via the PLO?

Mr. Renton: I have read the same newspaper report as the hon. and learned Member, but it is clearly up to the PLO to decide who its leader should be.

South Africa

16. **Mrs. Shields** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the South African Government on the release of Nelson Mandela.

Mrs. Chalker: The statement issued by European Community Heads of Government following the European Council meeting on the 26 and 27 of June at The Hague, called on the South African Government to release unconditionally Nelson Mandela and other political prisoners. This was immediately communicated to the South African Government.

Mrs. Shields: What is the Foreign Secretary planning to do if, when he meets the South African authorities, they refuse his request that Mr. Mandela be released?

Mrs. Chalker: Should that unfortunately be the outcome of my right hon. and learned Friend's discussions with the South African Government, I am sure that, when the matter is considered with the Heads of the Commonwealth, our European Community partners and the seven industrial nations, they will jointly decide on further action. We believe that the unconditional release of Nelson Mandela and other detainees, but especially Nelson Mandela, is a key to bringing about the end to violence and to getting dialogue moving in South Africa for a peaceful, evolutionary solution to the problem.

Sir John Farr: Does my hon. Friend agree that Nelson Mandela's release should not be unconditional but that it should be conditional upon his renouncing the use of violence, as has always been the principle behind the British Government's policy?

Mrs. Chalker: My hon. Friend will be aware that when I met the acting President of the African National Congress I spent a good deal of the time trying to persuade Mr. Oliver Tambo and his colleagues that there was no way out of this problem by violence—that it had to be by negotiations. The unconditional release of Nelson Mandela represents one of the best hopes of controlling the violent elements that exist among black people and of bringing about some common sense in the great battle for a dialogue leading towards negotiation and an end to the violence.

Mr. Speaker: Mr. Mikardo — and a very happy birthday.

Mr. Mikardo: I am most grateful to you, Mr. Speaker.

Will the hon. Lady be good enough to suggest to the Foreign Secretary that, when he meets South African Ministers, he ought to tell them the self-evident fact that the longer they delay talking to the Mandelas and the Tambos, the more likely it is that they will finish up talking to other people with whom they might find it much more difficult to reach agreement?

Mrs. Chalker: May I join you, Mr. Speaker, in wishing the hon. Gentleman a happy birthday.

The tragedy of not talking now is that that provides a perfect recruiting ground for Communists and people with other undesirable views in black opposition parties in South Africa. That is why my right hon. and learned Friend is using all his endeavours to bring about a framework for dialogue between all peoples in South Africa. I hope that the House will join me in wishing him the very best success in those efforts, which will be long and hard.

Jury Challenge (Roskill Report)

3.35 pm

Mr. Gerald Kaufman (Manchester, Gorton) *(by private notice)* asked the Secretary of State for the Home Department if he would make a statement about the Government's response to the recommendation in the Roskill report that random jury challenges be abolished.

The Secretary of State for the Home Department (Mr. Douglas Hurd): In the White Paper on plans for criminal justice legislation, we invited comments on concern which had been expressed about the right of the defence to challenge up to three jurors without giving cause. The White Paper set out several options for change, including abolition of peremptory challenge, as had been recommended by the Roskill committee on fraud trials. We have been reflecting on these options in the light of the response to the White Paper.

Whatever its justification in earlier days, peremptory challenge is now widely criticised as a distortion of the jury system, which should be based on the principle of random selection. The removal of peremptory challenge would help to maintain the effectiveness and integrity of the system. It seems wrong in principle that jurors should be removed without reasons being given. It is also unsatisfactory that, in cases with large numbers of defendants, the composition of the jury should be capable of being influenced so substantially.

We have therefore decided that it would be desirable to abolish peremptory challenge, and shall be including proposals with that effect in legislation which I hope to introduce next Session. Challenge for cause—that is the right of either party to seek the removal of a juror for stated reasons—would remain.

Mr. Kaufman: I thank you, Mr. Speaker, for enabling the House to extract from the Home Secretary today what he communicated to the press yesterday. It is becoming more and more offensive that Government decisions are being communicated to everyone but those in the House, and that when they are communicated to the House they are communicated only grudgingly when we attempt to obtain answers through you, Mr. Speaker.

Is it true that on abolition of jury trial fraud cases the Government have decided to accept the advice of the Opposition, of many Conservative Members and of many outside observers? The right hon. Gentleman quoted from the White Paper on criminal justice, but curiously his eye did not stray to paragraph 38, which reads:

"As a first step towards assisting Parliament to resolve the issues, the Director of Public Prosecutions is now monitoring the use of peremptory challenge and prosecution stand-by in cases presented by him. From 1 April, this survey will be extended to all cases tried in the Crown Court in those areas . . . in which the Crown Prosecution Service is in operation."

I remind the right hon. Gentleman that the paragraph continues:

"The figures thus gathered will be available to inform debate when the Criminal Justice Bill is before Parliament."

Can the right hon. Gentleman say whether the outcome of the survey is available and whether it was available to the Cabinet Committee which decided to abolish the right of peremptory jury challenge, bearing in mind that he made it clear that the outcome of the survey was crucial to a decision upon it? What are the conclusions of the survey, and when will the survey and the findings be made available to the House?

The right hon. Gentleman has said that the Government intend to retain the right of challenge for cause. Is he not aware—this has been said by a number of Members, including my right hon. and learned Friend the Member for Aberavon (Mr. Morris) — that the abolition of peremptory challenge will turn challenge for cause into a growth industry in the courts? Will he bear in mind that the abolition of this right will cause minorities especially to feel that they have been deprived of an important part of their armoury of defence?

Mr. Hurd: I do not think that the right hon. Gentleman is right to get into a froth about procedure. We told the House that we were considering the matter, and we set out the options in the White Paper. Yesterday the press began to get hold of some partly inaccurate accounts of our conclusions, and I agree that it is better to set the record straight. These are proposals that will come before the House and they will need to be debated at some length. There are a number of outstanding issues arising from the Roskill report, including the suggestion of a fraud trial tribunal, on which we are reaching or have just reached conclusions. I shall arrange for the House to be informed of our conclusions when they are ready.

The right hon. Gentleman quite fairly drew attention to the monitoring exercise, and the first results are available. The monitoring is continuing, and the results will be available for informed debate when the House considers the proposals that we set before it.

The right hon. Gentleman expressed a view about challenge for cause. I know of that opinion, as it has been expressed before in the House. I do not share it, but that theoretical supposition will no doubt be advanced when the House debates the proposals.

Mr. Mark Carlisle (Warrington, South): Does my right hon. Friend accept that, although many of us strongly support the maintenance of the jury system as embodying the right to trial by 12 of one's fellow citizens, we do not necessarily believe that the defendant should have the right to decide who those 12 should be? I have defended a fair number of people in the criminal courts, and would ask my right hon. Friend whether he agrees that it is possible to manipulate the system by attempting to obtain a jury that the defendant believes is favourable to his case. There is much argument in favour of what my right hon. Friend proposes.

Mr. Hurd: I am grateful to my right hon. and learned Friend for his remarks. In the White Paper, we quote a famous sentence from Blackstone, who defended the principle of peremptory challenge and who pointed out how necessary it was that

"a prisoner (when put to defend his life) should have a good opinion of his jury".

That shows how things have moved on. No defendant is now put to defend his life.

Mr. James Wallace (Orkney and Shetland): Does not the Home Secretary accept that the right to peremptory challenge allows a fair and equal chance to both the prosecution and the defence? In those cases where jury vetting will be allowed, will the right to peremptory challenge be closed to the defence? Do the Government intend to introduce this provision north of the border, where there is a distinct and separate code of criminal law?

Mr. Hurd: The hon. Gentleman has legitimately drawn attention to the prosecution's right of stand-by. We shall

have to look at that, and limit it in the light of the proposal that I have announced. However, the hon. Gentleman will realise that questions of national security can be at stake, and I am discussing them with my right hon. and learned Friend the Attorney-General. I had better let the hon. Gentleman know about Scotland.

Mr. Toby Jessel (Twickenham): Is my right hon. Friend aware that the vast majority of sensible people will warmly welcome the Government's decision? Peremptory challenges have been increasingly and systematically used to obtain a jury that is biased towards acquittal. That handicaps the police and is unfair to the public, who want to be protected from violent crime.

Mr. Hurd: I am grateful to my hon. Friend for making that point. I think that he was perhaps the first to draw this subject to the attention of the House. Incidentally, in response to the hon. Member for Orkney and Shetland (Mr. Wallace), I should say that this proposal does not cover Scotland.

Mr. Bruce Millan (Glasgow, Govan): In a sense, the Home Secretary has just answered my question. Is it not absurd that this change should be made in one part of the United Kingdom but not in another? How can it be justified in England? Is the right hon. Gentleman aware that the position in Scotland dates only from 1980 and from legislation introduced by the present Government which was defended by Scottish Office Ministers at the time? There has been no complaint in Scotland about the situation, so why should this right be removed from England?

Mr. Hurd: The answer is that Scottish Members in all parts of the House constantly remind me that the Scots have a different legal system of which they are proud.

Mr. David Ashby (Leicestershire, North-West): We often hear phrases such as "I believe", "It is my belief" or "It is my opinion", but what research or hard evidence is there to justify altering a system that has been in existence for centuries? We want to know; we need evidence. What evidence has my right hon. Friend got?

Mr. Hurd: The system that my hon. Friend says has been in existence for centuries has also been progressively reduced during that time, for the reasons that I have already outlined. Lord Roskill's report makes a powerful and conclusive argument against the principle of the system. The results of the monitoring will be available when the House discusses the issue. But, on grounds of principle I believe that in 1986 the proposal that we are making will restore the effectiveness and integrity of the jury system.

Mr. Robert Kilroy-Silk (Knowsley, North): Will the Home Secretary now answer his hon. Friend's question? There is no published material. What evidence does the Home Secretary have that the right of peremptory challenge has been abused or has led to wrong decisions, especially when one bears in mind that more than 50 per cent. of acquittals in the Crown court are made on the direction of the judge? Would not the Home Secretary be better advised to improve resources so that we have quicker trials rather than set about eroding the rights of defendants?

Mr. Hurd: I do not see how the hon. Member for Knowsley, North (Mr. Kilroy-Silk) can say that there is no published material when we have the critique, the Roskill report, and the White Paper. Issues are powerfully discussed there in terms of principle. I have answered twice questions about the monitoring exercise. I entirely agree with the hon. Gentleman about delays in trials. He will know about the steps – perhaps overdue – that we are taking, to improve the speed of justice.

Mr. Peter Bruinvels (Leicester, East): Does my right hon. Friend accept that most people do not have much faith in the present jury system? The acquittal rate is far too high. At Snaresbrook it is 58·2 per cent. and at Leicester it is 50·5 per cent. Does my right hon. Friend accept that something had to be done to get more properly representative juries? His announcement will be welcome and will reinforce the view that a jury can work properly if the right kind of people are on it.

Mr. Hurd: I do not agree with my hon. Friend that there is widespread distrust of the jury system, if that was the phrase he used. On the whole, people are deeply and rightly attached to the jury system, but they are worried about what they increasingly see as a distortion of the type that he spoke about. I agree with him that we ought to remove the distortion.

Mr. Harry Ewing (Falkirk, East): I recommend to the Home Secretary that he read the reports of the debates leading to the Criminal Justice (Scotland) Act 1980. The arguments that the Home Secretary is adducing now are precisely the arguments that his colleagues who are now responsible for legal matters in Scotland were rejecting at that time. Is he not aware, has nobody told him, that in 1980 his Government sought to reduce the number of challenges in Scotland from five to one? In Committee on the Criminal Justice (Scotland) Bill, Government Back Benchers tabled and carried an amendment to increase the number of challenges from one to three. The arguments that the Home Secretary is advancing about peremptory challenges are valid in any part of the United Kingdom. A jury is a jury and a challenge is a challenge.

Mr. Hurd: The hon. Member simply underlines one of the points that I made – that this procedure has been steadily and progressively reduced on both sides of the border. He gave an illustration from Scotland, and the time has come to move a further step down that road.

Mr. Patrick Nicholls (Teignbridge): Does my right hon. Friend accept that many of us who work in the criminal justice system welcome his announcement, especially as it applies to multi-handed trials? It is all too evident that in such trials it is possible to engineer distortions. Does he also agree that, while it is one thing to make the system work more effectively, it is something else fundamentally to alter the system by withdrawing the right to jury trial from some defendants in certain circumstances?

Mr. Hurd: I have some sympathy with my hon. Friend's second point. I am grateful for his observations on it. Both Houses of Parliament will take and indeed seek a long time to discuss this proposal and the other proposals that will be put forward in the Criminal Justice Bill.

Mr. Tam Dalyell (Linlithgow): Will the Home Secretary return to the question put to him by the hon. Member for Leicester, North-West (Mr. Ashby) who asked why this proposal was being made now? In part, may it not be because of ministerial chagrin and sour grapes over Brian Raymond's successful challenge to three

[Mr. Tam Dalyell]

jury persons during the trial of Clive Ponting? Would it not be a good thing for the Home Office to turn its attention to the Director of Public Prosecutions whose record on official secrets, with Bothwell and the Cyprus spy trial, is about equal to that of the England cricket team?

Mr. Hurd: I am not aware of the challenge in the case mentioned by the hon. Member. The proposal that we are putting forward is the result of a good deal of thought and study and a good deal of public discussion. That discussion has to go forward to its focus from the stage that it has now reached following the publication of the White Paper. That focus will be discussed in both Houses.

Mr. Douglas Hogg (Grantham): Does my right hon. Friend the Home Secretary accept that the majority of those who practise in the criminal courts think that the practice of peremptory challenge has given rise to wide abuse? Does he also accept that it cannot be right to adjust the composition of a jury because a defendant—or more than one defendant—does not like red-headed men, or people with black faces, or people who read the *Daily Telegraph*? To adjust juries on that kind of ground is simply nonsense.

Mr. Hurd: I agree with my hon. Friend. The point of the jury system and the reason why it retains public confidence is that it is based on random selection. Juries are not tailored for a particular trial or for a particular defendant. The institution of peremptory challenge was deliberately introduced to weight the system at a time when, in other respects, the jury system seemed to be weighted against the defendant—when, for example a defendant who might have been very poorly educated was on trial for his life. That was the basic thinking behind peremptory challenge, but it no longer applies.

Mr. John Morris (Aberavon): Will the Home Secretary tell the House what hard evidence was available to the Government when they took this decision? How does he reconcile extolling the virtues of monitoring what is happening with paragraph 38 of the White Paper? I understand that monitoring is to continue. How could the Government reach a decision when evidence was not available to them upon which to reach that decision?

Secondly, how does the Home Secretary reconcile the different system that is now proposed for England and Wales with the Scottish system? There was a Government proposal in 1980 to reduce peremptory challenge in Scotland to one. However, an amendment was moved by the present Solicitor-General for Scotland to increase that number to three, and it was accepted by the then Solicitor-General for Scotland.

Mr. Hurd: The question, to my mind, is to a large extent one of principle, and it is so argued in the White Paper to which the right hon. and learned Gentleman has referred. When the House debates the matter, it will have before it not only the arguments of principle, which I have used today and which Lord Roskill uses in his report, but the results of the monitoring exercise that is mentioned in the White Paper. That is a perfectly fair balance. The right hon. and learned Gentleman and his Scottish colleagues will be able to advance their arguments about Scotland. We believe that in England and Wales the time has come to carry to a logical conclusion what has been a gradual process—the progressive reduction of this technique.

Several Hon. Members *rose*—

Mr. Speaker: Order. This is a private notice question, but I shall allow two more questions.

Mr. Bill Walker (Tayside, North): When my right hon. Friend is considering the composition of juries in England and Wales—he will have noted the comments about Scotland — will he bear in mind the substantial differences between English and Scottish law, not the least of which is the matter of corroboration?

Mr. Hurd: I am always very careful not to trespass upon Scottish law, precisely because I find that one subject leads to another. I find that the kind of simple comparisons that are advanced by the other side fall to pieces when the connecting circumstances are analysed.

Mr. Tony Baldry (Banbury): Does my right hon. Friend agree that when the system of peremptory challenge was first introduced the structure of juries was very different, in that to be eligible for jury service one had to be a householder or landowner? That system has now been completely changed, and the composition of juries is much fairer. Apart from certain restrictions relating to age, every adult elector is eligible to serve on a jury. Therefore, the randomness of choice for jury service is much, much wider and fairer.

Does my right hon. Friend not think it strange that those who quite rightly espouse the jury system should seek to defend the continuation of the right to peremptory challenge which on occasion can only call into doubt the integrity of the jury system, to the detriment of everyone, not least defendants?

Mr. Hurd: I agree. When a countryman living in Oxfordshire went to Oxford to stand trial for stealing a lamb, for which he might have been hanged or transported, there would have been a case for the kind of system that we now have; but for the reason that my hon. Friend gave, and others, I do not think that such a case exists now.

Several Hon. Members *rose*—

Mr. Speaker: Order. I remind those hon Members whom I have been unable to call today that if they put down questions to the Home Office tomorrow they will come up on 24 July, which is just before the recess.

Mr. Donald Dewar (Glasgow, Garscadden): On a point of order, Mr. Speaker. I wonder whether through you, Mr. Speaker, I can get some clarification about the Scottish position. As I understand it, the Home Secretary has said that the removal of the right to peremptory challenge by the defence will not apply in Scotland. I am anxious to establish the position, because I understand from responsible members of the press that the Scottish Office, at a briefing this morning, said that it would apply. I have been unable to get any satisfactory reply from the Scottish Office, despite several telephone calls in the past hour or so. If the Home Secretary is clear that the new procedure will not apply to Scotland, it would be helpful to get it clearly and firmly on the record.

Mr. Hurd: I do not wish to compound the confusion, but I shall readily let the hon. Member know about this as soon as possible.

Mr. Jim Spicer (Dorset, West): On a point of order, Mr. Speaker.

Mr. Hurd: Further to the point of order, Mr. Speaker.

Mr. Speaker: Order. I shall deal with one thing at a time.

Mr. Hurd: I am advised that my earlier remarks were correct.

Mr. Kaufman: Further to that point of order, Mr. Speaker. As we have had three earlier answers—yes, no, and I do not know—which of them has the right hon. Gentleman corrected?

Mr. Dennis Skinner (Bolsover): Further to that point of order, Mr. Speaker. The Attorney-General is giving the Home Secretary different advice.

Mr. Speaker: Order. I cannot help that. None of this is a matter for me. I do not know either.

Later—

Mr. Barry Porter (Wirral, South): On a point of order, Mr. Speaker. I accept your rulings, as I always do, but I should like to raise a matter that is a proper point of order —

Mr. Speaker: Good.

Mr. Porter: —which is a nice change.

This afternoon, you restricted questions on a matter that affects the inalienable right of an Englishman to a proper jury trial. I can understand your irritation with some of the views expressed by some of my hon. Friends, who seem to think that a jury trial involves them in deciding what the verdict should be. Those of us who scratch a part-time precarious living in the law know rather more about it than others and might make some more sensible comments than have been made. If this topic arises again, could you extend the time to include those who have some knowledge, so that they might give their views?

Several Hon. Members *rose*—

Mr. Speaker: Order. Let me take one point of order at a time. It is always difficult for the Chair to decide who to call on any question. As for curtailing the question, it was a private notice question and I allowed it to run for more than 20 minutes, which is longer than I would allow for any normal question. I have already hinted to the hon. Gentleman that if he tables a question tomorrow it will come up during Home Office questions on 24 July, and I wish him good luck.

Mr. Porter: I accept that, Mr. Speaker, but I meant that you had not called me.

Mr. Speaker: I know what the hon. Gentleman meant.

Questions to Ministers

Mr. Jim Spicer (Dorset, West): On a point of order, Mr. Speaker. I should like your advice. At Question Time today, the hon. and learned Member for Leicester, West (Mr. Janner) made a pointed remark about the Head of State of a friendly Government, by speaking about Waldheim's army group E. Mr. Waldheim was 21 when the last war began. I can fully understand that during the course of an election campaign there would be a strong case for a desperate Socialist opposition or Government in Vienna to mount a campaign such as this. I wonder whether, as that campaign has finished, it would be within your power, Mr. Speaker, to ask hon. Members not to attack the Heads of friendly Governments when they are performing their duties and nothing has been proved against them.

Mr. Speaker: Order. Nothing out of order took place. I listened carefully to what the hon. and learned Member for Leicester, West (Mr. Janner) said. We we do not in general refer in detrimental terms to friendly Heads of State. Every hon. Member must take responsibility for what he says, but nothing out of order took place.

Mr. David Winnick (Walsall, North): Further to that point of order, Mr. Speaker. Although one recognises the convention regarding Heads of State, I hope that you will bear in mind that the most grave allegations have been made about the present President of Austria. This was not just because there was an election campaign but because documentary evidence has been produced showing that Waldheim was involved in actions taken by the German army——

Mr. Speaker: Order. The hon. Gentleman is raising a point of order that has nothing to do with me. If he raises a point of order that is to do with me, I shall endeavour to deal with it.

Mr. Winnick: Further to that point of order, Mr. Speaker. Bearing in mind the serious allegations made against Mr. Waldheim because of his wartime activities, is it not to be expected that hon. Members, at least those on the Opposition Benches, will continue to raise this matter, which I hope will not be ruled out of order because Mr. Waldheim has, unfortunately, been elected President of Austria?

Later—

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Further to an earlier point of order, Mr. Speaker. Would you be good enough to explain further your ruling on comments about Heads of State? I am well aware of the rules of procedure that state that we are not allowed to comment unfavourably on judges, members of the other place and the royal family, and I accept that readily. But is it right for you to rule that we are not allowed to comment on Heads of State, friendly or unfriendly, properly chosen or not? It would be a grave curtailment of democracy if you so ruled, and a ruling which should be challenged.

Mr. James Lamond (Oldham, Central and Royton): Further to that point of order, Mr. Speaker. I wonder who will define whether Heads of State are friendly or otherwise so that we know how we may refer to them?

Mr. Andrew Faulds (Warley, East): Further to that point of order, Mr. Speaker. With the greatest respect, would it not be advisable for you to be fairly liberal in your interpretation of this rule? It would be very much to the disadvantage of hon. Members if they could not comment on the obscenities of a President Amin or on the inadequacies of a President Reagan.

Mr. Speaker: I refer the House to page 431 of "Erskine May" where it states:

"Opprobrious reflections must not be cast in debate on sovereigns and rulers over, or governments of, independent Commonwealth territories or countries in amity with Her Majesty, or their representatives in this country."

I am aware that the Austrian President has been the subject of some controversy. The House will recollect that

[Mr. Speaker]

I said that there was nothing out of order in the question of the hon. and learned Member for Leicester, West (Mr. Janner).

Energy Conservation

4.2 pm

Mr. Malcolm Bruce (Gordon): I beg to move,

That leave be given to bring in a Bill to promote methods of conservation of energy; and for connected purposes.

I hope that every hon. Member is fully aware that this is Energy Efficiency Year. The Government have stated that we can reduce our energy bill by 20 per cent., which represents £7 billion a year at current prices. They have launched their biggest ever advertising campaign to achieve that objective, although I find the slogan a little unwieldy.

One might ask why there is a need for my Bill. The answer is straightforward. First, if these objectives are to be achieved real investment will be needed. Secondly, there will need to be a long-term commitment to secure the greatest energy efficiency, rather than a one-off exercise, however enthusiastically it might be backed by Ministers of the day. Indeed, Ministers of the day are expending a fair amount of effort on that.

Continuous permanent investment in conservation and energy efficiency could yield savings, not just of 20 per cent., but of 35 to 40 per cent. Certainly that is the view of many independent experts. In other words, we are talking about an annual saving of between £12 billion and £15 billion. At present value that is substantially more than the value of our entire North sea oil production. That is the prize that we are chasing. We need a permanent body to set standards and to provide a continuous stimulus to achieve the benefits of such massive savings.

My Bill proposes to establish an energy efficiency board, which would lay down minimum standards to be applied to plants and buildings and would administer the Government's programme of grants and loans for conservation. If such a body existed now, it would have a direct effect, for example on the homes insulation grants programme, the Government's handling of which, I regret to say, is something of a scandal. In recent years the take-up has consistently fallen about 30 per cent. short of the Government's allocation, and instead of finding ways to improve the take-up, the Government have now chosen to cut it. My proposed board would ensure a full take-up, and it is easy to identify how that would have happened. I am sure that the board would have recommended raising the grant ceiling, which is too low, and extending the grant to cover cavity wall insulation and thermostats.

My Bill would also impose a statutory responsibiltiy on gas and electricity boards to promote energy efficiency. That was a matter of some controversy in Committee on the Gas Bill. The Minister said that it was unfair to impose such an obligation on Britsh Gas alone, although the Government have now conceded just that in another place. I agree with the Minister. That is why my Bill would apply that requirement to both gas and electricity suppliers. That would lead to the energy utilities being prepared to give grants for greater efficiency to their customers. It would optimise their existing supplies and avoid wasteful over-capacity, such as we have in Scotland, where the addition of Torness, which the South of Scotland electricity Board is anxious to bring on stream, will give us almost exactly twice the generating capacity in Scotland that we can conceivably need under any circumstances.

The energy efficiency board would also investigate the scope for greater efficiency in the public sector, where too

often public and Health Service buildings fall short of their energy efficiency potential. Part of the problem is that the annual budgeting process makes it easier for public agencies, such as health boards, ridiculous though this may be, to pay inflated energy bills from current expenditure than to invest in the capital required to cut those bills, sometimes within two years, and release that saving for patient care, instead of it going up the chimney in smoke as waste energy.

Hospitals are particularly appropriate for small-scale combined heat and power systems. In a typical case—this has happened in one or two hospitals — a conventional generator and existing technology — nothing fancy—can provide the same hot water and heating as a comparable gas central heating system, using the same amount of gas, and can further provide 25 per cent. of the hospital's electricity, effectively, free of charge. The energy efficiency board would also be able to evaluate alternative energy schemes, for example the installation of combined heat and power for a small housing development of 50 houses.

Hon. Members should be aware that comparisons of Britain's achievements in energy conservation, even since the oil-price rise, with those of our European Community neighbours are not favourable. An energy commission report showed that between 1979 and 1981 the use of energy by industry in the United Kingdom fell by 7·5 million tonnes of oil equivalent energy. Of that total, the commission study attributes about 67 per cent. to structural changes, 23 per cent. to reductions in the overall level of economic activity—they are both nice ways of saying "closures"—and only 9 per cent. to improved efficiency. That compares with France and West Germany, where the figures for improved efficiency were 71·2 per cent. and 84·4 per cent. respectively. Although the position has improved since then, it has not improved dramatically.

We need a much more ambitious programme to secure real and fantastic savings in energy. The consequences of such a programme would be to lower substantially our industrial costs and to help cut energy costs generally by lowering the costs of electricity. We would use what we have much more efficiently, thus lowering the real capital costs of the energy capability installed. Lower domestic heating costs would have an immediate social benefit, because they would lead to less dampness in homes and to less hypothermia, and they would reduce all the other tragic symptoms of fuel poverty.

The real benefit of a programme such as my Bill envisages is in jobs—tens of thousands of jobs. If the Government's target were achieved, which it will not be without the kinds of measures envisaged in my Bill, over 150,000 jobs would be quickly attainable. If we can achieve the long-term aim of 35 to 40 per cent. energy savings, we could be talking about over 300,000 new permanent jobs. These would be distributed throughout the country and many would be for engineers and building trade members. There would be some extra concentration in the north of England and Scotland, where, with the right stimulus, take-up would be greater, and where more of the relevant engineering industries are concentrated. Intensive effort is sure to lead to advances in technology, and that in turn will give us valuable export opportunities.

Early-day motion 1078 on the Order Paper today in the name of the hon. Member for Pontefract and Castleford (Mr. Lofthouse) calls for a debate in the House on energy efficiency. I agree. This is a matter of enormous potential to the United Kingdom which is nothing like being taken advantage of. One way to secure that would be to give my Bill a First Reading today and to allow time for a Second Reading as soon as possible.

4.12 pm

Mr. Bill Walker (Tayside, North) *rose*——

Mr. Speaker: Does the hon. Member wish to oppose the Bill?

Mr. Walker: Yes, Mr. Speaker. I wish to speak against the Bill because I am opposed to the setting up of further quangos to do what we are already capable of doing and what the Goverment are progressively doing. I see this as another means of establishing jobs for the boys and not, in fact, achieving very much.

The hon. Member for Gordon (Mr. Bruce) said that if Scotland went ahead with bringing on stream a nuclear generating power we would have twice the generating capacity that Scotland needs. He and the House know full well that Scotland has for decades generated more electricity than it needs. It has been the practice of Scotland to export electricity to England and Wales, and it has done so successfully and profitably for a long time.

The hon. Gentleman said that we should be looking at combined heat and power. He will be aware that in Dundee we pioneered the combined heat and power schemes and that proposals are now in hand in other parts of the country to link up with a combined heat and power programme.

The hon. Gentleman also said that the oil price rise had not produced the kind of ambitious programme that it had elsewhere. However, like all people who make speeches, he is selective. He chose 1979 as being the year of the oil price rise, but everyone knows that the first oil price hike was in 1973-74 and then again in 1979.

The hon. Gentleman is introducing a Bill to set up a quango which we do not require. We already have the machinery and mechanism to carry out the programme that he hopes to achieve. The Government's record is substantially better in this area than that of the Government of the Lib-Lab pact. I mean "substantially" because it involves a vast sum of money. Therefore, I wish to oppose the Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Malcolm Bruce, Mr. Kevin Barron, Mrs. Ann Clwyd, Mr. Charles Kennedy, Mr. Peter Rost, Mr. Tony Speller, Mr. James Wallace, Mr. Dafydd Wigley, and Mr. Ian Wrigglesworth.

ENERGY CONSERVATION

Mr. Malcolm Bruce accordingly presented a Bill to promote methods of conservation of energy; and for connected purposes: And the same was read the First time; and ordered to be read a Second time upon 24 October and to be printed. [Bill 202.]

Mrs. Elaine Kellett-Bowman (Lancaster): On a point of order, Mr. Speaker. I was under the impression that, some little time ago, although an hon. Member who opposed a Bill did not seek to divide the House, he was obliged so to do. On this occasion my hon. Friend the Member for Tayside, North (Mr. Walker) and I said no, but no Division was called.

Mr. Speaker: Order. If the hon. Member for Tayside North (Mr. Walker) and the hon. Lady said no, they did not say it within the hearing of the Chair. Certainly at this end of the Chamber it was not audible. The hon. Lady will know that I put the Question twice.

Mrs. Kellett-Bowman: I said no twice.

Mr. Speaker: The hon. Lady should make her objections more audible.

ESTIMATES DAY

[3RD ALLOTTED DAY]

ESTIMATES 1986-87

Class XV, Vote 2

SUPPLEMENTARY PENSIONS AND ALLOWANCES

Residential Care for the Elderly

Motion made, and Question proposed,

That a further sum, not exceeding £4,290,850,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1987 for expenditure by the Department of Health and Social Security on supplementary pensions and allowances.—*[Mr. Major.]*

4.15 pm

Mrs. Renée Short (Wolverhampton, North-East): I am grateful to the Liaison Committee for giving us some time this afternoon to debate this subject on an Estimates day. There is another debate to follow, so we shall have an opportunity to debate this matter fully.

As the House knows, we had only a few days' warning of the date of this debate, and I want to thank Her Majesty's Stationery Office and the printers for publishing our annual public expenditure report, which contains a section on this issue, in record time. I understand that that is available in the Vote Office now.

Under the supplementary benefit regulations the Department of Health and Social Security may pay benefit to elderly people living in residential care and nursing homes run by the private or voluntary sectors to meet the costs of their board and lodging. The cost of those payments has risen from £6 million in 1978 to an estimated £280 million in 1985. That is a considerable increase over seven years.

The size and speed of that increase in public expenditure is such that the Select Committee on Social Services thought it important to bring the matter urgently to the attention of the House. In the context of the total social security budget, £280 million is small—it accounts for less than 1 per cent. of all social security spending—but it is the equivalent of 10 per cent. of current spending on personal social services. Therefore, we are glad to have the opportunity to raise this matter in the House.

The Committee's concern is not that £280 million is an unreasonable amount to spend on supporting elderly people in need of residential care and without the means of paying for it themselves—for that reason I shall not be moving a reduction in the Vote — but that expenditure in this area has been quite out of the Department's control. That is the main burden of our criticism. The vast growth in spending is not the result of a well thought out policy decision and careful consultation; it has happened by accident and is the result of bureaucratic mismanagement.

I should have thought that, in spite of the fact that general managers have departed from the Elephant and Castle, there were enough people managing the various budgets of the Department to have kept an eye on this matter. However, it seems that they were not able to do so.

Before 1983 limits on the amount of supplementary benefit available for board and lodgings payment were determined locally and local DHSS offices had discretion to pay the full amount of a board and lodging charge, provided that it was not "reasonable" to expect the claimant to move to cheaper accommodation. "Reasonable" is the term used by the Department.

In November 1983, in the face of escalating costs, a new system was introduced. Locally determined maximum limits were set at a level reflecting the highest reasonable charge for suitable accommodation in the area. What was paid depended upon what private accommodation was available in the area. Therefore, there was a change in the direction of administration.

The introduction of maximum limits did nothing to control expenditure, which surged from £39 million in 1982 to £105 million in 1983 and to £190 million in 1984. Therefore, there were distinct and large increases. In 1985 expenditure had gone up to £280 million. Much of the increase was due to increased demand, but the average weekly cost per resident also jumped from less than £50 in 1982 to over £76 in 1983. Only a small part of the increase can be put down to inflation. Many homes simply increased their prices when they realised that the Department would pay the increased costs. It was a good jamboree for them. As the Committee reported, it is remarkable that the Department did not foresee that effect. It is surprising that a Government so committed to the operation of market forces did not realise that if one tells sellers that one is willing to pay more, prices will rise accordingly. That is what has happened.

Mr. Nicholas Winterton (Macclesfield): To balance the argument that the hon. Lady is putting forward, I hope that she will agree that it is important to show the House that the figures the DHSS said it was prepared to meet were based on figures which were already in existence. I agree that they were at the higher rather than the lower level, but it is important to show that, in putting forward the recommendation, the DHSS based it on figures of cost already in existence. Perhaps some homes thought that if others were receiving higher amounts they should, too. However, the recommendation was based upon a realistic figure of what was already being charged at the better end of the market.

Mrs. Short: Yes. However, the effect of what was likely to happen was not monitored, and we are faced with this massive escalation in cost. It is considerable. I gave the total figures earlier.

In September 1984 the Department changed course again. Local limits were frozen and a review of residential care policy was announced. In April 1985, locally determined limits were abandoned in favour of national limits. Expenditure appears to have gone on rising to an estimated £280 million in 1985 and there is no evidence that it will be any less this year.

The number of residents in private and voluntary care supported by the supplementary benefit system increased from 7,000 in 1978 to 42,500 in 1984. That is a sixfold increase. In 1979, 14 per cent. of residents in private and voluntary homes for the elderly were supported by supplementary benefit. In 1984 the proportion of those supported had risen to 35 per cent., but the average weekly payment per resident had grown from £15·70 in 1978 to no less than £88 in 1984. That is a considerable increase.

The Committee tried to find out from the Department what had been achieved by that increase in cost: whether there had been a commensurate increase in the quality of the care provided. It was unable to tell us. The Committee also asked about the effect of introducing national limits: whether lower limits had reduced standards or whether any homes had been squeezed out of business. Again, the DHSS was able to tell us very little. It became clear, too, that the Department has not yet established how board and lodging payments will fit into the new structure of social security set out in the current Social Security Bill. The Minister told us in Committee that the present regime would "broadly continue". The Committee concluded:

> "It seems extraordinary that the DHSS should not have worked out how this increasingly important area of social security spending is going to fit into the scheme of things in only two years' time."

It is clear that more monitoring, more control and a better system of gathering information about the effects of the payments is needed.

Concern has been expressed about standards of care in private homes, especially the implications for residential care in the Department of Employment's recent White Paper "Building Businesses . . . not Barriers" which mooted some deregulation in that area. It is vital that standards of care are not sacrificed in the pursuit of profit. In fact, we want standards of care not only to be maintained but to be improved as increased payments are made. Ministers assured the Committee that there were no plans to remove controls, and the Minister for Social Security told us:

> "The Government is firmly determined to ensure the proper control of standards in this area."

It seems as if there has been a lack of communication between Government Departments, and that has resulted in the runaway increase in the total cost and the amounts paid.

There is a strong argument for the same rules and regulations to apply to all publicly financed homes, whether they are run by the private, public or voluntary sectors. As a condition of receiving funds from the Department, every home, whoever runs it, should be required to make much better information available to potential users or their families so that informed choice can be a reality. To maintain standards in all sectors the social services inspectorate should operate across the public-private divide. That is an important responsibility that the social services inspectorate should be exercising very strictly.

There should surely be a much greater degree of co-ordination at local level to ensure that public money is spent in the best interests of clients. If someone is entitled to or is receiving supplementary benefit for private or voluntary residential care and both the social services department and the client think that the same amount of money could provide a better service if differently used, perhaps they should be able to claim the money and use it as they think best.

Given the population structure, the need for residential care for the elderly is likely to continue to increase for the foreseeable future. Year by year the demand will increase. It is vital that we think carefully about how to use and develop all the elements of provision—whether public, voluntary or private—into a coherent policy of social care for the elderly who require it so that we have a good

[Mrs. Short]

meshing of the different types of care provided and standards are comparable across the frontiers of the three types of care.

That policy must ensure that the resources available can be transferred from one area of government to another, according to the needs of the individual. That is why we call attention in this short debate to our concern about what is happening now and to the potential problem for the immediate future unless proper control is exercised by the Department. I hope that the Minister will be able to tell us what control will be exercised.

4.28 pm

Sir David Price (Eastleigh): As a member of the Select Committee I wish to say a few words in support of our Chairman, the hon. Member for Wolverhampton, North-East (Mrs. Short). I nearly said "my hon. Friend" because on our Select Committee we regard each other as hon. Friends even if from time to time we may have a slight difference of opinion as is human. I can assure the House that the Committee was unanimous in everything we recommended in the report.

In developing the themes of our report I shall detain the House for a short time on four aspects. The first is to support what the hon. Lady has said and to draw the House's attention to the rapid increase in the number of payments of benefit to people living in residential care and nursing homes run by the private and voluntary sectors. In my judgment, it raises a number of important questions about the past, the present and, even more importantly, the future provision for our elderly citizens.

The hon. Member for Wolverhampton, North-East read from paragraph 70 of the report. I should like to draw the House's attention to the numbers rather than to the money. We talk about there being 7,000 beneficiaries in private rest homes in 1978. By 1984 the figure had risen to 42,500. As a proportion, in 1979, 14 per cent. of the residents in private and voluntary homes were being supported through the Department of Health and Social Security. By 1984 that proportion had risen to 35 per cent. I have reason to suppose that today it is nearer 50 per cent. That raises considerable issues for the House to consider.

I am satisfied that what we say in paragraph 72—

"Much of the increase in expenditure can be explained by a growth in demand"—

is correct. That growth in demand is certain to continue. Again, I hope that the House takes that firmly on board. Let me give the House some figures of my own to illustrate the inevitability of that increase in demand. Let us take the demographic changes expected between 1985 and the end of the century, only 15 years hence. The percentage of people of pensionable age 65 or 60 — when men and women receive their respective pensions — will drop from 18·2 of the population in 1985 to 17·8. However, the percentage who are 75 or older will increase from 6·4 to 7·1. In absolute numbers, that is an increase of nearly half a million people.

We all know people in their 80s or even in their 90s who are more robust than many of us sitting in the Chamber, but as a general planning concept it is reasonable to accept that the older people get, the more dependent they are. Therefore, that change in the demography of elderly people is a point that the House has to take firmly on board in relation to our report.

One must conclude that the provision that we are talking about will need to increase rather than diminish. Therefore, I trust that the House will accept our conclusion in the Select Committee:

"Given the increasing number of elderly people, and particularly of the very old, the demand for residential care and for board and lodging payments is bound to continue to grow for many years to come."

My second point is about the qualitative aspects of the current arrangements.

Mr. Frank Field (Birkenhead): The hon. Gentleman may raise this matter on his other points, but I thought that he would do so on the first point when he talked about the numbers involved, the sums involved, and, most important, the trend. Earlier in his speech he raised the significant policy issue about the role of the DHSS. That applies to students—should the DHSS be paying money to students, or should that be for the Department of Education and Science? In his other points, will the hon. Gentleman consider whether it is appropriate for the DHSS to be paying that sort of money, or whether that should be channelled from the DHSS budget to the local authorities?

Sir David Price: I can assure the hon. Gentleman, whose knowledge is extensive and for whom I have the greatest respect, that that is the fourth aspect that I shall touch on. If he will forgive me, I wish to develop my points in my own sequence.

I was dealing with the qualitative aspect of current arrangements. I should like to ask these questions. Are the current levels of payment sufficient to ensure a proper standard of provision? That ties up with the next point that I wish to make. Should there be regional if not local variations? The evidence that I have from Hampshire suggests that costs vary, particularly when it comes to the variation in housing costs. Are we making sufficient provision for the very dependent elderly people? In our report we welcomed the Government's decision to introduce a higher rate for very dependent elderly people from 28 July. We congratulated the Government on that. But is that the end of the story? Should we be more sensitive in variations of rate? We know the reality as people get frailer and become more dependent.

Then there is the whole question of the uneven treatment of disabled and handicapped people. We drew attention to that in our report. Hon. Members who are present, all of whom understand those matters, know that there is a big difference between the financial treatment of similarly disabled people, according to the age at which one becomes disabled.

Another aspect of the matter about which I feel strongly, is, the treatment of attendance allowance as income in the assessment of supplementary benefit. I have been campaigning for many years on that matter. I feel extremely strongly that attendance allowance should never be treated as income. We won the battle with the Treasury. We got it to accept that attendance allowance should be tax free, just like mobility allowance. Those are two allowances that are nothing to do with income. They are to do with helping people who are severely handicapped to live with their handicap. I believe that these allowances are in a different category from normal income support. I have argued the case in the House for many years. I regard what is now happening as a retreat from what I thought was territory that we had conquered for keeps, but one knows that in life no victory is ever complete.

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Thirdly, I draw the House's attention to the setting and maintaining of standards in private rest homes and nursing homes. I am sure that the whole House agrees that we must weed out the cowboys. We have yet to see the fully beneficial effects of the implementation of the Registered Homes Act 1984 and the Nursing Homes and Mental Nursing Homes Regulations 1984. We welcomed the reassurances of my right hon. Friend the Minister for Health and my hon. Friend the Minister for Social Security when they gave evidence to us. They were absolutely clear. Are the levels of payments, particularly in the more expensive parts of the country, sufficient to support those purposes? I wonder whether there may be a more positive role for the DHSS as inspectors rather than local authorities, not purely in a policing and monitoring sense, but in a positive sense, similar to the role of HMI in schools. I leave my right hon. and hon. Friends with the thought that there might be a constructive as well as a purely monitoring role for this Department.

Finally, I should like to raise the wider aspect of how the provision in private rest homes that we are discussing today ties up with all the other aspects of our national provision for the elderly. The hon. Member for Wolverhampton, North-East drew attention to the matter too. We said in paragraph 75 of our report:

"A clear national policy for the support of the elderly inside and outside residential care must be devised."

It is my personal view that we cannot have too wide a spectrum of arrangements for caring for the elderly because every elderly person is an individual. In every family circle, every person is different. It seems to be a mark of an advanced and generous society to have as close to infinite a range of arrangements as we can obtain. I do not believe that there is any uniquely correct method of provision. On the contrary, I invite the Government to take the lead from St. John's gospel, where we read:

"In my Father's house are many mansions."

I want to see many mansions. My own experience, and my own gut instinct, tells me that the preferred mansion of most elderly people, if not all, is their own home.

Therefore, in seeking

"A clear national policy for the support of the elderly",

I have a bias in favour of care in the community as against institutionalised care, whether public or private. In my judgment, all current financial arrangements favour institutionalised care. My plea to the Government is to redirect our financial arrangements so that the provision between institutionalised care and care in the community is at least neutral. If I carry the House with me so far, my plea must mean more public money in support of care in the community where most of the care happens today. Put another way, I ask the Government to support personal choice for the dependent elderly.

4.39 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I congratulate the hon. Member for Wolverhampton, North-East (Mrs. Short) and the hon. Member for Eastleigh (Sir D. Price) on their work as members of the Select Committee on Social Services. The Committee's fourth report is a valuable document and I look forward to studying the other aspects of the report later.

It is correct that in today's debate we should examine the sections of the report which deal with private and voluntary residential care for the elderly. I believe that expansion is not a bad thing, but since 1980 there has been a disturbing element of unplanned growth. There is a difference between necessary expansion and the way that that growth has taken place. Indeed, the Government would probably admit—privately, if not publicly—that that is what has happened. They have had to respond and react to events, and they have responded—unwittingly and without any design intended—in a way that has compounded the problem.

I am mystified as to why the Government decided to extend supplementary benefit to residential care against the long-established tradition of local authorities providing part III accommodation. I was more closely involved in the 1983 decision to impose categories and local ceilings. The inevitable consequence was that expenditure spiralled. Paragraph 72 of the Select Committee report states:

"In other words, landlords raised their prices to meet the limits. It is easy to speak with hindsight, but it does seem remarkable that the DHSS did not foresee what would happen."

Many of those landlords must have seen the Government coming. The Government can be charged with having presented themselves as a soft target.

Mr. Frank Field: They were told that.

Mr. Kirkwood: Indeed, as the hon. Member for Birkenhead (Mr. Field) says, they were told so.

The Minister for Social Security (Mr. Tony Newton): I was tempted to intervene during the speech of the hon. Member for Wolverhampton, North-East (Mrs. Short) earlier on this point. One point which has not been recognised in what has undoubtedly been an intractable and difficult area of policy for many years is that the previous regulations, which were replaced in 1983, contained a completely open-ended provision for charges to be met without limit where it was unreasonable to expect the claimant to move. The fact that that totally open-ended provision was exploited by many organisations, and was advertised freely, led us to make the changes. To suggest that a provision of a tighter variety was replaced by the present provision is an over-simplified reading of the regulation.

Mr. Kirkwood: I agree with the Minister that this is a complicated area of policy. However, he should have looked twice before he authorised the new regulations. I hold no great brief for those who criticise private residential homes, as there are people on the make who make money unscrupulously, However, the vast majority —certainly in my part of the country—are not so minded. It is inevitable that landlords, when they see that the local limit is higher than their charges, will charge more for the better service that they believe they are providing. They consider that it costs more money to provide the better service.

Mr. Frank Field: The Government would have been wiser to keep the existing regulations to meet charges, provided that they were not unreasonable. The unscrupulous landlords, who have exploited the system, would not have been told at what level they could fleece taxpayers.

Mr. Kirkwood: I agree with the hon. Gentleman. It may have been necessary to change the definition of what was reasonable or unreasonable at the time. However, matters could have been controlled in a more sensible way.

[Mr. Kirkwood]

When the system was changed again, by categorising the limits by handicap, a host of problems resulted. For example, in many cases, limits turned out to be inadequate and we had to resort to transitional protection. There is now an exceptional hardship category and there is the problem of the elderly higher rate which is payable only if people are disabled before retirement age. Whenever the Government try to change and ameliorate the system, they compound the problem.

Demand has continued to increase. In his evidence to the Select Committee the Minister referred to some possible future problems. However, I am worried about the present trends. In his evidence, the Minister said:

"This demographic trend produces foreseeable very, very large increases in demands on what is currently social security expenditure, of a kind which . . . the Government concluded we could not confidently be sure that they could be sustained into the next century."

That statement together with the fact that the Government have had the benefit of the joint working party report published in 1985 and the Ernst and Whinney report published in 1986, must lead us to expect a clear policy statement of the Government's intentions. The need for that statement is reinforced by the fact that the Social Security Bill is about to complete its final stages. The Select Committee is correct to state that it is wrong for the Government to leave this area untouched and for the Minister to hide behind a statement that the regulations provide enough flexibility to cope with the present position. The Minister did not make it clear that if he wanted to change the position and if the need for substantial change arose, he would be able to do that under the Social Security Bill. In the aftermath of the important Select Committee report the House should have a clear answer from the Government on that point.

I am worried about several points. I believe that choice is a good thing. The hon. Member for Eastleigh alluded to that point in his remarks. However, I am worried that the direction of board and lodging payments and residential care runs counter to the Government's policy on community care. Local authorities are short of finance, and it is easier for prospective applicants to opt for residential care even if their needs do not show that that is necessary. There is now almost a financial incentive to opt for residential care, and that is compounded by the fact that domiciliary support is more difficult to come by these days. Although the element of choice may be present in theory, in practice it is disappearing.

The proposal cannot be an efficient use of public money because there is no assessment of need. The test for residential provision is simply one of supplementary benefit, not of a level of dependency. That cannot be an efficient and sensible use of public money.

I also believe that the system of funding is inequitable. Within the disregards operated by local authorities, there is a capital disregard level of £1,200 before they start charging. We know that the DHSS, under the supplementary benefit regulations, has a capital disregard of £3,000. How can that be fair? The weekly personal allowance that local authority part III accommodation claimants receive is £7.75. The DHSS personal weekly allowance for people in the same homes is £9.05 per week. The funding is inequitable. If the Government are to continue the system, that inequity must be redressed. The Government must also consider the implications for the home care and meals on wheels services.

The Government have three choices, and these were referred to in the joint working party report. The first is that all the charges should be put on the system of supplementary benefit for residential care. That would appear to be the way that the Government are drifting. I use that word advisedly because they are not making a positive decision to move in that direction. Secondly, the whole charge could be put on the local authority.

Thirdly—I hope that the Government will give active consideration to this—the board element could be paid by the DHSS, which has the machinery to do so efficiently within reason, and the care needs could be assessed by the local authority. I believe that that is the most fruitful way forward. There are real problems about assessment, and the system of assessment must be extended. There are also real problems about charges. As the Ernst and Whinney report pointed out, the market is sensitive to the DHSS limits and claimants face widely differing circumstances. Nevertheless, I believe that the general direction that I have described is the one that the Government should take. I hope that they will act quickly.

4.50 pm

Mr. Michael Meacher (Oldham, West): First, I pay a warm tribute to my hon. Friend the Member for Wolverhampton, North-East (Mrs. Short) and to other members of the Select Committee on Social Services—I recognise the consensus of the Select Committee—for drawing attention in the fourth report to the serious and disturbing problems becoming increasingly apparent in private and voluntary care provision for the elderly as a result of the Government's differential approach to funding between the public and private sectors. I am not sure that I can follow the hon. Member for Eastleigh (Sir D. Price) with a biblical reference, as I omitted to look one up before the debate, but I liked his line about the redirecting of money. I would go further than making it neutral as between residential and community care, but the hon. Gentleman was right to make that point.

I strongly endorse all that my hon. Friend the Member for Wolverhampton, North-East has said. She eloquently described the sharp zig-zags of Government policy in the past six years as they have twisted and turned from one device to another in an attempt to reconcile the irreconcilable—that is, to use public money to provide a major boost for the local commercial market, while at the same time meeting need and containing public expenditure. In my view it has always been clear—the history of the past six years has conclusively shown this to be so—that those are fundamentally incompatible objectives. Since 1980 the Government have shifted from one extreme to the other, with policy reversals cancelling previous initiatives, but they seem unable or unwilling to learn the basic lesson that no amount of tinkering with the system can make the private sector the main provider of services, while at the same time ensuring that limited residential provision is strictly allocated to meet priorities of need.

We believe that the Government's fundamental philosophy and approach are at fault. Contradictions show through at every stage of policy evaluation in the past few years. As my hon. Friend the Member for Wolverhampton, North-East pointed out — it is important to clarify the Minister's reference to this—in

1980 the Government permitted supplementary benefit board and lodging allowances to be paid at a rate commensurate with local residential charges, with power to pay more in particular circumstances. There was no capped limit, but a measure of discretion, and local officers are perhaps best placed to exercise that discretion while ensuring that local charges are properly met. When that discretion became more widely exercised, the Government's overall commitment to limiting expenditure led them to impose a ceiling on the amount that could be paid and to introduce local variations. Because they did not want any forced removals from homes, the new level in each locality corresponded to the highest reasonable charges in that locality.

That compromise in November 1983 produced the worst of all possible worlds. Many proprietors levelled up their charges to the local limits and many new homes were opened as people who did not necessarily have any caring background or experience saw the commercial potential of doing so. At the same time, many local authorities stopped sponsoring residence in the private sector. Some withdrew from existing sponsorships and some even planned to sell off complete local authority premises to private owners. As if all those no doubt unintended consequences were not enough, expenditure on board and lodging in private homes rose nearly fivefold in two years to £190 million in 1984.

Not before time, in April 1985, the Government introduced a new system abolishing local limits and re-establishing national limits, but this time differentiating according to age and the type of disability of the claimant. It quickly became clear, however, that there were significant drawbacks inherent in the new system. The limits were set too low for certain types of care, especially care for the more dependent elderly people and for multipally handicapped young people. The limits were set on a national basis without any regard for local or regional variations in cost, thus preventing local authorities from paying for the extra care needs of some elderly claimants through topping-up arrangements and also discriminating against elderly people who became physically disabled after pension age.

The Government implicitly acknowledged the validity of those criticisms in their latest amendment to the regulations last month, which proposed a higher limit for Greater London and for severely dependent elderly people. Although that change is welcome, it falls well short of meeting the criticisms. For example, the Ernst and Whinney report shows that, although average gross unit costs in the private sector are £117 per place per week, they cover a huge range from £36 to £247 per week. To compress that range into a single national limit, albeit with a variation for Greater London, does not, and cannot begin to, reflect local economic realities. More fundamentally, none of the recent adjustments in any way mitigates what I regard as the real case against the Government's general policy of discriminating in favour of the private sector.

First, it is profoundly wrong that huge public subsidies are now provided for private residential care without any assessment of residential need in terms of physical or mental frailty. Dependency is not a criterion for entry in the private sector. As has been pointed out, public money will be spent on people whose need for residential care may be minimal, provided that they qualify for supplementary benefit. That is not just wrong in terms of priorities. It is also highly wasteful. The efficient use of public money requires assessment whether residential care is really needed or whether support systems can be provided to keep the person functioning within the community.

Secondly, it is ludicrous that while local authorities are forced to budget within overtight constraints because of rate support grant cuts and rates penalties, including cuts in community care initiatives, public money is being sucked into private residential alternatives on a demand-led basis. It is absurd that while local authority development of community care is completely hamstrung for lack of funds, private residential provision for the elderly has doubled since 1979 and supplementary benefit payments for people in such accommodation have increased nearly twentyfold.

Most significant of all, when public expenditure is tight, it is a grotesque misallocation of funding that the proportion of private residents financed through supplementary benefit has nearly trebled since 1979 to more than 40 per cent. now. In terms of the Government's supposed policy for the family, this has the ironic effect not just of making it easier for families to dump their relatives in homes, but of providing a financial incentive for them to do so because arranging and paying for domiciliary support is so much more difficult.

Thirdly, there is inequity in funding between the private and public sectors. I shall not make much of this point, but, for example, the capital disregard for residents in the private and voluntary sectors receiving supplementary benefit is fixed at £3,000 whereas local authorities can disregard only £1,200 before charging.

Fourthly – this is a more substantive point – Ministers constantly defend the private sector as reflecting greater individual choice. I am all in favour of choice in principle, but in fact the huge mushrooming of subsidies for the private sector at the expense of local authorities has diminished overall choice for the elderly.

In 1984 expenditure per head of population aged 75 and over on local authority home care services was only 79 per cent. – less than four-fifths of its level in 1978-79. For meals on wheels it was only 85 per cent.

That suggests that the choice has been between a well-funded and easy-to-obtain private residential place, and a restricted and hard-to-obtain home help service. I doubt whether that is in accordance with the priorities of many hon. Members. It is estimated that it will cost more than £300 million net to bring those services back to their 1978-79 level. It is difficult not to see the shortfall as having been badly aggravated by increases in supplementary benefit payments to private residents, over the same period, of £184 million.

Those are all major reasons why we believe that the whole thrust of the Government's residential care policies is wrong-headed and inefficient and actually distorts their own declared community care objectives. Even within the parameters of the Government's own policy framework – which we do not accept – the present policies have serious defects which the Government must address before Parliament votes to continue the current funding arrangements. After all, that is the purpose of a debate on the Estimates.

Mr. Frank Field: I have followed with interest my hon. Friend's comprehensive attack on the development of Government policy. As we are unlikely to convince the Government tonight, can we register the points of

[Mr. Frank Field]

agreement? Is my hon. Friend saying that there is support on both sides of the House for a change that will ensure that people will not have access to the private sector and pick up supplementary benefit payments unless they are deemed necessary for that service by the local authority?

Mr. Meacher: My hon. Friend, whom I did not consult about the preparation of my speech, has anticipated one of the points that I intended to make. I very much agree with him and endorse what he said, and shall comment more fully towards the end of my speech.

The most obvious example of serious defects in the Government's policy is the fact that the care of all supplementary benefit funded residents — there are 42,000 according to a recent parliamentary answer on 10 February—is put in jeopardy if the home owner decides to increase the fees, as he is entitled to do. Indeed, there is now some evidence of evictions.

I wish to quote from the extremely good report by the National Council for Voluntary Organisations that was published last year, and to that extent is slightly out of date. It refers to the report of Counsel and Care for the Elderly "Every solution creates a problem" — an interesting title and not entirely inaccurate in this context —and gives the example of a 93-year old woman whose only relatives are distant cousins and who is paying her own fees of £250 a week in a small nursing home. The home informed the family that it would evict her if its full fees were not met by a fixed date. A charity made a holding grant of £400 to give the family a small breathing space. Applications were made to other funds, but the outcome has yet to be decided. I hope that it is decided satisfactorily, but I doubt whether such a precarious provision could last indefinitely.

Another example from a concerned Hampshire social worker showed that one home had increased its fees from £150 to £175 a week and had told the elderly resident on supplementary benefit that she would have to leave if she could not make up the difference. Relatives have stepped into the breach for the time being, but the situation cannot last indefinitely. That is a serious problem. I fear that there will soon be reported evictions, if they have not already occurred.

The quality of life of residents may be markedly affected if home owners, who probably do not wish to evict residents, decide to cut facilities rather than increase fees. In addition, the turnover in ownership of homes may sharply increase. I note that in Norfolk, for example, a fifth of private homes either closed or changed hands during one year recently. A different regime may profoundly alter the suitability of a home for its residents.

A rather more paradoxical result of current policies is that there is clear evidence that they are defeating their own purposes. Most owners of private homes have responded to the new supplementary benefit limits by refusing to admit supplementary benefit claimants. The NCVO reports that a spokesperson for the Registered Nursing Homes Association in Surrey said that since the limit was introduced there had been no admissions of people on supplementary benefit into nursing homes in the south-west. Before the limit it had a policy of admitting 50 per cent. DHSS-funded patients, but it says that it can now no longer afford to do so.

The NCVO report, in another example, showed that an investigation carried out by the Lewisham and North Southwark health authority revealed similar results, in that at the end of July 1985, 59 elderly patients who had previously been discharged to private nursing or residential care homes were being kept in hospital because they could not afford to pay the difference between the charges and the amount available through supplementary benefit.

It is a ludicrous position where, according to Counsel and Care for the Elderly, up to one third of the 50,400 elderly people in hospital geriatric wards want to leave, are fit to do so, but cannot afford nursing home care. Few private nursing homes charge less than £220 a week, compared with the latest limit for nursing home care of the elderly of £180. It leaves a weekly deficit for the patient or family of at least £40 or £50 a week, and most cannot find that sort of money. It is ludicrous to have such a policy when the cost borne by the state for a bed in a London geriatric ward is £300 to £320 a week, and when for an acute bed for patients who require more intensive nursing, the cost can be as much as £400 to £500 a week.

Another serious weakness in the Government's financial framework is that there is no funding for very short-stay care. The DHSS will not, for example, fund a weekend stay for severely dependent elderly relatives, even though the families caring for them often reach a crisis point and can continue, as we all wish them to do, only if respite care is covered in an emergency.

For all those reasons, the Opposition are highly critical of the morass of Government policy in which they are currently bogged down. Even within the Government's own terms of reference, which I have said we do not accept, it is self-defeating. Presumably even the Government are disturbed that the consequence of their policies on private homes is to force many of them into making economies in the standards of care provided, to refuse to admit elderly people who are dependent on supplementary benefit, to close high-cost homes—even if they are good — and to restrict plans for new development.

Even within their own policy framework the Government have so far failed to implement several of the recommendations of the joint central and local government working party report published last year. If the Government are determined to make private care a spearhead of their provision—that is their policy, not ours — they should set a negotiated rate that is less inflexible than a single national limit, even with the variant for central London. They should pay for pensioners who are mentally ill or physically disabled at the same rate as they pay for such persons under pension age. They should pay for people with multiple handicaps in residential homes at the same rate as they pay for similar levels of care in nursing homes. They should provide for topping up by local authorities for residents requiring high levels of care. They should pay for elderly people taken into residential care for short stays and at short notice to provide a break for carers under pressure.

All that is to remedy deficiencies in the application of current Government policy. Our real objection is that the policies are thoroughly misguided at root. Our policy involves a radical change of course. We believe, as a fundamental axiom, that care provision for the elderly

should be determined by need and not by personal income or the adventitious availability of supplementary benefit. That has several implications.

Mrs. Edwina Currie (Derbyshire, South): Will the hon. Gentleman make it clear whether he supports the continued growth of private sector residential care for the elderly, or whether he wishes to see it shut down?

Mr. Meacher: If the hon. Lady listens to my remaining remarks, which will be brief, I think that she will hear the answer to that question. I recognise that it cannot be closed down. A large number of elderly people are in the private sector. However, I believe that it should not expand. For those who enter in future, I believe that access should be on the basis of need, where possible, and not on the basis of personal income, which tends to restrict it to the better off. Standards of supervision and inspection should be tighter.

Community care plans should be developed, based on the systematic identification of need, both among the elderly and other dependent groups in the community. Where access is determined by need, the public sector should be able to expand both residential and domiciliary care free of the present massive and artificial juggernaut of financial controls that inhibit the development of a rational and efficient system of community care.

Local authorities' assessment arrangements for admission to their own homes—this was referred to by my hon. Friend the Member for Birkenhead (Mr. Field)—should be extended to those claiming supplementary benefit board and lodging allowance for residential care in private homes. Only those genuinely in need of residential care would receive support. Savings could be used to finance alternative and more effective forms of community care.

Closer inspection and supervision of private homes is necessary to improve the quality of those that are substandard, to prevent abuses, skimped provision or actual maltreatment—I readily agree that this occurs in a small minority of cases—and to ensure that there is no excess profit rate per resident. The hon. Member for Derbyshire, South (Mrs. Currie) intervened on that earlier.

There needs to be a fundamental redirecting of care. The Government's present policies are not targeted on need, they are a wasteful and inefficient distortion of the true function of supplementary benefit, and even within their own right they are counter-productive, because of public expenditure cuts, in excluding many elderly people for whom the provision is intended. The Government's obsession with the privatisation of care has turned out to be as defective and objectionable as the Fowler review's disastrous attempt to privatise welfare generally. The position must be reversed. It will be soon when the Government are overturned.

5.13 pm

Mr. Roy Galley (Halifax): I pay tribute to the hon. Member for Wolverhampton, North-East (Mrs. Short) for the way in which she introduced the debate and for her competent summary of the Select Committee's report. It is important for me to say that, and it is genuinely meant. My hon. Friend the Member for Eastleigh (Sir D. Price) said that all members of the Select Committee were, generally speaking, hon. Friends. I hope that that is the case. However, in view of the way our revered Chairman looks at me in Committee, I feel that she does not always regard me as an hon. Friend. Nevertheless, I believe that she introduced the debate in a competent and helpful way.

The jarring note that has been introduced into the debate by the hon. Member for Oldham, West (Mr. Meacher) is unfortunate, because we have had a constructive debate so far. It seems that the hon. Gentleman is unable to stand at the Dispatch Box and be graceful or constructive about our proceedings.

In the comprehensive summary of the report by the hon. Member for Wolverhampton, North-East there were one or two nuances with which perhaps not all Committee members would agree. They may not agree with her interpretation of the contents of the report. Committee reports are so skilfully worded by our competent Clerks that a variety of interpretations is possible.

Mr. Nicholas Winterton: It is important that the House should understand that the reports are not drawn up by Clerks. They are drawn up by Committee members. We, not the Clerks, are responsible for the wording of our reports. I hope that the House and those beyond the House realise that.

Mr. Galley: I am grateful to my hon. Friend for correcting me on that important point. There are times when the skilful wording of the Clerks assists the Committee in coming to an agreed conclusion. One must recognise that fact.

The advantages that result from the present system have not been emphasised in the debate. One can understand the concerns about the conflict with community care policy that the present arrangements present. One cannot necessarily put a price on the important element of freedom of choice. The system that has developed over the past five or six years has meant a variety of provision that has provided a greater freedom of choice for many elderly people and has reduced pressure on the budgets and staff of many local authority social services departments. That freedom of choice should be encouraged.

Freedom of choice and value for money will be increasingly important because of the demographic pressures to which my hon. Friend the Member for Eastleigh so eloquently referred. It is clear that an integrated national cost limit system must be applied to residential care for the elderly. If such cost limits are set at a realistic level, with adequate flexibility for transitional arrangements and for special care additions, we should be able to obtain a balance so that the private sector is adequately reimbursed, no one milks the system, appropriate provision is made for the elderly, and variety is provided, by public and private sectors in partnership, to assist the elderly who require residential care.

The growth in the level of expenditure has rightly led to great concern about cost benefit analysis. There is a requirement for the protection of the elderly in residential care and at the same time for the safeguarding of taxpayers' money. That has led to sustained calls—we have heard echoes in the debate—for a co-ordinated system of assessment. The proposal appears to be for a multi-disciplinary approach involving social workers, the DHSS and other appropriate voluntary or statutory agencies, with the objective that local authorities should, in essence, determine whether people in private residential homes should be eligible for supplementary benefit support.

[Mr. Galley]

I must inform the Under-Secretary of State, my hon. Friend the Member for Huntingdon (Mr. Major), that I have qualms about a comprehensive assessment proposal such as that under consideration. It is one of the main recommendations from the joint central and local government working party. It will introduce a bureaucratic straitjacket and mean that people will need a local authority ticket for a residential place. That would restrict freedom of choice, unless people could afford their residential places.

Some people choose to live in a residential home because they want to be looked after, and they can afford to pay for it. Others, who are unable to pay, would need local authority approval before being able to take a residential place. A tight assessment system, such as has been suggested, would reduce the latter group's freedom of choice, so it would be somewhat discriminatory.

There may also be problems for people who could initially afford a residential place but whose funds became exhausted. They would then have to be assessed for supplementary benefit purposes before being given support. The proposed assessment system would produce several anomalies.

It must be possible, within an integrated national system, to cope with the needs of the elderly and to preserve existing choice. We must equate more clearly the rules for supplementary benefit support in private and local authority accommodation. That especially applies to the rules on capital. My hon. Friend the Member for Eastleigh rightly emphasised that we must treat fairly people who are elderly and handicapped vis-a-vis those who are younger and handicapped. We do not need complete local authority control of residential care.

It is important, however, that local authorities should have and should develop a role in monitoring accommodation and standards of care in the private sector, as happens now, but we need a coherent and consistent pattern of inspection. It is, however, unacceptable that some local authorities, perhaps as a result of hostility to the private sector, operate needlessly exacting standards, which are often much higher than are applied to their own accommodation, for private sector provision.

There are sometimes differences between one local authority and another in the standards required of residential homes even in adjacent areas. The same is true of nursing homes and the involvement of health authorities in their inspection. There may well be a case for a more independent inspection body covering residential and nursing homes than the public provider of residential care inspecting private providers.

The high level of residential care provision which is funded by supplementary benefit highlights the dangers of an oversimplified analysis of expenditure trends. I hope that the Select Committee's report avoids any such oversimplification. Much of the increased support for elderly residential care has transferred some local authority personal social services expenditure to the social security budget, although it is difficult to assess how much. If the money had been allocated to personal social services, local authorities might have been able to choose to spend it in other ways, but much of it would have had to be spent on services for the elderly simply because of demographic pressures.

If we analyse projections of personal social services expenditure, we have to take that factor into account. Taking crude social service expenditure figures and arguing that it has not increased sufficiently is nonsense if no regard is paid to the fact that a substantial part of the £280 million of social security spending is on residential care. Figures for social services expenditure in the Select Committee's fourth report must be seen in that light.

Such considerations also emphasise the need for the Department, when presenting its figures to the Select Committee, to demonstrate the interconnecting elements of its budget provision. That applies to the relationship not just between personal social services and social security, but also between hospital services, family practitioner services, social security, personal social services and the implications of many of those heads of expenditure for community care. The simplistic number crunching in which many people have recently indulged is not an adequate guide to what is happening in residential care or in any of the DHSS's other areas of responsibility.

There must be a more sophisticated approach. We must consider how many patients are treated, how many have the advantages of residential care and how service provision is improved. The present variety of service provision and the methods of funding it is to be encouraged and cherished rather than condemned, as it has been by some hon. Members today.

5.25 pm

Mr. Dafydd Wigley (Caernarfon): I congratulate the hon. Member for Wolverhampton, North-East (Mrs. Short) and her Committee on this timely report on a matter of growing concern to hon. Members of all parts of the House. The problem affects us in our constituencies. None of us can escape the present demographic changes and the problem of how to help the elderly population.

In another context I have drawn the attention of the House to how the problem was brought home to me in my constituency. When I first entered Parliament 12 years ago, all but two of the 36 residents in the old people's home in my constituency were able to go for a walk down to the village, for example, to buy tobacco, newspapers and sweets. Only two were stuck in the home. Now, all but two are bound to the home.

That change reflects what has happened in the community. The population has aged and local authority homes for them have undertaken a function which used to be undertaken by geriatric wards in hospitals. Those wards are now cram-packed and cannot cope. The pressure had to be relieved in some way. The growth in the number of private homes is a response to that pressure, which has developed since 1978. A financing mechanism in response to that pressure has also become available.

If Ministers had been told in 1978 or 1979 that the cost of providing private residential care through the supplementary benefit system would increase from £6 million in 1978 to £280 million now, I am sure that they would have had apoplexy, just as they do now when we say that such money is needed to help with care in the community policies. We advanced that argument in our debates on the Disabled Persons (Services, Consultation and Representation) Bill.

It is right that we should ask how the money is being spent and whether it is being spent in the most effective way. Paragraph 40 of the Select Committee report says that from 1980-81 to 1984-85 there needed to be a 2 per

cent. per annum growth in personal social services expenditure, but that there was only a 3·4 per cent. growth in real terms during the five-year period. Paragraph 41 says:

"Sixty-four local authorities fell short of this target, so in three authorities out of every five, there is reason for concern about the adequacy of the growth of provision."

That translates into the balance of places in homes.

If we consider the figures for local authority homes, we see that in 1979 there were 129,000 places. That figure increased to 135,000 in 1984—a relatively small increase given the tremendously increased pressure in this sector. In the voluntary sector the number of places has increased from 37,000 to 43,000, which is a slightly greater proportion of growth, but is still relatively small. The number of places in private homes has almost doubled, from 34,000 to 66,000. This shows how the problem has been met by using the supplementary benefit system, and perhaps using it in a manner that was not thoroughly considered when the changes took place. The proportion of places in private homes or based on supplementary benefit increased from 15 per cent. to more than 40 per cent. during that period. That underlines the problem.

We all know the range of problems faced by the private homes in our constituencies. North Wales is a beautiful area, and it is easy for someone who has been a car mechanic in Liverpool and has been made redundant to open a home for elderly people in a beautiful part of Gwynedd. Some people have done it well, without any experience, but the standards of homes, to say the least, are variable. I have grave doubts whether some of them should have been allowed to open. A problem arises from the mushrooming of homes in, for example, seaside towns. Substantial pressure is then put on the social services departments and on the health authorities in those areas.

A similar problem has been reported to me of an elderly person who went into a private home as a relatively able-bodied person and was then taken seriously ill, taken to hospital, and the private home did not want him back. Inevitably, that situation will arise in some private homes. Whether it is stated in such specific terms is another matter. There is a danger of some people feeling insecure. I acknowledge and accept that homes for elderly people in the private sector play a role in a balanced community, provided that they meet the necessary standards, which must include the provision that when an elderly person enters a home, that is his home. We do not kick elderly people out of our domestic homes. We do not throw out a grandmother or an uncle when they become ill because they are too much of a burden. Illness cannot be accepted as a burden in private homes for the elderly.

Sir David Price: Does the hon. Gentleman recognise that the problem to which he draws the attention of the House also exists in part III accommodation? Many of us have had experience of people who have been in hospital, especially in a geriatric ward, for any length of time having their places in part III accommodation filled because of the demand for it. It is difficult to get them out of the geriatric hospital and back into alternative part III accommodation. That applies across the public and private sectors.

Mr. Wigley: I accept that it is a problem. The problem also arises on the other side. When elderly people go into hospital, the hospital often wants to move them out without there being any proper facilities for them to go to. They are moved like ping-pong balls backwards and forwards. We all know of such cases. The elderly patient's relatives come to us and say, "What can you do to help this person who has become ill or disabled and who is caught in that position?"

I have no doubt that the public policy subscribed to by the Government and by other parties in the House to try to maximise care in the community is right for that reason. The most helpful way of catering for people is to have flexible support services that can be built up as necessary to help the carers in their homes and their family environment.

The Ernst and Whinney report mentions problems with standards. How do we measure standards? I should mention the costings on which the places in private homes are based. In the Ernst and Whinney report, the cost per place in determining the supplementary benefit ceiling has been based on the shared room concept, but the January 1986 circular issued by the Government, entitled "Residential Homes — Guidance on Standards of Accommodation" which makes a cross-reference to the code of practice entitled "Home Life" states:

"While most current and future residents will prefer single bedsitting rooms, some double occupancy rooms may still be needed, for example for married couples."

The emphasis is on single rooms. That defines the standard. It worries me that the supplementary benefit figures have been based on costings for shared rooms. A problem exists there which the Government have not fully addressed.

The Social Services Select Committee, probably referring to evidence submitted by the parliamentary panel on personal social services, drew attention to the spread of cost and the tremendous range of costs for old people. The Committee mentions figures from £51 to more than £200. That highlights the differences. How does one obtain a measuring rod for what is proper value and a proper standard with that enormous spread of costs? It is a problem that we have not properly addressed, but we must. We must find a way of setting up a flexible system that caters for disabled and severely disabled people.

In a recent statement on the uprating of the board and lodging allowances, the Minister acknowledged the special needs of some groups of people over pension age, through the creation of new categories of payments. However, he did not extend this recommendation of need to those under pension age. The limit for those people remains at £180, without even an uprating to allow for inflation.

The Spastics Society has underlined the problem that it faces when it tries to help such people through direct provision. It said in a letter to me:

"For many younger multiply handicapped people £180 still falls far short of meeting the costs of their care. The Spastics Society is increasingly working with this group of more profoundly handicapped people whose needs were not recognised in the past when there was no alternative to large institutional care."

The fee in Spastics Society units is about £300 a week.

We need a system that allows for variable costs. The Government have responded to representations by the Spastics Society and suggested dual registration. For social reasons the Spastics Society does not wish to accept a dual registration system. The society suggests that the answer might be for more profoundly handicapped people to be able to claim the nursing home rate without having to live in nursing care. When the Minister replies to the debate, I hope that he will respond to that proposal, which

[Mr. Wigley]

has been with his Department for several weeks. He knows the difficulty faced by the Spastics Society, and I hope that he can respond to the specific and practical suggestion that it has made.

In Wales, with the all-Wales policy for integrating mentally handicapped people into the community, we are witnessing developments in community care. We have recognised especially the need for close liaison between the providers of services, whether they are the health authorities, the local social services departments or the voluntary sector. For that reason, I respond warmly to some of the recommendations made in the report. Recommendation 31 states:

"we recommend that the Government analyse closely the interaction between health service finance, local government finance and social security with a view to ensuring that joint planning does not founder because of inadequate knowledge by one sector of government of the implications of its actions on community care projects and on the joint planning process."

That is very important. The more that we see in Wales and in other areas where progress has been made in that context, the more we become aware of a need to move in that direction.

We are faced with some difficult decisions if we wish to obtain a finely tuned system which maximises choice, which maintains standards and freedom, which ensures that provision is made on a community-based level wherever possible and which is neutral and does not push people in certain directions. I spoke a moment ago about freedom of choice, and that is something we need. It should not lead families to dump old people in semi-institutional care. We should maximise choice. Side by side with supplementary benefit payments we should consider how such services can be financed in the community.

This report must be considered in the context of our debates on the Social Security Bill and the Disabled Persons (Services, Consultation and Representation) Bill, and the debate on care in the community that we had a few months ago. As has been suggested by several hon. Members today, the care element should be considered over and above, and aside from, the board and lodging element. That may be the way forward. The care element should be flexible and be directed appropriately. Whether a person is living in his own home and maintained by carers in the community, in a private home, or in a local authority home, additional resources should be made available to meet the needs of caring. In answer to the point made by the hon. Member for Eastleigh (Sir D. Price), I should say that flexibility might encourage people to keep places for those who may become more profoundly disabled as years go by.

I hope that the Government will take on board some of the very important points made by the Committee and that the debate will not end at 7 o'clock without some progress having been made.

5.41 pm

Mr. Nicholas Winterton (Macclesfield): I am delighted to follow the hon. Member for Caernarfon (Mr. Wigley). He made a most constructive and helpful contribution. It is rather sad that the Opposition spokesman, the hon. Member for Oldham, West (Mr. Meacher), did not set a similar example. Setting aside the party political polemic, the prejudice and the dogma in his comments, he put forward some sensible ideas which merit consideration by the House and by my hon. Friend the Under-Secretary of State who will respond to the debate.

I congratulate the hon. Member for Caernarfon on his useful contribution, which highlighted some important areas of concern. Since being elected as the hon. Member for Macclesfield in 1971, I have visited the part III homes in my constituency at least once, and sometimes twice, each year to see exactly what is happening and to hear from the staff and the residents. Therefore, as a member of the Select Committee on Social Services, I am well aware of the opinions of residents of part III homes and of the problems faced by the staff of county residential homes.

The hon. Gentleman was also right to say that in recent years the health and condition of the people living in part III hopes has dramatically changed. I served for six years on Warwickshire county council and used to visit part III homes in that county. The majority of elderly residents were mobile; very few, if any, were incontinent; and none was doubly incontinent. The position has changed dramatically during the past 20 years, because, of course, the people who are now residents of our part III homes were 20 years younger then, and they are now very elderly. I do not think that I will mislead the House if I estimate that in part III homes in Macclesfield two thirds of the residents are singly incontinent, and quite a high proportion of them are probably doubly incontinent. Those part III homes were not designed for people needing that level of care, who, because of their health, place an immense burden of care on the staff who work in the social services departments of the county councils.

We are faced with an increasingly difficult and complex problem. I agree with the hon. Member for Oldham, West that perhaps the supplementary benefit eligibility for entering a private or voluntary residential nursing home should be based upon need, not just upon the availability of resources for that person. The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) also picked up that point. I hope that my hon. Friend the Minister will turn his attention to this matter in his reply.

If I may be parochial—perhaps it is not inappropriate to be parochial in the House occasionally—I shall refer to the importance of the elderly in my area. The elderly top the housing list of Macclesfield borough council. Of the 3,400 on housing waiting lists, 1,125 are elderly people requiring specialist accommodation specifically constructed for them. I highlight that statistic to show the level of concern about this matter in many areas of the country, not least in my area, which is a progressive area where the number of elderly people is increasing dramatically. That places increasing burdens upon the hospital facilities required for geriatric accommodation, and produces a requirement for the building of more specialist accommodation, and for more domiciliary care.

The hon. Member for Oldham, West raised an important issue when he said that we must ensure that more specialist staff are available to help people to remain in their own homes. I agree with that.

The hon. Member for Caernarfon was the first in the debate to highlight the position of carers in our society —those who look after elderly relatives—who take it as their personal and voluntary responsibility to look after someone they have known for many years who has become extremely old and needs to be looked after at home. Those people have taken a great responsibility upon their

shoulders, removing a considerable cost which otherwise would have fallen upon the state. I hope that additional resources can be directed towards carers, who play a unique and most valuable role. The hon. Gentleman has done the House a service by raising that matter so clearly.

Some Opposition Members have implied criticism of the private and voluntary sectors and of their role in making provision for the elderly in our society. That is unfortunate, because it is appropriate that the private sector should put capital into the provision of accommodation for the elderly, whether it is straightforward residential accommodation or specialist nursing accommodation.

In my constituency—experience is perhaps helpful in debates such as this — there is good co-operation between the social services district offices of Cheshire county council, covering the Macclesfield area, and those who run private residential and nursing homes. I readily admit to Opposition Members that there has been a considerable growth in the number of both private residential homes and private nursing homes in my constituency. I balance that by saying that the majority of the proprietors worked previously in the public sector, establishing a fine reputation for the quality of the care that they gave the people in their charge in part III or similar institutions and homes. They are now transferring that care and expertise to the private sector and providing much money to open homes of the highest standard. The public and private sectors can work together to provide the widest range of good quality residential and nursing home accommodation for the elderly.

I think that the Government are open to some criticism. It is clear that they were taken slightly by surprise by the growth in the number of homes and the amount of money that is being spent through supplementary benefit on meeting the costs of those who are in private residential homes and private nursing homes. We should not seek to reduce the number of private residential homes or private nursing homes. Indeed, I should like to see their numbers further expanded so that they can be complementary to the continuing growth of part III and other specialist accommodation in the public sector. They should work together to a common end and objective.

Mr. Frank Field: Unfortunately, I did not hear the beginning of the hon. Gentleman's speech. He will understand why we are all so busy today. He has said that he wants an expansion of the private sector. Presumably he wants that for those who need the service that that will provide and not for those who are put into homes by their families.

Mr. Winterton: I greatly respect the hon. Gentleman's expertise in these matters. He and I often find ourselves on the same side of the argument. I said earlier that I agreed with the sensible argument of the hon. Member for Oldham, West — it was hidden within the political polemics, dogma and prejudice — that eligibility for supplementary benefit for a person to go to a home should be based to a greater extent upon need and not merely on the resources that might be available. That is important, and my hon. Friend the Minister has said that he will be dealing in some detail with this issue.

I regularly visit private nursing homes and residential homes in my constituency, such as Pott Hall nursing home near Bollington and Bryher house residential home, as well as part III homes. I believe that the standards of care, facilities and expertise are extremely high. However, if there are to be private homes as a result of people putting up private capital, they should be properly inspected and carefully licensed before they are allowed to take the elderly, those who require specialist care, the mentally ill, the disabled and the severely handicapped, or whatever other category, and care for them, and they should be regularly and closely monitored.

As the hon. Member for Birkenhead (Mr. Field) knows, because of his expertise, it is easy to open a home with high standards, but unless the home is run properly and is carefully administered and there is proper supervision by those who know what they are doing, standards can quickly deteriorate. Those who go to a private home can be pleased initially with what they are given, but they may find quickly thereafter that they are not getting value for money. The care that they receive may be worse than that which was available to them in their own homes, where they were lonely, before their application for a place in a residential home or nursing home was accepted.

Unfortunately, the hon. Member for Wolverhampton, North-East (Mrs. Short) is not in her place. The hon. Lady chairs the Select Committee on Social Services with great decorum and distinction. If my memory serves me correctly, she has chaired the Committee and its predecessor Committees for about 16 years. I have been pleased to serve under her—I had better rephrase that. I have been privileged to serve with the hon. Lady on the Committee for about 12 years. We have established the sort of rapport, co-operation and understanding that was referred to by my hon. Friend the Member for Halifax (Mr. Galley).

The Select Committee on Social Services is perhaps the least glamorous of all the Select Committees, but I am not being immodest when I say that it is one of the most important, if not the most important, of all the Select Committees. Those who serve on it work exceedingly hard. They are backed by excellent staff and by equally excellent advisers who assist from time to time with our more important inquiries.

The Committee was told that £280 million was spent in 1985 on private and voluntary residential care for the elderly, and I have no doubt that my hon. Friend the Minister will tell us that the sum will be greater this year. It will probably be well in excess of £300 million. In the main, that is money well spent. With the rapid growth of expenditure in this area, however, the Government must monitor spending much more closely and have a more sensible and rational policy on the allocation of resources. At the same time, there must be the sort of flexibility that was referred to by the hon. Member for Caernarfon. On whichever side of the Chamber we may sit, we must surely have one common objective—to provide the very best accommodation and the most expert and caring care for the elderly who need to resort to residential or nursing home accommodation. Surely that must be a shared objective.

Much mention has been made of community care, a subject about which I feel fervently. On Saturday, I shall preside at the opening of a large garden fete at Parkside hospital in my constituency, which cares for the mentally ill. Over many years it has established the highest reputation for the care which it gives to those suffering from mental illness. Some of those people have been there for practically the whole of their lives, which means several

[Mr. Winterton]

decades. The hospital, in the form which we know it, is threatened with closure. The health authority has suggested that it will replace it with two hostels for the mentally ill.

Community care is vital, and let us try to keep those who are handicapped, such as the mentally ill or the mentally handicapped, in their homes if we can do that by providing the right accommodation and properly qualified and appropriately skilled staff, but let us not put people out into the community merely to close a mental hospital or psychiatric hospital so that the hospital can be sold and we can realise capital assets by making the site available for building. We may put people into hostels, and some may be suitable for them, but what about the specialist facilities that are provided within hospitals? I have in mind sheltered workshops, hydrotherapy pools and other specialist facilities and accommodation. These things cannot be provided within a hostel complex. I hope that all hospital authorities will consider carefully what they are doing before fine hospitals are closed and lost for ever. There will always be a limited number of places required in long-stay hospitals for those who suffer from the more acute forms of schizophrenia, and we have all seen on television horrific documentary programmes about schizophrenics. This topic is close to my heart and I shall be making a plea publicly on Saturday at Parkside hospital that the authorities in my area——

Mr. Frank Field: The press are in the Gallery.

Mr. Winterton: I am not worried about those who are not in the Chamber. I shall make the plea that the authorities will consider the long-term needs of those who require refuge and 24-hours-a-day hospital care.

The Select Committee has presented a good report and it merits a considered response from my hon. Friend the Minister. I am confident that we shall get it. I think that we are united in our objective for the elderly, and I hope that the Government will give us some reassurances this evening.

5.58 pm

Mr. Allen McKay (Barnsley, West and Penistone): It is a pleasure to speak after the hon. Member for Macclesfield (Mr. Winterton), and that shows how deeply hon. Members on both sides of the House care about the disabled, the weak, the infirm and those who cannot look after themselves. I congratulate my hon. Friend the Member for Wolverhampton, North-East (Mrs. Short) on the report and on the work that she has undertaken for so long on behalf of such people.

This issue is both important and highly volatile. The problem will not go away, but will rather increase. Without any shadow of doubt, people will continue to live longer as more facilities and medical services are provided, and that is, of course, only right. At one time, every family strove to look after its young and elderly. Now, however, families are often split up, either because a husband has had to travel the length and breadth of the country to find work or because he has had to follow up work that he has already undertaken. Thus, we must consider not only the problems outlined by the hon. Member for Macclesfield, but also the future.

When I was chairman of housing, I looked at this problem together with architects and planners. We found that often those who might want to care for their parents were unable to do so, because they lacked the facilities. Consequently, I believe that we must plan and must think of creating space for granny flats. Some countries plan for the time when the children will have to care for their parents. Accordingly, they design their houses so that accommodation can be added on at a later date, enabling the parents to live their lives while allowing the children to do so, too. Of course, it also means that the parents are cared for.

The *Yorkshire Post* highlighted some of the problems to be found in certain private accommodation. It would be wrong to take a broad-brush approach and to condemn private accommodation as a whole. But, according to the report, there are areas of concern which I believe the House should consider. I also believe that we should reinforce the inspection arrangements undertaken by local authorities, or by local authorities acting in conjunction with the health authorities in some areas. According to the report in the *Yorkshire Post*, there must be constant vigilance to ensure that things are right. If we are to adapt to the increase in the number of elderly people, we must give them confidence in how private or part III accommodation is built and run.

I have no doubts about my local authority. Regular inspections are carried out not only by officers but by councillors. Councillors are encouraged to make regular visits to their part III accommodation. I visit part III accommodation, and only last Saturday I went to one of the homes. I got great pleasure from that home's oldest resident who had been there for more than 12 years. That resident congratulated those who care for the residents on their standards of cleanliness, on the food that was provided and on the care that had been shown. Indeed, in general, even better standards probably result from such expressions of thanks.

I greatly admire those who look after the elderly. They are very special people. However, sometimes general hospitals inadvertently act as homes. Those, in particular, who have no relatives will not be turned out of a general hospital even if they are taking up a valuable bed simply because the next stage, the geriatric hospital, is full and there is no part III accommodation.

Hon. Members must consider carefully the policy of care in the community. If we can build the facilities needed for care in the community, people will be far better off in the community than in part III accommodation, or in any home, however good it is.

Will the Minister give an assurance that he will consider those points? Will he also give an assurance that the report in the *Yorkshire Post* will not be put on one side but will be investigated? I hope either that things will be put right, or that the investigation will show that there was no substance to the report. But some investigation is necessary for the confidence and well-being of those in the area.

6.5 pm

Mrs. Edwina Currie (Derbyshire, South): I am no longer a member of the Select Committee, and this year I did not have the privilege of being involved in the report on the expenditure Estimates. But it is clear that, yet again, the Committee has done good work and I am glad that we are debating this subject today.

Statements about the growth in the expenditure involved and in the number of those receiving this form of

supplementary benefit have been well rehearsed. Paragraph 70 of the report states that the cost of payments to elderly people increased from £6 million in 1978 to an estimated £280 million last year. The number of recipients also increased from 7,000 in 1978 to 42,000 in 1984, and the average payment increased from £15·70 to £88 per week in 1984. One cannot go any further than that, because no one knows how many people receive that benefit or what its current cost is. But my guess is that the figure for the number of recipients may well have doubled during the past two years to 80,000, and that the suggested figure of £300 million is probably a very conservative estimate. If it has not yet reached £500 million, I should be most surprised.

When my husband and I were house-hunting in my constituency during the summer and autumn of 1983, we looked at several large houses. Nearly all of them have now been taken over and have received planning permission for use as private old people's homes. Indeed, I now have the considerable pleasure of visiting them and opening them at the rate of approximately one a month. I am delighted to note the standard of care that they offer. Those involved have certainly made a much better job of renovating the properties than I and my family would have done. I have no doubt that they are doing a first-class job, and I am glad to put that on the record.

I had intended to comment on the speech made by the hon. Member for Oldham, West (Mr. Meacher), but I am bereft; my quarry has flown. He has scuttled off to have his tea. Perhaps that is the greatest compliment that he could pay me, but——

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Major): The hon. Member for Oldham, West (Mr. Meacher) has, to my certain knowledge, an engagement outside the Chamber. Before he left, he told me that he greatly regretted that it was unavoidable. I know that he would particularly regret being unable to hear what my hon. Friend wanted to say to him.

Mrs. Currie: I am even more astonished that my own Minister should apologise on the hon. Gentleman's behalf, but there we are. It shows what an honourable and decent gentleman my hon. Friend the Minister is.

I listened to the comments and criticisms of the hon. Member for Oldham, West, and waited in vain for a word of congratulation on the tremendous growth in expenditure, which has done so much to help many more people and which helps to care for such a large proportion of our elderly people. I could not figure out whether the hon. Gentleman was in favour of that growth in expenditure and wanted it to be increased, or whether he was agin it, and would like to cut it out entirely. That is why I asked him about his attitude to private residential care. I was interested in what he said. He said that he understood that private homes could not all be closed, but that he believed that the private residential care sector should not expand. That is what he said, and I understood him to mean that the Labour party might have a policy of freezing all places and of keeping the number at its present level. I also understood him to mean that no more such homes should open and that there might be a ban on giving planning permission to any such future homes.

Perhaps one of the Labour Members present can tell me whether the hon. Member for Oldham, West had authority to say all that, or whether he was thinking on his feet. If he did not have any authority to say that, does he intend to return at some future stage to say that private residential care should be expanded—something which I would welcome—or that such homes should be closed? I suspect that the latter is what he would like, if he had half a chance.

It is also worth pointing out that the Select Committee confirmed something that Government Members have believed for some time: that it is the DHSS rate of benefit which sets the level of prices and rents charged. In paragraph 72 of its report the Select Committee discussed the history of this benefit. The paragraph says:

"landlords raised their prices to meet the limits."

Hon. Members will remember the many occasions when Government Members have said that that was exactly what was happening, that if levels of benefit are increased the rents and charges will go up. Opposition Members said no, that could not happen and that the charges accurately reflected the absolute necessity to pay amounts of that sort. Of course it happens, and the DHSS is at last aware of it. I am glad that the Select Committee has confirmed it in such a competent and efficient way.

I am worried about the increased dependence of the private system on state funding. I should like to quote some figures from the parliamentary panel on personal social services, covering the period from 1979 to 1984. It says:

"while private provision has nearly doubled, supplementary benefit payments have increased 20-fold."

As a result, the percentage of the independent sector financed through supplementary benefit has increased from about 14 per cent. in 1978 to 40 per cent. in 1984. My guess is that that figure must now be over half and may be as much as two thirds of the private sector. Certainly most of the growth in the last couple of years must have been financed substantially by the state supplementary benefit system.

I am never happy when I see a private profit-making industry, however competent, drawing most of its revenue from the state, especially when that percentage is rising so sharply. The Government now face a substantial and well organised pressure group which did not exist before. It has been sending papers to the hon. Member for Oldham, West which he busily read out. That will make it difficult to do what the hon. Member for Oldham, West wants to do, which is to stop any further growth.

My hon. Friends will know that I support almost any effort to reduce the burden of social security. I read for the first time in connection with this debate the booklet entitled "Supply Estimates 1986-87". There are some nuggets in there about how we might do something to reduce expenditure while improving the quality of care. We are talking about residential care, and I should like to mention one item of expenditure. It is only £3·5 million but it is quite interesting and is contained in page 24 at section G2.

The section says that we provide maintenance and treatment for about 59 severely disturbed children and young persons at two national residential centres. It costs us £3,672,000 a year. That works out at £62,000 per child per year, or more than £1,000 per week. I know those two centres. They are St. Charles in Essex and Glenthorne in Birmingham. If the DHSS would like to improve the quality of care that it is giving to young people and save some money on residential care, that is obviously

[Mrs. Currie]

something that it could have a go at. Local authorities pay about £1·5 million back into the kitty and that simply means that the cost to the Exchequer is reduced to about £30,000 per child per year. On that basis, we could buy Eton, let alone buy places at Eton for the children concerned, and they might be whacked into some kind of shape. That is one example that I commend to my hon. Friends.

My hon. Friends also know about the problem posed for these Estimates by the fact that the increasing numbers of elderly people will get worse. I listened to the speech of my hon. Friend the Member for Eastleigh (Sir D. Price) and I found it very moving and accurate. He said that the demand for residential care was bound to grow. The Minister of State said the same thing to the Select Committee and was quoted by the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood).

The numbers are quite frightening in many ways. In 1961 we had fewer than 2 million people aged between 75 and 84 and barely 250,000 over the age of 85. By 1996, in 10 years' time, we will have 3 million people aged between 75 and 84 and 1 million aged over 85. Together they will form 7 per cent. of the population. We all know that that is happening because those people are here now. Some of them are sitting in the Chamber and I hope that they will achieve this great age. A number of them form a substantial majority in the other place and give excellent service to the nation. I hope to join those numbers of elderly when the time comes.

Mr. Frank Field: Is not the hon. Lady being slightly unfair to the other place? Surely that is a model for the type of local authority home that we ought to have in every district. It has a speaking room, a sleeping room and an eating room. There are no nurses in white coats, only people in black suits and the residents are called my Lord and my Lady and they live for ever. That is not something to be abolished but something to be spread throughout the nation.

Mrs. Currie: That is a well-put point. They are also a great deal more with it and modern than we are in this House, having insisted that their proceedings should be televised—and a very good job they do of it.

We all know about these figures and quote them. They are in all the reports, but is anybody planning to listen on the basis of what these figures really mean? Is the Treasury listening? Are the figures being built in? According to the Select Committee report, the DHSS managed to get it wrong to the tune of over £1 billion this year. That makes one wonder whether the DHSS is listening. I am aware that the statistics, according to the Select Committee, on which a great deal of DHSS planning is done are a little inadequate. I understand from paragraph 67 that the latest available data relate to 1981 and that the DHSS has problems with the 1983 family expenditure survey, but it is worth reflecting what those increases in numbers mean. This budget and this group of Estimates which are causing such headaches in the DHSS could have been foreseen and will continue to grow.

It is the same in other parts of the public services. The elderly use nine to 10 times as much of the National Health Service as fit younger people. Is that factor being built in? If it is not, that helps us to understand why the tremendous real increase in expenditure on the National Health Service —the figures that the Prime Minister quoted on the radio this morning — seems to vanish into thin air. It is because the people using the Health Service are not the same people as they used to be and their requirements are now quite different.

My hon. Friends on the Front Bench know that I have been one of those calling for an assessment system for the people gaining admission to the private homes and who are able to claim supplementary benefit. If we are to achieve our dual objectives in this field — to cope with the increasing numbers of old people with some dignity and give them the right and opportunity to live in some comfort and at the same time to keep the budget under control — the budget cannot be demand-led and unrestricted for much longer. We are not being unkind when we say this because this rapid growth deprives other elderly and disabled people who may well be in much greater need. I deeply resented the remarks of the hon. Member for Oldham, West, who said that such things as home helps and meals on wheels are not Government priorities. They are Government priorities and we have seen rapid expansion in both services under Conservative Governments and Conservative councils.

The key is to ensure that the people receiving the funds that we are debating are in both financial and physical need. Some assessment system has to be devised which does more than look at their financial requirements. The DHSS will have to develop a system under which it can say no and can say to the fit and active 60-year-old, "No, you do not need to live in an old people's home and if you do we will not pay for it until such time as you need it."

Mr. Allen McKay: Would the hon. Lady turn the argument round and say that we should also provide sufficient money to local authorities to enable them to build more aged people's homes so that people would have to come out of their three and four-bedroom houses and would not need to go into part III accommodation?

Mrs. Currie: The hon. Gentleman has misunderstood me a little, and if it is my fault, I apologise. I do not particularly want to see a growth in council-run homes. I do not mind who runs the homes, as long as they are well run, and I do not mind who pays for the homes, as long as when it is the state—which it is increasingly and, I suspect, to the tune of rather more than half the amount that is going into the private sector — we should have some say as to whom the money goes to and as long as there is some recognition of need. I should be perfectly happy if all the homes were run by the private sector. If they could be run to the same standards of quality as those in South Derbyshire, that would be absolutely marvellous.

Mr. McKay: Perhaps I may put the hon. Lady right. I was not referring to who provides the accommodation; I was referring to bungalows for the aged. They would enable those who are now living in three-and four-bedroomed houses to move into smaller dwellings and still live in the community and care for themselves, which they cannot do while they are living in three-or four-bedroomed houses.

Mrs. Currie: I agree entirely. If the hon. Gentleman ever has time to look at my record as housing chairman in Birmingham, he will find that that is exactly what I did.

I call attention to one sentence in paragraph 75 of the Select Committee's report. The Committee did not highlight this sentence, but it sums up everything that has been said in this debate. It says:

"A clear national policy for the support of the elderly inside and outside residential care must be devised."

That is absolutely right. I have complete faith that the Government and the Ministers who are on the Treasury Bench today will devise such a policy, and I call upon them to do it as soon as possible.

6.21 pm

Mr. Frank Field (Birkenhead): Many hon. Members will know that Martin Gilbert created a cottage industry by producing many volumes on different aspects of the life of Winston Churchill. One of those volumes records the fact that when visitors who had been invited to Chartwell approached the summer-house in the garden to greet Churchill they heard the grand old man say, "Mr. Speaker, I did not expect to be called today." I did not expect to be called today. However, I want to put four points to the Minister, although I did not rehearse them in my summer-house at Chartwell before I came to the House.

First, will the Minister respond to the pleas from both sides of the House that access to old people's homes should be controlled? I am not asking that question, as the hon. Member for Derbyshire, South (Mrs. Currie) emphasised, only because of concern about rising costs and the contribution made by the taxpayer. I am asking it because I believe that old people's homes are meant for those who are unable to survive in the community and that access should be limited to them. Both sides of the House have suggested that local authorities would be in a good position to determine who should have access to them.

The Minister probably expects Opposition Members, if not Conservative Members, to say that local authorities would find it difficult to undertake that task if they were not provided with additional staff. Considerable savings can be made if money is moved from one Department to another. In this case, money would be moved from the Department of Health and Social Security to the local authorities. Given that there is all-party agreement, I hope that the Minister will have something positive to say about that when he replies to the debate.

Secondly, in his typically powerful way, the hon. Member for Macclesfield (Mr. Winterton) referred to the need to check the standards of this form of service. He drew a distinction between the need to ensure that somebody can provide a service and what can happen to that service over a period if we as a community do not keep a friendly eye on it.

I am not making a plea for a form of police force. Although all hon. Members can point with considerable pride to the local authority and private sector services in their areas, I guess that many of us are worried about the services that are provided by some of those who have newly entered the field. This is partly because some people want to make a quick buck, but in other cases people are unaware of the correct standards and how they can be maintained over a period.

Sir David Price: Does the hon. Gentleman agree with my suggestion that the DHSS should develop an inspectorate along the lines of Her Majesty's inspectorate of schools, which has a positive role to play?

Mr. Field: I did not expect to be called today, but I made a note to refer to that point if I was called. I have not heard that suggestion before. My thinking has been typically local authority dominated, but the suggestion is valuable. Although the hon. Gentleman did not refer to it in his speech, I am sure that we have all grasped the point that if an inspectorate can cross local authority boundaries it will pick up the best practice and the worst practice in different local authorities, whereas a single local authority has only its own area from which to build up its expertise.

I hope that the Minister will refer to the need to maintain the standard of care that is provided for frail and sometimes confused old people. Clearly they are vulnerable because of their confusion and frailty. Furthermore, as the hon. Member for Derbyshire, South said, a large amount of public money is now being directed to this area. Therefore, we ought to ensure that the money is spent in a way that would make us happy if we were residents in any of these homes, of if members of our family were resident in them.

Thirdly, I hope that the Minister will answer the point made by the hon. Member for Eastleigh (Sir D. Price) about the attendance allowance. He criticised the fact that the rules governing the use of the attendance allowance to help to pay for the total cost of a stay in a home have been changed. I disagree with him about that. I thought that it was a sensible change. It did not lead to taxation of the benefit. It provided that if the charge made by the home was higher than that which would be covered by supplementary benefit, the attendance allowance should be taken into account. That is reasonable. What is completely unreasonable is that when that change was made many of our constituents had their attendance allowance, or part of it, taken into account for the first time in meeting the cost of their place in an old people's home. The rest of the allowance was frozen or, more accurately, was lost. When the next round of increases in charges took place, that part of the amount that had been frozen was not unfrozen. This is a particularly important point to which I hope the Minister will respond.

In Birkenhead, the lawyer who works with me and who has caused the Government so much good trouble, Nick Warren, took the case of one of my constituents to a tribunal. The tribunal ruled that the Government were behaving unlawfully. The first messages from the Department were slightly cocky. The Department said that it would challenge that ruling. However, it has not done so, for the simple reason that it now thinks that it would lose. As the Department does not believe that it could get the decision overturned, does it not have a duty to consider whether all those in old people's homes who have claimed attendance allowance but who have had most of it frozen, and who have therefore lost it, ought to be treated more equitably and fairly, as my Birkenhead constituent is being treated because the Department lost its case before an independent tribunal?

My last point is perhaps the most fundmental. We cannot expect the Minister to undo what has happened since 1980, but many of us must be unhappy that we have seen an increase in expenditure from the DHSS when, under other circumstances, one would have expected to see that expenditure from the local authority, even if that local authority was spending money in private provision as well as providing within the local authority sector. It undermines the Government's position when they regularly tell us that they cannot expect the DHSS to pay students money because that is an education function, yet they are paying large sums of money—it may be £500

[Mr. Field]

million, as the hon. Member for Derbyshire, South said —under the guise of supplementary benefit. That is a payment of allowances to people in the community, but we are talking about people who cannot live in the community and are covered by the provisions of an old people's home, whether private of public.

I end where many other hon. Members began, by thanking the Select Committee for producing this report. Like so many other of its reports, it is valuable. The subject that we have been discussing touches on a growing number of our constituents who, because of their frailty and age, are least able to look after and protect their interests. For that reason, if for no other, we are grateful to the Select Committee.

6.32 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. John Major): This is an important and wide-ranging subject, and the quality of the debate this afternoon has reflected that very well.

I take my grace note from the hon. Member for Birkenhead (Mr. Field) and others by congratulating the hon. Member for Wolverhampton, North-East (Mrs. Short) on introducing the Select Committee report, and on the manner and style in which she did so. I thank her also for her courtesy in making available earlier this week an advance extract on "Private and Voluntary Residential Care for the Elderly" from the Select Committee on Social Services report, which was published this morning. That was most helpful as it was the staple core of the debate, and I am extremely grateful.

A number of highly relevant matters have been raised this afternoon, as they were in the Select Committee report, and I shall endeavour to respond to as many as possible. It is entirely appropriate that our discussions should be based on an estimate of expenditure because, as both the Select Committee and almost every hon. Member who has spoken have commented, there has been a dramatic increase in cost for supplementary payments for residential and nursing homes and care in recent years. There is a variety of reasons for this, some of which were touched on. They are the increasing numbers of elderly people, the rising age profile, greater knowledge of entitlement to supplementary benefit, which has played an important part, and the availability in recent years of the supplementary benefit payments.

There is no doubt that expenditure on provision of accommodation and care for the elderly has inevitably risen over recent years. The availability of the supplementary benefit entitlement has provided an option for the elderly which previously would have been open only to a minority with substantial private resources. Many hon. Members will welcome that extension of options. Without that option, however, the choices for the elderly would have been more limited than they are. They would have had to rely simply on the help of their own resources, if they had any, or on the support and resources of their family, if their family had any, or on the capacity of the local authority to use its permissive powers to assist. The provision of supplementary benefit limits, whatever the individual criticisms may be, has extended an option that has brought for many elderly people a level of care and individual satisfaction that otherwise they may not have received.

The present position has evolved as a result of a number of policy changes, largely familiar to the House and accurately detailed in the Select Committee's report and set out by the hon. Member for Wolverhampton, North-East. In view of the points that have been raised, I shall not reiterate the historical perspective of the situation in which we find ourselves.

It is true that in the period up to 1984 there was a huge increase in the number of people being helped with residential care and nursing home fees through supplementary benefit. The statistics, although already noted, are worth repeating, for they are startling. In 1978, supplementary benefit helped 7,000 people with their fees. The related expenditure was £6 million. In 1984, there were 42,000 claimants, and expenditure had risen to £190 million. Expenditure had in effect gone up thirty-fold in six years.

The hon. Member for Wolverhampton, North-East specifically touched on this growth, as did my hon. Friends the Members for Eastleigh (Sir D. Price), for Macclesfield (Mr. Winterton) and for Derbyshire, South (Mrs. Currie). They referred in detail to the certain demographic growth in the number of claimants. We have had to bear that in mind in determining the structure of assistance that we have provided. We have always to bear in mind the twin needs of providing the maximum amount of assistance that we can afford and ensuring that the relevant resources are used in the most satisfactory fashion; the Select Committee pointed out the desirability of doing that.

The new structure that we introduced in 1985, although not specifically the subject of the debate, is intended to target help better and prevent abuse. The old local limits have been replaced by a new national structure of limits related to the specific category of care provided. We did not just dream up those categories. They were drawn from the Registered Homes Act and the limits were determined from information about the differential costs of providing the appropriate levels of care for different client groups.

I am grateful to the hon. Member for Oldham, West (Mr. Meacher) for acknowledging, as did the Select Committee, the recent changes in the supplementary limits. Those changes were specifically designed to give extra help where it is most needed, and added flexibility to the new structure within which we operate. To put them in their context, the changes follow an interim uplift of £10 given last November for all types of residential homes, and a substantial increase of £37·40 for nursing homes. The main new changes in addition are a further increase of £5 in the new limit for residential care homes for the elderly, a new limit of £140 for elderly people who are blind or who qualify for the higher rate of attendance allowance, and a special extension of £17·50 for people living in residential care or nursing homes in Greater London. A number of points have been raised by hon. Members this afternoon, and I shall endeavour to deal with them as and when I deal with hon. Member's specific observations.

The hon. Member for Wolverhampton, North-East spoke with all the authority of the Chairman of the Select Committee. She spoke specifically of the extent to which she believed that supplementary expenditure on residential and nursing home care may have been out of control. I emphasise that they were her words rather than mine. The normal supplementary forecasts are based on a disaggregation of different client groups, and not on different household categories. Because of the specific

concern about board and lodging payments in 1984, special estimates were made in the Department about future expenditure in this sector.

As the supplementary benefit annual statistical inquiry showed, between December 1982 and December 1983, expenditure for people in residential care and nursing homes rose from £39 million to £105 million. Using those figures as a base, it was estimated that by December 1984 expenditure would increase to £190 million and would continue to increase by about 50 per cent. a year. Those estimates took account of foreseeable changes — for example, in the number of elderly people — but some other factors had to be considered which cannot be precisely quantified, such as the demand and need for residential care and the level of charges for it.

The expenditure figures from the annual statistical inquiry have not been fully analysed. In terms of the number of claimants, our estimates look remarkably accurate. We estimated that the number of claimants would increase from 25,800 in December 1983 to 42,500 by December 1984. The number for December 1984 was 42,000, so our estimates were perhaps rather more accurate than one may have been led to believe by the growth in global expenditure in that point. Perhaps the Department had the expenditure under tighter control than many may have supposed.

The hon. Lady also referred specifically to the desirability of comparable standards in public and private sector homes, and I agree with her about that. In 1984 we made it clear that local authorities should be consistent about standards across the sectors, and we have repeated our blandishments in 1986. The social services inspectorate inspects both public and private homes. It has a specific power to do so as and when it thinks it appropriate on a selective basis, but the prime responsibility for inspecting voluntary and private homes remains with the local authorities under legislation. So far as we can see, that is desirable and we expect that that will continue to be the case. We have a two-year monitoring study in hand and a report due towards the end of the year which may give us more information than we have had on an important and relevant part of this area.

The hon. Lady asked whether homes were being squeezed out of business. I understood her to say that, when the Department was asked, it appeared not to know the answer. I cannot respond precisely to the questions asked at that time and I do not have before me the answers that may have been issued, but there is no evidence now of homes closing because of the new structure. On the contrary, it remains a sustainable business, as the Select Committee stated in its report published this morning.

The Ernst and Whinney study on homes' costs also showed that homes could be profitable when charges were set at the supplementary benefit limits. I must emphasise that most residents are privately financed. Supplementary benefit supports about one third of those in independent homes, and more than two thirds are supported by their own resources or other than through the supplementary benefit system.

Mr. Wigley: Will the Minister confirm that the Ernst and Whinney assessment of the cost of homes was based on shared rooms, and that the Government's policy is for single rooms? Where does that put the assessment of the figures?

Mr. Major: I would not confirm that the assessment was based on the cost of shared rooms. The study took account of a variety of different factors. In reviewing the limits we considered a wide range of information on the gross unit costs per place and on charges for single and shared rooms, representations from interested people and organisations, and a variety of other factors. Therefore, the assessment was not based simply on shared rooms. I hope that the hon. Gentleman will find that explanation of some comfort.

I shall return to a matter which has run through the debate, but first I shall touch on a related matter which was perhaps not specifically raised today but which was certainly raised in the Select Committee's report, and that is the recommendation that we should consider urgently the relationship of board and lodging payments to the new income support scheme. We accept the Committee's observations in that regard. We shall consider the future structure of payments for ordinary board and lodging during the coming months and issue proposals for consultation as soon as possible.

My hon. Friend the Member for Eastleigh touched on a number of confusions arising from the various sources of assistance for elderly people through residential care in the private sector, care in the voluntary sector and local authorities. It is perfectly true that the present relationship between the main supplementary benefit scheme and other forms of support for people in need of residential care is confusing and unsatisfactory. That has been the view of many hon. Members who have spoken this afternoon.

Obviously, support for those who cannot afford to pay for themselves can be provided either through supplementary benefit or from local authorities. However, it is clear that the parallel systems of local authority and supplementary benefit support overlap, and that the differences between them are confusing for people who run the systems, the staff who work within them, and, most important, for the people who require to be assisted by them. There are, for example, different rules about the assessment of clients' resources for both systems.

Because we recognise the anxieties raised by the hon. Member for Oldham, West and others, we have a major programme of work in hand to review the arrangements for the financial support of residents in local authority, private and voluntary residential care homes, and to improve collaboration between the Department and local authorities in this area. We are setting up pilot studies which will test the feasibility of using local authorities' existing assessment arrangements to assess the need of supplementary benefit payments for residential care. That point was raised specifically by the hon. Members for Birkenhead, for Caernarfon (Mr. Wigley) and for Oldham, West, and my hon. Friends the Members for Macclesfield and for Eastleigh. The report is in hand.

We are also seeking to examine the position of local authorities advising DHSS — *[Interruption.]* I am not sure whether the hon. Member for Knowsley, North (Mr. Kilroy-Silk) has been present throughout the afternoon. He is always a welcome refugee from his sun lamp, but so far as I am aware, although he may have been actively engaged this afternoon, he was not actively engaged in the Chamber. If he will allow me, perhaps I can turn my mind to responding to hon. Members who have been actively engaged in a good purpose this afternoon.

The pilot study will investigate the possibility of local authorities advising DHSS local offices on appropriate

[Mr. Major]

levels of payments for particular homes. I acknowledge the reservations on assessment and the pertinent points made by my hon. Friend the Member for Halifax (Mr. Galley). We have also set up with the local authorities a second joint working party to consider ways of harmonising financial support for people in residential care homes. The relationship between financial support for residential care and the income support scheme will depend on the outcome of the joint working party which we expect will report by Easter next year. The working party is considering three main options, at least one of which was trespassed on by the hon. Member for Birkenhead in his intervention in the speech of my hon. Friend the Member for Eastleigh.

The first option is that all support for residential care will be funded through benefits; the second is the opposite approach, with all support being provided by authorities; and the third, which may appeal most to my hon. Friend the Member for Macclesfield, is a mixture of the two with the support for the board and lodging element to be funded through benefit and with the care costs being met by local authorities. That matter was raised by many hon. Members, including the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), and we shall have to await the results of the discussions and consultations on it.

At the moment all options are open, but, as the House will appreciate, any of the proposals would involve major structural changes and I do not underestimate the difficulty of carrying those through. However, we are anxious to find the best possible mechanisms for assisting the elderly to obtain suitable accommodation while retaining, as the Select Committee is clearly anxious that we should, a proper control over public funds. I can assure the House that once we have firm proposals we shall make them available to the House.

Mr. Kirkwood: Does the Minister see any chance of doing that by April 1988?

Mr. Major: I said a moment ago that we hoped to have the report by Easter next year, and I hope that the hon. Gentleman will accept that. As to legislative matters thereafter, that is not a matter for which I am responsible at this moment, despite the eager anticipation that raced into the hon. Gentleman's eye as he leaped to his feet.

The hon. Member for Oldham, West, alas, missed the benefit of the speech of my hon. Friend the Member for Derbyshire, South which referred to many of the remarks that he made and in so doing substantially truncated the remarks that I would have made, for which the House may be truly grateful. The hon. Gentleman suggested that the national limits that we introduced in April last year might have been too low. The limits were set on the basis of the best information that we had available to us. They were intended to enable reasonable charges to be met and they were successful in that endeavour.

When we introduced those limits we promised a full programme of monitoring and research. As a result of the initial feedback from that programme, we made substantial increases to the limits last November which, as the hon. Gentleman will know, now range from £120 to £180 for residential care homes and from £170 to £230 for nursing homes. Hon. Members will know that we have just completed a full review of all the board and lodging limits, the results of which I referred to a few moments ago.

I am unable to accept the hon. Gentleman's underlying point. Broadly speaking, the limits were at a relatively adequate level and subsequent research has shown that to be the case.

Mr. Meacher: I said, not that the limits were too low, but that they failed because there is a single national limit, albeit with a variation for central London. They fail to take into account a wide variation in gross unit costs. Does the Minister have any intention to try to make the limits reflect economic realities more closely? In the absence of that, the shoe will pinch in a number of places and I fear that there may be evictions of a number of persons whom I am sure that neither he nor the home owners wish to evict, but that is the economic reality.

Mr. Major: I understand the point on which the hon. Gentleman now enlarges. He will be aware of the special assistance, particularly for the London area, that was made in the announcements which will come into effect from 28 July. Indeed, my hon. Friend the Member for Eastleigh also referred to that specific point, so I shall respond to it now.

We looked generally to see whether there are substantial regional variations. It is true that there are modest variations within regions and that will almost invariably be the case. The only area that our monitoring shows really merits a substantial increase in the limit is the Greater London area, and we have made a substantial increase in the new limits that will come into effect from 28 July.

I understand — some of the residential care home owners touched on similar points when I met them — that there are within regions areas that are noticeably more expensive than others, but it is also fair to say that if we are to retain the financial control that we are invited to retain, quite rightly, by the Select Committee, we must set relatively broad limits to ensure that residential homes do not necessarily spring up in what may well be the most expensive and not necessarily the best areas for their functions to be carried out. Therefore, I hope that we shall not face the gruesome possibilities that the hon. Gentleman outlined.

The hon. Gentleman also raised the question of residential care homes not taking people on benefit. There have always been homes where it would not be reasonable to meet the charges at the expense of supplementary benefit and that remains the position. I emphasise that limits are not designed to meet exceptionally high charges. We could not obtain budgetary control if we did that. However, if someone has particularly serious health needs, health authorities and local authorities retain all their powers and duties to provide or to pay for care at the appropriate rate. We hope and expect and have evidence that in those special circumstances they will take up the responsibility that Parliament has invited them to accept.

The hon. Member for Caernarfon in, to echo the words of my hon. Friend the Member for Macclesfield, an excellent speech, asked for a view on the suggestion by the Spastics Society that people with multiple handicaps should be entitled to the amount of benefit available to people in nursing homes even though they may not be in nursing homes but are perhaps living in residential care homes. We recognise the particular problems of this specific group. My hon. Friend the Minister for Social Security has discussed the proposal with the Spastics

Society, but I am bound to say that supplementary benefit cannot meet all care costs however high and our local offices do not have the expertise to determine which groups need the higher levels of care. Local authorities have a role to play in the provision of care.

There are, as the hon. Gentleman will know, some topping up provisions which have given local authorities added flexibility to deal with certain people who fall in that particularly difficult area. We are hoping to have further discussions with the local authority associations and the voluntary sector on what improvements might be made to the particular difficulties faced by the group that the hon. Gentleman mentioned.

My hon. Friend the Member for Eastleigh spoke about regional variations and rightly had in mind the particular difficulties faced in Hampshire and in his constituency of Eastleigh. To add to the observations that I made a moment ago to the hon. Member for Oldham, West, our local office survey specifically showed that charges in the London south and London north social security regions were generally above the national average. But for most categories of home the difference was not significant. In all but one category in each region the difference was less than 10 per cent. and the clear pattern of significantly higher charges of London has not been repeated in the south generally. However, we shall keep a close watch on that, particularly in view of the remarks made by my hon. Friend the Member for Eastleigh.

My hon. Friend the Member for Halifax spoke rather against the light in terms of the prevailing sentiments in the debate and a speech is none the worse for having done that. He had some qualms about an assessment system and the possibility of introducing a bureaucratic straitjacket. He mentioned related problems that clearly would exist were we to move towards a specific assessment system. I hope and expect that those particular concerns will be discussed in the meetings that we have in the study group to determine how we may take the problem further.

My hon. Friend the Member for Macclesfield, in a typically robust speech, ranged widely across the spectrum. His core concern was on the desirability of assessment of need. I hope that he will accept that my remarks a few moments ago about the studies that we are carrying out in order to look at the problem will give him some reassurance that we fully take on board the worries that he has mentioned.

My hon. Friend also referred to the desirability of the expansion of private residential care to complement part III accommodation. I wholeheartedly endorse the way in which my hon. Friend put it. It is a substantial complementary factor to the part III accommodation which, as my hon. Friend says, now has to deal with people who often require more care than has traditionally been the case. The assistance that is provided by the residential and voluntary care sector will have been of significant assistance to those people who provide splendid care in part III accommodation.

The hon. Member for Barnsley, West and Penistone (Mr. McKay) spoke of the importance of the inspection of homes and related matters. He will know that local authorities have an obligation to inspect registered residential care homes at least once every 12 months, although they are encouraged to inspect them more often if they believe that to be necessary.

In addition, the health authorities have statutorily to inspect nursing homes twice every 12 months and the authorities have the power to withdraw registrations if standards are not maintained. I emphasise that that power exists for them to use if they feel that it is necessary. I can also tell the hon. Member for Barnsley, West and Penistone — he may find it reassuring — that the social services inspectorate is carrying out a two-year study to see how the Registered Homes Act 1984 is being implemented, including standards in the homes. We expect its report on this important matter at the turn of the year.

The hon. Gentleman also spoke of recent reports in the *Yorkshire Post*. He will understand if I do not refer specifically to the content of those reports. However, it is for the authorities with responsibilities to register and inspect the homes to examine those reports. In the belief that the hon. Gentleman may not have yet done so, I shall draw his remarks to the attention of those authorities.

My hon. Friend the Member for Derbyshire, South spoke robustly as ever and with typical good sense. Her comments about parts of the speech of the hon. Member for Oldham, West robbed me of many of the golden remarks I would otherwise have made, for which the hon. Gentleman may be thankful and the House may be grateful. My hon. Friend spoke about the need for assessment for supplementary benefit claimants. I hope that she will find my earlier remarks of some reassurance.

The hon. Member for Caernarfon referred to the possibility of shared rooms. I believe that I dealt with that in an intervention during his speech. I hope that he will find those remarks acceptable.

The hon. Member for Birkenhead raised a series of matters, many of which I have already dealt with. He also raised the question of the treatment of attendance allowance under the transitional protection provisions. The chief adjudication officer issued revised guidance for adjudication officers some weeks ago. Operational guidance asking local officers to review cases during the uprating exercise has also been issued. Arrears of benefit will be paid where appropriate. The regulations have now been amended to put the law back to what was originally intended. However, claimants will get the benefit of an increase in their transitional protection through the uprating addition of up to £10 which we introduced at the same time.

Mr. Frank Field: May we take it, as a result of the chief adjudication officer's decision, that all of our constituents who are in old people's homes and who claim the attendance allowance and had part of it frozen under arrangements which I understood and support will have further parts of that unfrozen as the charges of the local authority home increase and rise above the supplementary benefit level?

Mr. Major: I believe that I know the answer to the hon. Gentleman's question, but it would be safer for me to write to him rather than mislead him or, more relevantly, mislead those outside the House who may read reports of the debate. I shall undertake to write to the hon. Gentleman within the next day or so on that point.

I believe that we have had a worthwhile and, I trust, helpful debate. My hon. Friend the Minister for Social Security and I will reflect carefully on the many views expressed, especially those upon which there has been a broad consensus among those who have spoken in the debate. We are not in any way complacent about the present system and we entirely recognise the need for greater flexibility.

[Mr. Major]

As I said earlier, we have in hand already an urgent programme of work for the future and we look forward to carrying it through. What is certain and quite clear is our intention. We wish to ensure that residential care is on a firm footing so that the elderly can get the care they need. We wish to ensure that there will be alternatives to the excellent care so often provided by local authorities and that the resources used for that purpose provide the best value for the community that can be obtained. I believe that those are aspirations which command widespread support, and I commend them to the House.

Question deferred, pursuant to paragraph (4) of Standing Order No. 19 (Consideration of Estimates).

ESTIMATES 1986-87

Class VII, Vote 1

LABOUR MARKET SERVICES

Tourism

Motion made, and Question proposed,

That a further sum, not exceeding £759,406,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1987 for expenditure by the Department of Employment on the promotion of tourism, including grants in aid, general labour market services, including a grant in aid, services for seriously disabled people and an international subscription.—*[Mr. Trippier.]*

Mr. Deputy Speaker (Mr. Harold Walker): Mr. Speaker has selected the amendment in the name of the hon. Member for Hastings and Rye (Mr. Warren).

Mr. Dafydd Wigley (Caernarfon): On a point of order, Mr. Deputy Speaker. This Estimate refers only to tourism in England. Expenditure on tourism in Scotland and Wales comes under different headings. However, in view of the fact that the Select Committee report has significant effects on tourism in Wales and in Scotland, can you advise the House whether we are debating only this class of expenditure or whether we are combining with it expenditure that refers to Wales and to Scotland?

Mr. Deputy Speaker: Would the hon. Gentleman allow me to reflect on that for a moment or two? I shall advise him later.

Mr. Stan Crowther (Rotherham): Further to that point of order, Mr. Deputy Speaker. It may be that I can be of some assistance. Hon. Members from Scotland and Wales have persuaded the Government to reject the Select Committee's recommendation which would have brought all of this expenditure under one Estimate. They cannot have it both ways.

Mr. Deputy Speaker: I am not sure whether that is a point of order or helpful. Perhaps the House will allow me to reflect on the point raised by the hon. Member for Caernarfon (Mr. Wigley).

7.5 pm

Mr. Kenneth Warren (Hastings and Rye): I beg to move,

That Class VII, Vote 1, be reduced by £500 in respect of Subhead A1(1) (Grant in Aid to the British Tourist Authority).

I am grateful to the hon. Member for Rotherham (Mr. Crowther) for setting the tone and making sure that everybody in the House understands that we are debating tourism problems and opportunities for the whole of the United Kingdom.

In the many months during which we looked at the problems and opportunities of tourism, the Select Committee not only learnt a lot but received much help from all those engaged in that great enterprise. I think that I can speak for the whole of the Committee when I say that we found that tourism in our economy was a breath of fresh air. It is an industry of new opportunities and far horizons. However, I do not think it is inappropriate to say that nobody on the Select Committee, least of all its Chairman, which I have the honour to be, regards tourism

as a substitute for manufacturing industries. Markets and jobs have been lost because costs and quality in industry have exceeded customers' willingness to pay. Tourism must face up squarely to the fact that the need to hold on to its expansion and market opportunities will rest very much on its ability to deliver services in terms of opportunity and quality and of a size, price and sense that customers are willing to accept.

I should like to make one technical plea. Throughout our hearings we kept hearing the word "product"—a ghastly word—in relation to tourism. Tourism is about service to others. The word "service" is becoming an acceptable word once again in the English vocabulary. Pride in service to customers is a sound base on which we found many enterprises flourishing. With the permission of the hon. Member for Caernarfon (Mr. Wigley) I shall refer to some of the more excellent ones that we found in the Principality.

It is essential that service should be there at all times so that tourism can expand its strong enterprise base. I should like to pay particular tribute to Mr. Duncan Bluck and the members of the British Tourist Authority, the Scottish Tourist Board, the Wales Tourist Board and the Northern Ireland Tourist Board who, throughout our hearings, gave us every assistance. They tended to show us all the good things, and we had to look round the side to find some of the bad. However, overall I believe that we came away with a real understanding of what tourism in this country is all about.

Our elegant Clerks tried to talk the Select Committee down in the report. The Select Committee visited more than 100 sites, not just 80. We ranged from underground rivers in Northern Ireland, with Special Branch looking for mines in the river to make sure that our passage would be safe, to travelling on Snowcats in the Cairngorms in the middle of winter dressed in our city suits, much to the amazement of the skiers. In Wales, we had tea with an elegant lady, called Auntie Jean, at her mountain farmhouse, and we also sampled the disarray of the baggage pouring off the jumbo jets at Heathrow at dawn.

We recognised that tourism is about opportunities right across the United Kingdom, and it affects everybody in this country. Tourism is not just a good thing for many people: it is a bit of a bore for some. It causes problems in our cities, which the Government have to face in collaboration with local authorities and the other authorities responsible for tourism.

However, we must address ourselves to the Government's reply, because the move to reduce the vote is serious. If necessary, we may have to press it to a Division if we do not get a satisfactory response from my hon. Friend the Under-Secretary of State. However, we shall see how he copes, and whether he copes as elegantly as he has on other occasions.

Our report was published on 4 December. My trepidation about my hon. Friend's response is conditioned by the fact that it took the Government over six months to give us their reply. It is true that the grace of the Select Committee allowed them an extension beyond the 60-day period that is normally granted, but we looked forward to a strong and virile reply from my hon. Friend and from the noble Lord the Secretary of State for Employment. We noted along the way their production of the document entitled "Pleasure, Leisure and Jobs". We found it a little disappointing and slightly humiliating that the Government's reply to one of our main recommendations was slipped out in the House of Lords on 27 February, when we were told that that recommendation was not acceptable to the Government. The fact that it was unacceptable would not have been so bad, but it went against convention, and there was not even a nice little letter to the Select Committee on Trade and Industry explaining what the Government were going to do. We are an understanding crowd until we find that other people are unkind to us. I am sure that my hon. Friend the Under-Secretary will take note of the fact that there is a convention, and it would be helpful if it were followed at all times, not just for the Select Committee on Trade and Industry, but for all Select Committees.

I should like to explain why the Select Committee on Trade and Industry is tackling the debate, not our elegant brothers in the Select Committee on Employment. It is merely because, during Government reorganisation, my hon. Friend the Under-Secretary tried to slip away from Trade and Industry to Employment and leave us high and dry studying tourism. However, we were able to persuade the powers that be that he should not get away with that and that we would still be after him shouting tally-ho, as we are tonight.

Her Majesty's Government's reply is disappointing, bearing in mind the strong quality of Ministers and civil servants whom we met during our inquiry, who were dedicated and eager to make a success of the growing tourism industry. I thought that there might be three reasons for that. First, they were uncertain how to answer the questions where answers could not be avoided. We did not study Sunday trading, but I have no doubt that tonight some hon. Members will wish to question whether that should have been included in the reply.

Secondly, I wondered whether they were stopped in their tracks by the Treasury, as so many enterprises that should be pursued are stopped nowadays by that awesome hand. That would be a pity. The Government are dedicated to the enterprise culture and looking for new opportunities for employment, so there are times when they cannot avoid being the entrepreneur. They must twist the arm of the Treasury so that it does not hold up the progress that is being called for at all levels of Government.

Thirdly, I wondered whether the Government were worried by the size of the challenge presented to them. When I look at the response on education needs, it seems to me that three or four agencies are being cobbled together to act as an answer rather than there being a dedicated policy recognising how much training there needs to be in all the opportunities that tourism presents, such as hotel management, catering, transportation, and so on, and understanding the scale of enterprise and education that is required to take advantage of the opportunities.

The Government's reply shows that perhaps they still have not understood the lack of rationale that one has found so frequently in the way in which the Government deploy their resources for stimulating tourism. After all, tourism is big business. It now employs more than 1 million people. It is a much larger employer than the electrical and instrument engineering, mechanical engineering, transport, equipment, chemicals and man-made fibres, paper, printing and publishing industries. All those industries employ fewer people than are known to be currently working in tourism. The contribution to our

[Mr. Kenneth Warren]

gross domestic product is now approaching £10,000 million a year. It is the biggest single industry in this country, exceeded only by the oil extraction and natural gas industry, which I think everyone will agree is not atypical of industry. Tourism is a big business opportunity, which the Government must measure up to rather than just turn away from some of the home truths that we produced in our report, which sells at the reasonable price of £5·40, Mr. Deputy Speaker, although complimentary copies are available to you.

Tourism's contribution to the gross domestic product also shows the tremendous number of people who visit this country. In our report, we drew attention to the visits by overseas residents to the United Kingdom, excluding our own people going backwards and forwards to the seaside, visiting the Tower of London, the fens or Scotland. Whereas in 1973 there were about 8 million visits to this country, now there are over 12 million, which is more than 50 per cent. higher. Perhaps some of the birds have stayed on their roosts in the United States of America, although the word "chicken" would not occur to me.

The industry has grown rapidly. The Government might be good enough to consider whether they have recognised the dimension of that growth. With respect, perhaps they will have a second look at their reply to see whether it matches the opportunities that are available.

The rationale problem is real. Let me refer to the aid distributed round the country. Hon. Members from the Principality and Scotland will cheer lustily when I say that they do very much better than the bulk of people in the other part of the United Kingdom called England, which produces most of the income from tourism. The latest data available to the Select Committee showed tourist spending in England approaching £8,000 million a year out of the £10,000 million spent in the whole of the United Kingdom. Scotland had nearly £1 billion and Wales £500 million, although I am sure that it is all well spent.

In the report we draw attention to the amount of Government aid. The hon. Member for Tiverton (Mr. Maxwell-Hyslop) was instrumental in producing that part of the report. Government funding is in no way related to spending. One can argue that where spending is low, it is better to spend more money on investment. On the other hand, where the spending is high one would expect Government support to reflect in some way the amount of money being spent.

Mr. Wigley: Were the Committee's recommendations in relation to Wales and Scotland geared towards improving the performance of tourism in Wales and Scotland?

Mr. Warren: From my experience of visiting large parts of the Principality and of the northern kingdom, I and the Committee found little to criticise there. Indeed, we found more to criticise in England.

That brings me back to the rationale. The investment needs to go to the places where the money is being spent to raise the quality. The performance in Wales, particularly at an excellent hotel that we stayed at in Llandudno, which exceeded anything that one would ever find in London, is evidence and justification of what I am suggesting to the House.

In England, tourist spending is about £8,000 million per year, yet Government funding is only one thousandth of that at £8·6 million a year. The ratios in Scotland and Wales are five to seven times higher than that in terms of income from tourism. The Government must tackle this problem of rationale. Tourism is a big business producing £10,000 million a year. It makes no sense not to consider the income and how the industry can be incited to grow more rapidly. The return on investment in Scotland and Wales is very reasonable, but I am pleading for a rationale. I am not asking for cuts in enterprise or investment in Scotland, Northern Ireland or Wales.

Mr. Charles Kennedy (Ross, Cromarty and Skye): I am slightly reassured by the final comment made by the hon. Member for Hastings and Rye (Mr. Warren). However, he will appreciate that in the part of the country that I represent, the highlands and islands of Scotland, for reasons of geography the degree of investment compared with the return will always be more unfavourable than it would be in Edinburgh or in London. The same argument can apply to Wales.

I am sure that hon. Members will be interested to learn that I spoke to a friend in London this afternoon who had just returned by car ferry from France. He told me that on the maps handed out by the British car ferry company, no routes are shown north of Carlisle. That is very worrying, and it acts as a disincentive.

Mr. Warren: I am sure that the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) will have noticed, as he hares south to Westminster, that there are no signs indicating London on any motorway north of Birmingham. The hon. Gentleman would do well to recognise that the ratios are so adverse against investment in England that the Government must take action, although we do not believe that there should be a decrease in investment in Scotland, Northern Ireland or Wales.

One of our essential recommendations — almost like casting a fly across Whitehall waters — is that it would be a good idea to abolish the tourist boards. Quangos are not popular on this side of the House although they may be popular elsewhere in the House. However, we thought that abolishing the tourist boards was a good idea not simply because change would be a good thing in itself but because Britain is the only country in Europe—the only country in the world, according to our survey—which has separate tourist authorities carrying out the same function. In France, a tourist would visit the French national tourist board, and the same applies in Switzerland or Italy. Those countries have a single tourist authority. I hope that the Government will face the need to rationalise the unusual position in Britain. In the same way, I think that it is about time that we had a United Kingdom football team competing in the World Cup.

Mr. Wigley: No way.

Mr. Warren: I recognise that that view is not shared by some hon. Members representing Wales, Northern Ireland and Scotland. However, the Select Committee and I want to bring the best to bear on the opportunities available. Before the hon. Member for Ross, Cromarty and Skye, who is representing the whole of Scotland in this debate tonight by the look of it, challenges my view——

Dr. Norman A. Godman (Greenock and Port Glasgow): What about me?

Mr. Warren: I apologise to the hon. Member for Greenock and Port Glasgow (Dr. Godman). I meant also to refer to my hon. Friend the Member for Renfrew, West and Inverclyde (Mrs. McCurley).

Before anyone challenges my idea, I hope they recognise that the Scottish Tourist Board is allowed by the British Tourist Authority to spend only £200,000 a year on advertising abroad. Furthermore, no one in Wales is allowed to advertise abroad unless they have the authority of the BTA. I hope that Ministers, especially the Secretaries of State for Scotland and for Wales, will recognise that the Select Committee report represents an opportunity for them to gang up against my unfortunate friends who represent English interests in the Cabinet in relation to tourism. That was the fly that was floated across Whitehall waters, but again it was not snatched eagerly by the Government.

The Select Committee has tried to bring a kind of rationale to the tourist industry and its relationship with the Government. The Select Committee made 37 recommendations to the Government to review and report back to the House. I would not dream of recounting all 37, as many other hon. Members wish to speak tonight.

I should like to comment on one or two of those recommendations as I represent a coastal constituency which has many problems in trying to develop tourism. Members of the Select Committee who visited Hastings and other areas found a common theme: that change was required to develop opportunities for generating tourism.

We welcome the opportunity for the development of tourism in the industrial heritage of Britain which spawned the industrial revolution. It was good to see that old factories and waterways are not being destroyed but are being renovated and retained as symbols of the start of the industrial revolution. However, when we saw how other enterprises, such as museums, were maintained, it came as a surprise to us to discover that the Government—even though they were often a source of funds for museums—are content to allow the local authorities running the museums to decide when they should be open. Tourists wanted to visit museums on Saturdays and Sundays and many were not open at those times.

We were conscious of the fact that some large enterprises carried enormous muscle in getting loans and aid from tourist authorities to generate new business in tourism. We came across a hotel which had received £300,000 from the taxpayer with no pay-back required. The company which owned the hotel could have afforded to borrow that sum from a bank. In another case, a bigger and more beautiful swimming pool had been built. We learnt that the swimming pool was built with Government funds, even though there were plans to build it before the grant was made available. Needless to say, we all enjoyed our swim.

I am not frowning on people who have had such success. Indeed, I must tell the House that we believe in sampling tourism at every opportunity. I do not condemn success in obtaining grants, but in many cases there was not the rationale which we sought through the Select Committee report and which we looked for in the Government response.

The Select Committee thought that a loans system would be a good idea. There should be a limit on grants so that more people can share in the opportunity to get the money that is available, and the money should be recycled as new investment in further tourist ventures. The Government replied that that could not be done through the high street banks. We think that is nonsense. After all, the banks are capable of lending money anyway. I fail to understand why they cannot act as Government agents in this case as they do on loan guarantee schemes. Perhaps my hon. Friend the Minister can enlighten me on that point.

We were also concerned about the basic quality of education and management which is available. I would like to pay a small tribute—it is never too late to do so—to my late hon. Friend the Member for Fulham, Mr. Martin Stevens, who put so much effort into the educational and training aspects of the report. There seemed to be too much variation in the Government's reply on the quality of knowledge about careers advice in tourism. Several agencies were involved, but concentration would be more sensible.

On classification schemes for hotels and catering, it was disappointing that the Government did not appreciate in their response that it would be a good thing to have their heavy hand ready, if necessary, as is the case in so many continental countries, to ensure that classification takes place. Although one welcomes voluntary schemes—the one in Scotland is very good—it would be valuable to have the Government pushing hotels and catering establishments towards a common scheme. That has not proved impossible in any other country of which I have knowledge, and it is long overdue here.

I shall not dwell on the licensing laws or the shops legislation, save to say that in peripheral areas such legislation or lack of it nullifies many endeavours, especially in coastal areas where the tourist season is far too short to make the necessary killing to bring wealth and employment to the community and establishments need to be able to open at the right time to take advantage of the tourist trade.

In terms of regional grant, local authorities need far more Government help in recognising that it is not just a matter of "night visitors". Day trippers are very expensive to entertain, taking up a great deal of local authority time and investment for a relatively small return. It is high time that the Government acknowledged that the peripheral resorts, as well as some of those in the centre, should have recognition in terms of grant from the Department of the Environment for what they are doing for the rest of the country and encouraging the invisible export of tourism.

Mr. Robert Banks (Harrogate): Would my hon. Friend include among resorts those towns which specialise in drawing conference trade? This is a great problem in Harrogate. The conference centre costs our ratepayers a great deal of money and brings a great number of people not just to the town but to Yorkshire generally. However, we cannot get the formula for grant-related expenditure to take account of this and enable the town to flourish.

Mr. Warren: I could not agree more with my hon. Friend, whose devotion to the tourist cause in Harrogate is well known. I pay tribute to the valuable document that he produced during our study. Indeed, recommendations Nos. 20 to 22 refer to business and conference tourism as a new opportunity. What has been done in Harrogate, Bournemouth, Brighton, and now at the Queen Elizabeth hall, represents a style that must be enhanced, but this can be done only with direct and indirect Government help. The Government must recognise the value of those facilities both to the community and to the Treasury.

[Mr. Warren]

Another recommendation relates to tourist information centres. I am glad that the Government intend to do something about this aspect. I hope that bodies such as the British Airports Authority and the ports authorities will ensure that information centres are so strategically placed that tourists actually pass them and that leaflets will be available. One that we sampled had nothing available other than advertisements for day trips to France, which did not seem a very good idea. Whatever one thinks of the Channel tunnel enterprise — personally I support it — tourists going in and out of that hole in the ground will expect to be welcomed and to know, when they come up and sniff the beautiful air of Kent or Sussex, where they can go from there and how they can do so as speedily and pleasantly as possible.

The problems of tourism in London are well known, but the response of authorities such as Westminster city council has been disappointing. I hope that the Government will get together with local authorities in the capital to ensure that there are adequate facilities for coach parking rather than just shunting the problem back as something that local authorities ought to deal with. The whole of London — indeed, the whole country — is affected if one cannot get around the streets in a timely and reasonable manner.

A particular concern relating to the way in which the Government look after tourists entering and leaving the country was illustrated during our visit to Cardiff airport. We heard, to our dismay, that one day in the early spring of last year every other airport in western Europe was closed but the stacks of jumbo jets could not land at Cardiff, where they would have been good revenue earners, because Customs and Excise had not been alerted 24 hours in advance. The vagaries of the weather men, let alone the weather, do not often bring such a chance twice. The responsiveness of Customs and Excise needs to be much more real and imaginative—I dread the next time I try to get through the green channel having said that —and not tied to outdated rule books probably devised in the days of the stage coach.

Finally, throughout our study we found that tourism was a good symbol of United Kingdom enterprise, a creator of new enterprise and new opportunities for wealth and employment, bringing wealth and new life to our coasts, our cities and our countryside—and long may it prosper. I commend the amendment to the House.

Several Hon. Members *rose*——

Mr. Deputy Speaker: Order. I should put beyond doubt the matter raised by the hon. Member for Caernarfon (Mr. Wigley). It will have become clear during the speech of the Chairman of the Select Committee that the debate will cover England, Scotland and Wales. I am glad to confirm that the promotion of tourism in all those places may be discussed in the debate.

7.37 pm

Mr. Charles Kennedy (Ross, Cromarty and Skye): I am grateful to be called so unexpectedly early in the debate, Mr. Deputy Speaker. Let me therefore be the first to welcome the opportunity of this debate and of the debates which followed publication of the Select Committee report. Although I do not agree entirely with the analysis by the Chairman of the Select Committee, for territorial reasons which he may well appreciate, the report provoked a debate which was healthy in itself and generated a useful debate in the Scottish press and among Members of Parliament for Scotland.

Mr. Wigley: And Wales.

Mr. Kennedy: And Wales. It raised the whole profile of tourism, which was most helpful and constructive.

Having said that, for once I find myself complimenting the Government on their response to the Select Committee with regard to the retention of the Scottish Tourist Board. I join the Chairman of the Select Committee in deploring the manner in which the manner in which the Government chose to issue their response, but many of us were extremely relieved at the view that they took.

Mr. Robin Maxwell-Hyslop (Tiverton): As there is no other Liberal Member and no Member at all from the SDP in the Chamber for this important debate, will the hon. Gentleman tell the House whether he speaks on behalf of the Liberal party or merely on his own behalf, and whether he also speaks on behalf of the wholly absent SDP?

Mr. Kennedy: I am happy to set the record straight. I am a Member of the SDP.

Mr. Maxwell-Hyslop: Good heavens!

Mr. Kennedy: On this occasion my particular interest is as a Member representing the highlands and islands of Scotland. *[Interruption.]* Perhaps the hon. Member for Tiverton (Mr. Maxwell-Hyslop) will listen to my reply to his question. In political terms, the highlands and islands speak with a united voice, having two Liberal Members of Parliament and two SDP Members. The hon. Gentleman may take it, therefore, that on this issue I speak for my three hon. Friends completely.

Mr. Maxwell-Hyslop: The hon. Gentleman is confirming that he is the spokesman for the Liberal party, is he?

Mr. Kennedy: That is rather obvious. I speak on behalf of the alliance in this debate, in the same way as, under the conventions and time constraints of the House in the earlier debate, a Liberal Member spoke on behalf of the SDP and the Liberal party.

Mr. Maxwell-Hyslop *rose*——

Mr. Kennedy: I think that that is enough. I want to come to more substantive issues.

Mr. Crowther *rose*——

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman's intervention is concerned with tourism and not with party matters. We are discussing the promotion of tourism.

Mr. Crowther: I hope to bring the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) back to the point that he was making before he was interrupted. I wonder whether hon. Members properly understand the recommendation in the Select Committee report on this matter. When it was printed, I pointed out that there was a misprint — although nothing was done about it — in recommendation (2)*(c)*, which states:

"the creation of boards, for the promotion, within the UK, of tourism in each region of England, of Scotland and of Wales"——

but which should read,

"in each region of England, in Scotland and in Wales".

In other words, we were proposing a board for each of the English regions, a board for the whole of Scotland and a

board for the whole of Wales, each of them exercising similar powers, responsibilities and duties. I think that that recommendation has not been properly understood.

Mr. Kennedy: That is a very different proposition indeed. If I understand the hon. Gentleman correctly, the remit of the boards, both regional and national, would not extend to international promotion. The hon. Gentleman is nodding, and I must tell him that I am concerned about that. In Scotland we are rather zealous in guarding some of the promotional ability that we enjoy abroad, not necessarily in tourism, but with such projects as the Locate in Scotland Bureau and the Scottish Development Agency.

Dr. Godman: Does the hon. Gentleman agree that hard evidence demonstrates that Scotland has been treated badly in respect of tourism promotion in international markets?

Mr. Kennedy: I endorse the hon. Gentleman's remarks. I am concerned about international promotion of the highlands because, for example, it is easy in Tokyo to find out that one can fly to London, but one is not told that it takes only another one and a quarter hours to get to the highlands of Scotland. Therefore, even though the hon. Gentleman and I may be happier about the revised version, we remain unhappy about international promotion.

I had not expected so many interventions in what I thought would be a fairly non-controversial speech. As I know other hon. Members wish to speak, I shall move on swiftly.

In January the Paymaster General set out some of the additional steps that the Government were taking and they were referred to in the Government's response on an organisational basis through co-ordination at ministerial level of tourism as a whole. The priority that the Government are giving to that is welcome, and I

However, several points of concern remain. The first ranges across a variety of Government Departments and public concerns, and was reflected both in the Select Committee report and in the speech of its Chairman. Rather like the National Health Service, where too often we think only about decisions by the Minister for Health and not about decisions of Ministers in other Departments, such as Environment or the Ministry of Agriculture, Fisheries and Food, which have health implications, tourism can also be greatly affected by decisions in other Departments. I welcome the greater degree of integration, which I hope will lead to greater emphasis on tourism and to the projection and promotion of tourism as a whole.

I referred earlier to the non-publicity for air connections to Scotland, especially the highlands. We are not satisfied that international promotion is making people aware that, having flown into a major international airport such as London, it is easy to take the next short hop to the highlands. The Civil Aviation Authority has put forward a proposal, which requires the approval of the Department of Transport, to change the pattern of flights out of Inverness away from Heathrow and into Gatwick. That would have serious consequences for inward investment, tourism and business. At least the Government's approach allows Ministers in other Departments to have their say about the implications for their Departments of something that is essentially a transport matter, and I welcome that thrust of Government policy.

Mr. Robert McCrindle (Brentwood and Ongar): On two occasions the hon. Gentleman has laboured the point that the British Tourist Authority office in Tokyo tells inquirers about flights to London, but not beyond. Does he accept that if the principal recommendation of the Select Committee had been accepted, a future office in Tokyo would have come under the British Tourist Board and, under that recommendation, would have absorbed not only the current international tourist interest but a far greater involvement in domestic tourism, thereby possibly meeting the hon. Gentleman's point?

Mr. Kennedy: I obviously realise the potential on paper of that argument, but on a variety of issues experience north of the border — I speak not as a political nationalist, but as a nationalistic Scot — has taught us that the best laid schemes somehow do not work out in practice. What is presumed would happen does not happen in the way that we would wish.

Both the Select Committee's report and the Government's response refer to the Government's recognition of the importance of obtaining a good mix between the public and the private sectors inmarketing many of the facilities of tourism. That is a sensible policy. I echo what Dr. Pattison, the chief executive of the Scottish Tourist Board, said about the public sector exercising a prime pumping function to catalyse growth. That sensible emphasis is most welcome.

I can cite the example, which I have mentioned to the Minister previously, of a project in my constituency that involves the possible construction of a mountain railway and ski slopes on Ben Wyvis. That would achieve something that the Select Committee was anxious to achieve — an extension of the parameters of the present tourist season in that area. In that sense, the proposal would be welcome. I believe that it contains the right mix for public and private sector capital. Obviously, the proposal presents exciting opportunities for the highlands, and we may well hear more about that. Also, it has implications for employment which are not insignificant.

The Parliamentary Under-Secretary of State for Employment (Mr. David Trippier): I appreciate, as I am sure other hon. Members do, that the hon. Gentleman has been extremely kind and generous in allowing so many interventions. It is important that I intervene at this stage. The hon. Member for Rotherham (Mr. Crowther) intervened earlier. What he said made me think, and perhaps it will be quoted in later speeches. The matter is of direct relevance to those who may be fortunate in catching your eye, Mr. Deputy Speaker, who represent constituencies in Wales and Scotland. I think that it is quite clear what the report says in its summary of conclusions and recommendations. I think that what is printed is precisely what the Select Committee intended to say.

Mr. Crowther: No, it is not.

Mr. Trippier: I must intervene at this stage because it may be appropriate for the hon. Member for Rotherham, who may be fortunate in catching your eye, Mr. Deputy Speaker, to make that clear. There is a difference of opinion between the hon. Gentleman and some of his hon. Friends, and certainly between him and me.

Mr. Kennedy: I appreciate that there is a difference of opinion about the interpretation and exactitude of the words that have been used in the report. Given that there is such a difference, I hope that it will be teased a little further during the debate. The Minister will appreciate that I have tried to respond to what I thought was the position. I have also given a further response to the redefined position that the hon. Member for Rotherham (Mr. Crowther) put forward. I am grateful for the Minister's intervention. There have been quite a number of interventions. I shall not prolong the issue any further.

I welcome the fact that the Select Committee took time, in considering the problem almost internationally, to get down to the nitty-gritty of some issues. I was pleased that the Committee highlighted the issue of signposting. The north of Scotland is cursed by the constraints that are applied on local authorities and private developers in erecting signposts and direction indicators.

The hon. Lady the present Minister of State, Foreign and Commonwealth Office, told us in a debate several years ago, when she was a Transport Minister, that experiments would be carried out. Experiments were carried out in two parts of England, and steps were taken as a result. The brown road signs in the north of Scotland for bypass communities, and so on, are absolutely hopeless. They do not tempt anyone to follow a tourist route. The Government tell us that they are keeping the matter under review. I hope that they will be sympathetic to those who are sick and tired of not being able to get a sign up when they want to indicate to people that they can turn off the road and find a facility. Communities such as those off the A9 in the north of Scotland which find themselves bypassed have only the consolation of a sign that would not tempt people to turn their motor car off the road and explore the area. I do not think that the signs are good enough.

I know that the Scottish Office has an input in that respect. I have argued the matter with the relevant Minister. This debate provides a further opportunity to do so. I am glad to see that the Secretary of State for Scotland is present. I hope that he will endorse the sense of frustration that I have for the inadequate signposting that his Department is putting up in the highlands of Scotland. I hope that he can do something about it. Many matters are to be debated. I welcome such debates. From the earlier interventions, the debate looks as though it will be slightly more controversial over the exact meaning of the Select Committee's report.

7.53 pm

Mr. Gary Waller (Keighley): Although tourism employs over 1 million people in this country and makes a vital contribution to the economy, unfortunately its image is not a good one. People in manufacturing industry tend to look down their noses at the services sector, and tourism comes so low down that it is almost touching the floor. Tourism has an uneasy relationship with manufacturing in areas such as Bradford and Keighley which are steeped in textiles and metal-bashing. We still have a job on our hands to persuade people that a belief in the importance of tourism does not reduce one's commitment to the view that this country cannot prosper unless its manufacturing industry is strong.

The latter belief is, I think, self-evident, but it is also a fact that a strong economy is a balanced economy. One of the reasons why many parts of the north of England have suffered so much from unemployment in recent years is that, in common with other regions, we have been dependent on manufacturing. A satisfactory balance between manufacturing and services provides greater flexibility, which enables the slack to be taken up when there is a downturn in the economy.

Much of my constituency is fortunate enough to be served by a newspaper, the *Keighley News*, which has earned respect because it takes important political issues seriously, even though its editorial policy differs from my own in many respects. Like myself, the newspaper believes that the importance of the manufacturing industry is paramount. I believe that tourism, in its widest sense—the Select Committee pointed out that tourism can include people who are predominantly involved in making visits in connection with their work—can make a significant contribution, while the newspaper regards it of no significance whatsoever. Part of the reason is that it is difficult to quantify employment that flows from the tourist industry. Even the Department of Employment has difficulty in assessing how many people owe their jobs to it, because they are scattered here and there in small units, including retail and catering establishments. However, if it were taken away we would soon recognise the difference.

A distinction is rightly drawn between overnight stays and day trips. There may be justifiable cause for complaint when visitors go to a relatively compact area, such as the south Pennines, as day trippers, imposing extra burdens on local services, but not staying overnight and bringing the extra benefit to the economy that would result. The Select Committee on Trade and Industry, in its report "Tourism in the UK", stated in paragraph 117:

> "We recommend that Government investigates immediately whether the impact of tourism expenditure, particularly from day visitors, is adequately taken into account in the grant related expenditure allocation to local authorities."

In their response, the Government admitted that the data on visitor nights which are used in recreation and environmental health GRE allocations were collected during the 1970s. That information is out of date, especially for an area such as Bradford where there has been a big change in recent years, with a new emphasis on tourism that did not previously exist.

The Government state that a more up-to-date system will be considered for possible use in 1987-88, taking account also of a national survey of British leisure day trips undertaken by the tourist boards in co-operation with the Department of Employment. I urge strongly that a firm decision is made to use more up-to-date facts which take account of the growth in tourism in areas such as west Yorkshire, and especially the incidence of day trips. We are losing out in our grant-related expenditure allocation. That will continue unless adequate allowance is made.

When the Local Government Act 1985, which abolished the metropolitan county councils, was completing its passage through Parliament, we heard a great deal about the funding problems that would be experienced by the regional tourist boards. I believe that those fears proved to be unfounded. While there was undoubtedly a period of uncertainty, the issue has been satisfactorily resolved.

The involvement of metropolitan county councils in tourist activities created a great deal of overlap. For a tourist attraction in my area to have to rely on not only the English tourist board but also the west Yorkshire

metropolitan county council—which no longer exists—the Bradford district council and the Yorkshire and Humberside tourist board to market its attractions, involved a great deal of wasteful effort and expenditure. Although there is still some joint marketing by the districts in west Yorkshire, Bradford people are far better placed to publicise the attractions of the area and their tourist and recreational activities than an authority based some distance away in Wakefield.

Bradford has led the way regionally and nationally in developing its tourist potential, and it has broken a few myths along the route. It is entirely appropriate that Bradford should be one of the four or five areas where the English tourist board has established a tourist development action programme involving a substantial industrial heritage element.

The principal vehicle for tourism development projects is the use of section 4 grants. It is intended that they should be provided only when there is an element of additionality—when the projects would not be embarked on if the grant were not forthcoming. It is difficult to test the validity of such a proposition, but when a grant is offered to one hotel project rather than another in the same area it is difficult to defend such distortion of the market unless one has some basis for the distinction. I know of at least one entrepreneur in my area who is making a good go of it despite having been refused a section 4 grant for no very obvious reason.

Mr. Maxwell-Hyslop: My hon. Friend is making a valuable point, but a major recommendation of our Committee was that the Government pay 30 per cent. of the cost of extending the season by one month, whether at the beginning, the end or both. It must be truly additional. The PAYE returns would show when each establishment was open the previous season. Does my hon. Friend support that recommendation, which the Government have not seen their way to support?

Mr. Waller: That is an interesting suggestion. There is a need to extend the period during which tourists visit Britain, but it is paramount that money invested in the industry, whether through section 4 grants or otherwise, should show a proper benefit. I am reluctant to accept distortions in the market. By and large, I prefer investment to go into infrastructure projects which have an effect throughout the tourist industry.

Mr. Maxwell-Hyslop: Does my hon. Friend consider that to be a distortion? Prolonging the season would mean getting better value for the money invested in infrastructure. Is it a distortion for the Government to provide money so that entrepreneurs can, with 70 per cent. of their own money, discover whether the public will respond to an extension of the season?

Mr. Waller: That is an interesting point. I hope that my hon. Friend is able to develop it, perhaps in his own speech.

Mr. Maxwell-Hyslop: It is in the report.

Mr. Waller: I shall be very interested to hear what my hon. Friend says.

There should be some rationalisation to take account of the fact that the Department of the Environment, which has no direct responsibility for tourism, controls more than 50 per cent. of development funding spent on it by the Government, when one takes into account grants from the European regional development fund. The system by which those resources are disbursed is somewhat unsatisfactory and amounts to a sort of charade whereby certain schemes are tailored to meet the criteria established by the Commission to recycle taxpayers' money into the economy.

Thus, the spending of £8 million on the remodelling and modernisation of the Alhambra theatre in Bradford was justified partly because we could not possibly turn down £2 million which was described as being "from Europe." The Alhambra theatre is complete and undoubtedly an asset to Bradford, and there is now no point in becoming involved in an argument about whether it represents good value for money, although £8 million is a great deal of money. There is, however, something nonsensical about the process by which such projects are assessed.

The Alhambra should teach us another lesson. Nobody who visits it could doubt that, internally, it is marvellously equipped, but tourism demands a high quality of service for visitors. Although the staff are courteous and helpful, I have heard repeated reports of tables piled high with dirty plates, mediocre food, but one typed and tatty menu for the use of all diners and people waiting 40 minutes to be served. It is not surprising that one of my informants told me of the complaints made by a party of Americans at the table next to her. First impressions are important, and if that is what happens I am afraid that people are not likely to come back for more.

One might say that Bradford council should have considered offering the catering service in its new showpiece theatre for tender to the private sector. I am afraid, however, that that is not the type of radical step that we are likely to have with an administration at the city hall which recently put before ratepayers a programme which would have required an increase of more than 70 per cent. in the rates.

We must also pay more attention to the needs of visitors to different parts of the United Kingdom when erecting signposts, as the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) said. I noted his comments about the efficacy of the white-on-brown signposts, but Ministers in the Department of Transport reported in April that the experiment with such signposts for tourist attractions had been a success. Irrespective of colour, there is a great deal of potential for the use of new signs.

Mr. Maxwell-Hyslop: On a point of order, Mr. Deputy Speaker. Have I suffered a sudden defect of eyesight, or have we no Minister on the Front Bench listening to the debate, only the duty Whip?

Mr. Deputy Speaker (Sir Paul Dean): I am sure that the hon. Gentleman knows that that is not a matter for me, but he has drawn the Government's attention to the position.

Mr. Waller *rose*—

Mr. Maxwell-Hyslop: Get a Minister immediately.

Mr. Waller: Many visitors travel by train.

Mr. Maxwell-Hyslop: Get a Minister immediately.

Mr. Deputy Speaker: Order.

Mr. Waller: It is important that British Rail should go out of its way to make it easier for people who are not used to travelling by train in Britain to find their way around the system. Everybody agrees that, in view of

[Mr. Waller]

overcrowding in London, it is important to spread the benefits of tourism more evenly throughout Britain. In the 1990s, it seems likely that many visitors will arrive via the Channel tunnel. British Rail is already planning to introduce a link between the tunnel and the north-west which avoids a change of station in central London by following a route through Olympia and Willesden. Much of the latent opposition to the Channel tunnel in Yorkshire and the north-east can be mitigated by ensuring that there is a link to the east coast main line as well, although that presents greater difficulty. That should be a priority for British Rail, and I hope that Ministers in the Department of Transport will take an interest in the matter.

The Select Committee drew attention to the possible use of investing funds earmarked for tourism into outstanding rail routes. Among them, the Settle to Carlisle line stands out a mile. Since British Rail started to market it again, the number of people using it has increased tremendously and some stations that have closed are opening again this summer in connection with the Dalesrail venture. In the past few months, the relevant transport users consultative committees have been looking into BR's closure proposals. Although statute provides that such investigations are supposed to take only cases of hardship into account, I know that the excellent chairman of the transport users consultative committee for the north-east, Mr. James Towler, has interpreted the matter somewhat widely. I hope that we can agree that the continued and enhanced use of the line could generate new jobs for many people and that the loss of such jobs would constitute hardship.

Tourist earnings count as an invisible export. Tourism is undervalued because nobody sees the work force streaming into work at the beginning of the day and out again in the evening as they would at a factory, but it is important. It employs more than 1 million people. We should not undervalue it. I hope that we shall put increasing emphasis on it.

8.9 pm

Mr. Stan Crowther (Rotherham): I must take up the suggestion made by the Minister earlier and try to clarify the real meaning of paragraph 2*(c)* of the recommendations made in the first report of the Select Committee on Trade and Industry which has caused some dismay. As I mentioned earier, the word "of" repeated in the second line should be "in". I took that up on the day that the report was launched. I discussed it with the Chairman, the hon. Member for Hastings and Rye (Mr. Warren), and with the Clerk to the Committee. It was understood that an erratum slip would be issued, but apparently it was not. I am worried that this has led to so much misunderstanding. I repeat that the intention of the recommendation was that there should be a board in Scotland, a board in Wales and a board in each of the English regions exercising identical powers. I hope that that is now clear.

I shall mention only two or three of the matters brought out in the report. For far too long it has been assumed in many quarters that some parts of the country are suitable for tourism and other parts are not. In the report we tried hard to dispel that myth. Nowhere in Britain could tourism not be developed to the great benefit of the local economy. Many local authorities in the older industrial areas—I include Rotherham—have been too slow in the past to recognise the potential of tourism for economic growth and job generation.

In following the hon. Member for Keighley (Mr. Waller) I must say that Bradford city council is an exception. Bradford, along with Sheffield and some other councils, has recognised the importance of tourism and is doing something about it. I am pleased that other councils are beginning to catch up. I do not pretend for a minute that tourism can compensate for the appalling loss of jobs in areas such as mine, although it can make a contribution —*[Interruption.]* I should be most grateful if the hon. Member for Tiverton (Mr. Maxwell-Hyslop) would allow me to continue my speech.

Tourism can make a contribution to the local economy by bringing new money into an area to the benefit of many service industries, especially the retail and the licensed trades, on which I shall comment later. All this requires a conscious effort. It does not happen by accident. It comes down, in the end, to the local authorities showing a little imagination and then making a firm decision to take tourism seriously. They must accept that things on the local scene which they have taken for granted for years may be of great interest to visitors, especially to American visitors, who are always fascinated by the fact that our history goes back so much further than theirs.

Those things must be exploited, but it all needs organisation. As hon. Members have said, that exploitation needs a good local transport system, adequate car parking, a well-thought-out system of signposting and attention paid to the general attractiveness of the street scene, to cleanliness and to landscaping. When all that has been done, it needs proper promotion in conjunction with the tourist boards. All that costs money. It should be considered as an investment but, unfortunately, the Department of the Environment will consider it merely as an item of revenue expenditure. That can cause problems for authorities which already face the threat of grant penalties or even rate capping.

As the report stated, the Government must consider tourism seriously. If they are to do something about tourism on the scale that we want, and if the authorities are willing to take their share of the work, the Government must show a sense of responsibility by making proper allowances for it in the grant-related expenditure assessment and in the rate support grant settlement. That is vital if we are to make any progress.

I mentioned earlier that an influx of tourists can contribute to the licensed trade in an area. That is mentioned in the report. People cannot spend money in a pub that is not open. The Government agree in their response that there is a need for reform, and their point has been proved, but they say that the problem is to find an opportunity to put the reform into the legislative programme. They must find the legislative time. I do not know why that should be a problem. They have decided to leave water alone, so let them turn their attention to the stronger liquids. There must be plenty of time in the next session for the matter to be dealt with adequately.

I am surprised that the Government got things wrong in the present session. Why on earth did they bring in the silly Shops Bill, which was bound to arouse enormous controversy, and which in the end was thrown out, instead of bringing in a sensible reform of the licensing laws, which they would have got through without much difficulty? That is now all in the past. As I have said, the opportunity

will be there next session to do something about this issue. If they will not deal with water, let them deal with beer. I hope that we shall see that legislation in the next session.

Our report has not had as warm a welcome from the Government as I would have hoped. Nevertheless, it has been a useful study. We have made many recommendations, and—who knows?—over the years, many of them may be implemented.

8.15 pm

Mr. Robert McCrindle (Brentwood and Ongar): Just as Mrs. Worthington has, since time immemorial, been urged not to put her daughter on the stage, so most hon. Members here this evening will know that, until recently, to become actively involved in the tourist industry in the broad, especially in hotels, was, to some extent, lacking in respectability. I am delighted to say that that is no longer the case. It is now understood that the tourist industry offers an opportunity for growth and employment. That must be a good thing to discover in a period when not too many growth areas confront us.

I speak at a time when tourism is very much in the public eye, not, I regret to say, because we are in a period —as we have been for the past five or six years— of expansion of tourism, but because in 1986, for various reasons, the number of tourists from the United States appears to have fallen considerably.

In 1986, there is no likelihood that we shall get back the tourists who changed their minds early and booked in groups to visit other places. Yet I wonder whether it is not a good thing that the constant expansion of tourism, which we had almost started to take for granted, has been arrested this year. I do not know whether it is because of the value of the dollar, the Chernobyl nuclear fallout, or terrorism — although I am told by all and sundry that that is the basic reason — but I know that, as the tourist industry has been expanding during recent years, there has been a tendency to take incoming tourists a little for granted. I wonder whether, at the heart of the reduction this year, there is not, to some small extent, an implication that the hotel industry and many other tourist interests have in recent years not been as caring as they might have been. That is just one observation I make, because the debate comes at an important and interesting time.

Some references are made in the report to investment in tourism projects. As one who has some connections with the City of London, I must say that until recently the average City institution would not touch a tourism project with the proverbial bargepole. I have always thought that that was not only a pity, but that it was rather shortsighted.

Just as tourism has become more respectable as a means of employment, so I detect a sign that investment in tourism by the City is becoming more acceptable. I welcome that and hope that it will develop, not only in the theme park areas, to which City attention has already been directed, but to areas for which the Committee discovered little provision — for example, two and three-star hotels in London. There is no doubt that London is well-served by luxury hotels and that many boarding houses and one-star hotels exist on the periphery, if not close to the centre, but the lack of two and three-star hotel accommodation, to which the Committee drew attention, is something which I hope will be remedied by investment, not least from the City. I learnt today that there are proposals to develop hotels in Greenwich and in the docklands area, and I welcome that prospect.

I hope that my hon. Friend the Minister will not mind my saying that the Government's response to the Select Committee's report is, to say the least, disappointing. I agree with my hon. Friend the Member for Hastings and Rye (Mr. Warren), the Chairman of the Select Committee, that the speed with which the principal recommendation for a major shake-up in the administration of tourism was rejected was mildly insulting to the considerable thought that went into that report.

I did not expect the recommendation to be acceptable, especially in Scotland and Wales, and, of course, I was not disappointed. However, I was a little surprised that the Government allowed themselves to be subjected to what was evidently considerable pressure from Scotland and Wales to the extent that, well in advance of responding to the other recommendations, they felt it necessary, mildly surreptitiously, to reject the recommendation. I adhere unashamedly to that recommendation. I must tell the Minister that, if we are ever to get tourism on to the same organisational basis as it is in other countries, and to take maximum advantage of its potential, the suggestion of a British tourist board, in one form or another, is an idea whose day will yet come.

The Scottish and Welsh representations misunderstood to some extent the fact that they were to be redirected in their tourist efforts. There should be a British tourist board with two arms, one arm to attract tourists, not to Scotland or to Wales, but to Britain, and the other arm to try to maximise the tourism potential within the United Kingdom, not just Wales or Scotland. I must tell the Minister that the speed with which he rejected that recommendation, and the Government's complete failure to recognise that there may be something not absolutely right with the structure of the administration of tourism, is a defect on the part of his Department.

Some time ago I noted a movement in the general direction of the recommendation, in that the chairman of the English tourist board and of the British Tourist Authority had become one and the same person. That could be projected further. The British tourism effort would have been advanced considerably had the basic recommendation been accepted.

The other recommendation made by the Committee which was treated in a cavalier fashion was the suggestion that, to extend the season of tourist activities, there should be some financial inducement. I am prepared to listen to any alternative suggestion which the Government believe is more suited to achieving that objective than the Committee's proposal.

It is distressing that nowhere in the Government's report is there a recognition that some Government assistance might be justified in this area. It may be needed for only one year. It may only be a question of keeping open tourist interests for a little longer. To reject the Committee's suggestion, and seemingly to put nothing in its place, is to underrate the importance of extending the season of tourist operations. I hope that the Minister's reply will be a little more forthcoming than the Government's response to the recommendation by the Select Committee.

I have no inherent wish to see a bureaucracy develop to classify hotels. However, I must draw the Minister's attention to the fact that foreigners, especially Europeans,

[Mr. Robert McCrindle]

coming to this country are distressed to discover that whereas they can look in the bedrooms of hotels in, for example, Spain or France, to ascertain the classification of that hotel, in Britain there is no sign to that effect other than those provided in the semi-voluntary schemes of the AA and RAC. Visitors to Britain have a right to expect that there will be some sign of the quality of the hotel that they propose to use, without having the confusion of three stars from the AA or RAC being equivalent to five crowns in another scheme.

If the Government do not believe that they have a responsibility to introduce a classification system — I would accept that—I hope that they understand that, at the very least, they should introduce some sanctions to encourage a much wider voluntary conformity with the schemes that already exist. They have not responded to our recommendation in the way that we had a right to expect after putting in so much thought.

The hon. Member for Rotherham (Mr. Crowther) mentioned licensing hours. I agree entirely that it would benefit tourism enormously if more flexibility were introduced into licensing hours. I hope that the Government will be persuaded to move in that direction, but if the hon. Gentleman believes, or is trying to make the House believe, that the Government could introduce a Bill along the lines that he suggested without opposition, as he seemed almost to promise, he is either naive himself or he assumes that we are naive. I do not expect that there will be a rapid or early move in this direction, but I hope that the Minister will accept that the United Kingdom's licensing hours remain a major anomaly and create much disturbance in the hotel and catering industry. The sooner there is a move towards greater flexibility the happier I shall be, and I suspect that that is the attitude of the Government as well.

The Committee laboured long and hard to produce the report. We did not expect all our recommendations to be accepted; we understood that some were especially controversial. However, we are disappointed, because not only was our major recommendation rejected out of hand, with what could only have been scant consideration, but the Government's response to our other fairly profound recommendations, whether in accepting or rejecting them, did not provide alternative suggestions. I hope that the Minister will go beyond the Government's response and give us some heart after our labour.

8.30 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): I represent a constituency which is not normally associated with tourism. However, I am sure that the House will agree, especially the hon. Member for Renfrew, West and Inverclyde (Mrs. McCurley), that that is to change over the next few years. My concern with the report of the Select Committee on Trade and Industry — here I disagree utterly and completely with the hon. Member for Brentwood and Ongar (Mr. McCrindle) — lies with recommendation *2(a)* that the Scottish tourist board should be abolished. I rarely compliment the Government, but I am bound to say that they acted wisely in their response to that recommendation.

The report contains a great deal of sense in its observations on education and training, which are matters on which I shall spend some time. First, it states that tourism in Scotland has an annual value of £1,300 million and accounts for at least 5 per cent. of the work force in Scotland. These facts are to be found in paragraph 54. If we take into account the direct and indirect effects of tourist spending in Scotland, it has been estimated by the Scottish tourist board—long may it stay in existence—that tourism supports about 100,000 jobs, provides over £230 million of income to Scots and contributes over £130 million to the public purse. Given the remorseless decline of large segments of Scottish manufacturing industry — I refer especially to steel, shipbuilding and engineering and the coal industry — tourism remains one of the few bright prospects for the rehabilitation of the Scottish economy.

It is vital that Government policy is designed to secure the maximum benefit for our growing tourist industry. Tourism, however, remains vulnerable. It is an amalgam of many diverse activities and carefully selected policies are needed that are designed to protect its health and sustain its growth.

Despite what I said about my constituency, I wish to raise a constituency matter. I say to the hon. Member for Tiverton (Mr. Maxwell-Hyslop) that I regret that a Scottish Minister is not on the Government Front Bench this evening. I am sure, however, that the Under-Secretary of State for Employment will pass on my remarks to the Secretary of State for Scotland. My constituency is racked by unemployment and has a male unemployment rate of fully 26 per cent. It has seen the continuing decline of numerous traditional industries, some of which have disappeared in recent years. Shipbuilding and marine engineering have declined and only one sugar refinery remains. Rope making has declined as well. Many traditional industries have suffered, yet the record of IBM demonstrates that in Greenock and Port Glasgow and the rest of Inverclyde we have a marvellous supply of skills and knowledge.

The Scottish Office, by way of the Scottish Development Agency, has helped to create the Inverclyde initiative. The initiative is seeking to regenerate the Inverclyde district and all of us — certainly all Scots Members—wish those involved well. My chief complaint against the Scottish Office and its Ministers is that public investment is somewhat meagre. I have sought unsuccessfully to persuade Ministers to provide more money for the initiative, and it is my view that Inverclyde could be an important area of tourism in Scotland. To that end, I hope sincerely that the Government will give every encouragement to the application which is being made by the Inverclyde initiative for a grant from the European social fund for a tourist industry training scheme. The scheme is designed for the unemployed who are aged under 25 years. It is a three-year innovatory programme that will experiment in different forms of training that are allied to the creation of new businesses in the tourist industry, which the Inverclyde initiative intends to stimulate.

For the year 1988, the initiative is seeking £48,000 from the European social fund. That will have to be matched pound for pound by the Government. Given such a modest request, the Government should support the application wholeheartedly.

Tourism spending penetrates all aspects of the Scottish economy. It remains remarkably vulnerable, however, to fluctuations in the patterns of tourist activity. A strong pound, for example, tempts ever more British tourists abroad and deters foreign visitors from coming to Great

Britain. Other international events have the same effect, and we must bear in mind the Libyan crisis. I think that it was the Department of Employment which suggested recently that the number of American visitors to Great Britain had declined by 19 per cent. in the year that ended in June. Overall, the number of foreign visitors is down by about 15 per cent. over the year.

The consequence is inevitably a downturn in economic activity and a quite serious loss of jobs. Tourist-related jobs in Scotland are still largely of lowly status and are dominated by temporary and part time employment. Much needed employment is created for women, but these jobs are often lowly paid and insufficient to provide a primary wage.

There are structural weakenesses in the tourist industry which must be tackled with assistance from the Government and the state. For example, tourist businesses in Scotland are typically small scale. Almost two thirds of them employ no more than five people. Secondly, there is a substantial turnover among tourism-related businesses. As many as 50 per cent. of the businesses that offer accommodation in Scotland have been established in the past five years. Thirdly, few business men in the tourist industry in Scotland — less than 25 per cent. — have formal qualifications for the work that they do. Fourthly, the majority of these business men have no experience of the tourist industry when taking up ventures within it. These are major structural weaknesses, and I suspect that they are not peculiar to the Scottish industry.

I shall direct myself to key areas in the determination of state policy. The Government need to be more sympathetic to the case that is being made for tourism. I welcome wholeheartedly the Select Committee's report, despite its recommendation that the Scottish tourist board should be abolished. Government sympathy towards the industry should be based on a recognition of the benefits to the public purse. It has a job-creating capacity and its role, which has been outlined by the sole SDP representative in the Chamber, the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood), is in regional, economic and social developments, especially in more remote communities. The Government must always recognise the potential for growth.

Much more emphasis needs to be placed on the domestic market. We must recognise that fluctuations in the value of sterling will make the industry vulnerable to reductions in foreign visitor levels. We in Scotland must do much more to persuade English visitors to come to Scotland. I do not know whether my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) will agree with me, but there have been dramatic changes in west central Scotland. I am pretty sure that five years ago most Scots Members would not have thought that Glasgow would receive more visitors than Edinburgh. It should not surprise us that Glasgow, with its unparalleled Victorian architecture — if it is matched at all, it is matched only by Sydney — the Burrell collection, fine churches and many different buildings and activities, is an important tourist centre. I look forward to the day when the lower Clyde becomes an important tourist centre.

I return to my central theme. The Government should ensure that tourism planning policies must relate to local development programmes which benefit and stimulate economic and employment growth in the area. I commend to the House the work of the Highlands and Islands Development Board in that respect.

There are many other areas in which the Government could do more. For example, they must develop infrastructures, and recognise, as has been said, the important role played by local authorities in the development of tourist facilities and resources. However, I think that time is against me, so I shall not elaborate on that.

Wider training opportunities for both employers and employees in the tourist industry can and must be provided through the existing educational establishments and facilities. The Government recognised the new needs of Scotland's leisure industries and the deficiencies in existing educational training by establishing the Gunn committee in 1979. However, the Gunn report has still not been published even though the English equivalent, the Yates report, was, I believe, published about two years ago. The Secretary of State for Scotland has a duty to the House and to the STB to ensure that that report is published.

I welcome the Select Committee's report, because it outlines the problems facing the industry. Paragraph 121 reads:

> "At present the provisions for training for a career in tourism are pathetic".

I agree with that. I suspect that it is true of the whole of the United Kingdom. The report continues:

> "The BTA estimate that currently the tourist industry in the United Kingdom is generating upwards of 50,000 new jobs a year. This makes it the single biggest provider of new jobs in the economy, and it is vital that adequate education facilities are provided to ensure that people trained in basic skills are there to take the jobs."

I wholeheartedly agree with that analysis.

It is encouraging that the Committee also welcomed the intervention of the Minister of State, Department of Trade and Industry in stressing the need for spending in higher education in order to reflect the importance of training for tourism. The Committee recommends that

> "the Government gives urgent consideration to ensuring that the higher education system is structured so that, throughout the United Kingdom, sufficient people trained with tourism-related qualifications arrive on the job market to meet the needs of the tourism industry."

Given the industry's importance to the Scottish economy, that is vital. That recommendation and the accompanying injunctions to develop collaborative links with industry and commerce are timely and are compatible with education institutions working within the framework for academic planning.

The report of the Scottish Tertiary Education Advisory Council has an important role to play in leisure management training and tourism training. A responsiveness to changing needs must be a central tenet of any educational institution in that area.

I believe that the key issue is the role of the existing institutions in providing education and training. The Secretary of State's decision, the report of the STEAC and the publication of the Gunn report are all vital. The Dunfermline college of physical education, which is in Edinburgh — so there are no constituency marks for my next point — has earned itself an important role by diversifying into this area of education and training during the past decade. I am happy to pay a richly deserved compliment to that college's management. It is vital that everything should be done to ensure that it continues to play that role, and that the college management should be allowed to continue its pioneering work unfettered. Education, training, research and development are as

[Dr. Norman A. Godman]

important to the tourist industry as they are to any other industry in the United Kingdom. That cannot be stressed enough.

8.44 pm

Mr. Robert Banks (Harrogate): I congratulate the Government on rearranging the business this week so that we can debate this subject tonight. I believe that there is no more important subject than the development of the tourist industry. But the timing of the debate is also good, because the number of tourists coming to Britain has taken a bit of a dive due to anxieties felt in the United States about the possibility of terrorist attacks — which have not, thank heaven, occurred — and to the strength of the pound against the dollar.

Nevertheless, it is important that we should consider the long-term strategy for developing tourism still further in this country. As has been said many times, jobs in the tourist sector are real jobs. We are talking about career opportunities and jobs. In the tourist industry, there are many diverse types of job. Moreover, many of those involved in manufacturing depend on tourists as well as on people in this country to buy their goods.

There is also a large labour content in tourism. The hotel and catering industry employs many people, and provides them with real jobs. Those jobs are not servile. For some reason, we have allowed it to be accepted that it is a servile occupation to wait in a restaurant or to serve in a hotel. The same attitude is not found in other countries — notably, the United States. In the United States, it is a joy to be served by people who have a professional interest in doing the job. They do it extremely well, and no one would ever say that they had a servile occupation.

We must raise educational standards in this country and train people in the right way. We must achieve the necessary attitude of mind if they are to play a real part in developing our tourist industry. I read with interest the Government's response to the recommendations contained in the excellent report of the Select Committee. Indeed, I pay a warm tribute to the work carried out by the members of that Committee for investigating the matter thoroughly and producing a stimulating and informative report which can be built on. I am not necessarily saying that I agree with everything in it, but there is an enormous amount with which I agree. I know that much work goes into providing the information available in the report, and I also know of the time involved in visiting different parts of the country. Such visits are vital if Members of Parliament are to obtain the right information and have first-hand knowledge.

The Government should take a bold step on education. It is not enough for the Government to say that they will encourage colleges to increase the number of courses available for career training in tourism. We must do something much bolder than that. We must increase the number of courses available and their content. It is important to have full discussions with those in the industry, so that our school leavers can go into the jobs that are available in the industry. It is vital that we should consider this issue within the broad context of what we are trying to do, and ensure that enough money is made available to do it. It is estimated that up to 250,000 new jobs will be created in the tourist industry during the next five years. We must provide people to fill those jobs.

A number of important courses are held within our universities, polytechnics and colleges. I do not criticise any of those courses, but I have to say that they do not go far enough in covering the breadth of the disciplines in the tourist industry. I should like to see a new college of excellence set up, and I have made that recommendation before. It could be set up on the lines of the Royal College of Art. That is one of our most excellent colleges and is regarded as such in the architectural design and art professions in Britain. It could also be a college on a par with Imperial college. The industry needs a focal point, and that is my reason for making that suggestion.

The subject of conferences is important for many hon. Members, and not least for me because my constituency has a fine conference centre. The report refers to the need to improve the promotion of Britain as a base for conferences. I echo that recommendation. Something more should be done to build Britain's reputation as a pleasant, enjoyable and safe place for international conferences. It is a highly competitive business, and we must recognise that we are in strict competition with Europe, the United States and other countries.

The Government have said that they will have discussions about this with the British Tourist Authority. I hope that they will take it further than just having discussions and will ensure that there is sufficient promotional finance available. Whichever way we look at it, money will be necessary if proper promotion is to be undertaken.

The report refers to the difficulties in constituencies like mine over the wholly inadequate system of calculating the grant-related expenditure formula. As my hon. Friend the Member for Keighley (Mr. Waller) said, the data on which grant-related expenditure and visitor numbers are calculated go back to the 1970s. That is wholly out of step with changes that have taken place, not least in my constituency. It seems unfair that a town which has built a conference centre without any grants from Europe or from the Government, but has funded it wholly from the resources available to it in the form of loans and capital which bear heavily on the ratepayers, should, over successive years, have a reduction in the amount from the grant-related formula that has resulted in a high proportion of rates falling on each ratepayer to finance the conference centre. That also applies to a number of towns in Britain.

We have to recognise that a conference centre is not just for the benefit of a single town; its benefits go much wider. If the Government will relate the grants that are given to the development of facilities and to certain areas, that mechanism will allow the Government to encourage expenditure on the service sector in different parts of the country where the need is greatest.

Many of my hon. Friends have spoken about flexible licensing hours. I share the desire to see a change in the situation because for too long we have been wholly out of step with Europe and with most of the other countries in the free world. We must do something to change the ridiculous system under which somebody who comes out of a theatre in the evening and goes into a pub for a drink has to down it quickly before he is thrown out into the

street because the pub is not allowed to stay open. I hope that in the next session some way will be found to bring licensing legislation before the House.

There is a minor but important way in which we could help people in the catering industry. At the moment restaurants are not permitted to sell alcohol with meals outside normal licensing hours. Extensions are applied for and in many cases freely given, but it is ridiculous that at certain times there is a cut-off and those dining in the restaurant find they cannot order a drink even though they are having a meal. Legislation introduced to correct that would not arouse a great deal of controversy and would go a long way towards easing the problem in restaurants.

We need a more positive approach to planning. Local authorities have begun to see the advantages of tourist projects. By responding quickly to applications, we can arouse enthusiasm and harness it to ensure that projects funded by private enterprise get off the ground. All too often an application is submitted and then there is a delay because of an inquiry or whatever. By the time it gets to the point where the planner is told that he can go ahead with the project, the people who are sponsoring it are fed up with the whole thing. That is because the climate has possibly changed and interest rates have gone up or down and nothing has happened and everybody has wasted two years of effort. Something needs to be done to spur on projects that will lead to employment.

We need to improve our methods of disseminating information about tourist areas. It is ridiculous that one cannot get adequate information at the point of port entry or at railway stations where people from abroad want to find out about travel. I know that something is being done, but let us do it fast and firmly.

The Select Committee report speaks about the grant of 30 per cent. towards the labour cost of keeping facilities open during an extra month at an unpopular time in the year. I depart from the members of the Committee on this recommendation because it could lead to a number of facilities being kept open for which there was no proper demand. One cannot successfully keep an ice cream parlour open if there is no one around to eat ice cream or go to a fun fair. Such money could be applied to building an infrastructure that would allow people more time to enjoy their leisure pursuits protected from the vagaries of our weather.

Mr. Maxwell-Hyslop: Does my hon. Friend think that people who have to pay 70 per cent. for keeping facilities open, because the recommended grant is only 30 per cent. of the labour costs and includes nothing towards overheads, would abuse that as they have to pay 70 per cent. out of their own pockets?

Mr. Banks: One of the problems would be defining which facilities or types of projects would apply for it. There is also a bureaucratic element in providing the grants for one twelfth of the year, and it could be abused. People would be inclined to take a gamble on the weather. If the weather was good, the results might be successful. It would be much better to provide people with protection from the weather.

Once again, I reiterate the importance of this debate. Our last debate on tourism took place some time ago. The tourist industry will provide more jobs, and that is what life is all about.

8.59 pm

Mr. Charles Wardle (Bexhill and Battle): I, too, welcome the report on tourism. It focuses attention on an extremely important industry.

First, I must declare two interests. Neither of them is particularly recent, but they are relevant to this debate. Early in this Parliament I was a member of the Select Committee on Trade and Industry. It was at the time that the study of tourism was mooted. I had left the Committee by the time it began its deliberations on tourism, but I am pleased to say that during its deliberations the members of the Committee visited my constituency. Knowing of my interest in tourism, the Chairman of the Select Committee, my hon. Friend the Member for Hastings and Rye (Mr. Warren), invited me to its meetings. They took place at Battle abbey and at Herstmonceux castle. Both meetings were interesting and useful. I shall deal later in my speech with the considerable and widespread interest in tourism in my constituency.

The second interest that I have to declare is that I began my business career by working in the tourist industry. When I left an American business school 20 years ago I went to work for the president of the American Express Company in New York. From that vantage point I quickly saw the importance of tourism to the national economies of countries large and small. Equally evident were the business ramifications of the international travel trade, not simply for hotels and restaurants and the turnstiles at historic monuments, but for high street shops, local transport, car rental and local publishing companies and many other businesses besides.

The Select Committee's report has highlighted the fundamental importance of tourism to this country. I shall not dwell on the statistics. However, the spending of £9 billion on tourism and the employment of 1 million people full-time and another 400,000 part-time speaks for itself. The British Tourist Authority has predicted that in 1988 about 16 million foreign visitors will come to this country. If tourist traffic continues to grow at the rate of 4 per cent. a year, another 400,000 people could be employed in the tourist trade by the early 1990s.

My hon. Friend the Member for Keighley (Mr. Waller) pointed out that the tourist industry cannot be compared with the engineering industry or with any of the other great manufacturing industries in that there are no centres of mass employment. Employment in the tourist industry is diffused across the country. Nevertheless, employment in the tourist industry is vital. In our seaside resorts and in many other places the local community identifies its prosperity with the volume of tourist business that it enjoys.

Comments have been made about the Government's role in tourism and their response to the Select Committee's report. A number of Government initiatives are highlighted by the report. They are very welcome initiatives. The report says that, under the Development of Tourism Act 1969, about £14·5 million was spent on tourism in 1984 and that the Department of the Environment spent £17 million. Some of that money was spent under the guise of English Heritage, to which I shall refer in a moment.

The report also points out that under this Government central ministerial responsibility for tourism has been established. The responsibility is now in the hands of the

[Mr. Charles Wardle]

Under-Secretary of State for Trade and Industry who is sitting on the Treasury Bench, my hon. Friend the Member for Rossendale and Darwen (Mr. Trippier).

I wish to refer to two aspects of tourist development in my constituency, both of which were touched on by the Select Committee when it visited Battle abbey and Herstmonceux castle. There are numerous tourist attractions in my constituency of Bexhill and Battle. There are the seaside resorts, such as Bexhill-on-Sea, Norman's bay and Pevensey bay. It also contains a number of historic sites. Apart from Battle abbey, there are three castles in the constituency: Bodiam, Pevensey and Herstmonceux.

When the Select Committee visited Battle, it would have seen that tourism is very much part of the way of life there. People are attracted to Battle not only during the summer. For example, the Battle bonfire boys have been in existence for 300 years and they attract about 10,000 visitors to their bonfire night. That means much to local business. Furthermore, local business is making its own contribution by means of the "1066 Country" initiative. The East Sussex county council, the Rother district council and others are determined to focus as much attention as they can on the attractions of the history of that part of Sussex.

The Government are also playing a part by developing the local infrastructure, both in roads, as in the case of A21 and A27 improvements, and in the railway line. However, two particularly important points need to be brought to the attention of my hon. Friend. The first concerns investment by English Heritage in that part of Sussex. The Select Committee saw Battle abbey, where there are positive plans to develop tourism. It did not see Pevensey castle, however, where there is a small but nevertheless definite problem. The castle is looked after by English Heritage, but the Pevensey Town Trust is supposed to look after the environs. Only a few weeks ago the trust found that it had no funds to maintain the Pevensey cattle market site, which is the local car park, and had to close it. This has had a direct effect on local tourism. That is a typical example of how English Heritage could extend the scope of its activities if it were a little more ambitious and looked further than the project at Battle abbey.

English Heritage has also recently examined the Roman ruins at Beauport park, which could be developed and would bring more tourist trade both to Hastings and to Battle, and to the surrounding areas. Perhaps most important of all is Herstmonceux castle. I suspect that I would be ruled out of order if I were to embark on the various scientific arguments that surround the proposed move of the Royal Greenwich Observatory. However, the future of tourism at Herstmonceux castle is inextricably bound up with the decision to make that move.

The Chairman of the Science and Engineering Research Council said in March that tourism was not part of his brief. Together with my hon. Friends the Members for Eastbourne (Mr. Gow), for Lewes (Mr. Rathbone), for Wealden (Sir G. Johnson Smith) and for Hastings and Rye we pointed out to the Science and Engineering Research Council that tourism was a significant business in Herstmonceux and had attracted over 60,000 visitors. Since then, the council has made some important concessions on tourism. It has agreed to leave the astronomy exhibition centre in the park surrounding Herstmonceux castle, and will also leave some working observatories—the Equatorial Group—which should be sufficient attraction in themselves to make sure that the local tourist trade is not impaired.

The future of the castle remains a central concern to all those in east Sussex who wish to see tourism develop. I have suggested to English Heritage and to my right hon. Friend the Secretary of State for Education and Science that the council should begin urgent consultations with English Heritage to see whether it cannot transfer or sell Herstmonceux castle to English Heritage. It would be a tragedy if, to raise the money that it needs to fund the proposed move of the observatory to Cambridge, the council sold the castle into private hands and the public could no longer visit it. Even with the astronomy exhibition centre in operation, the attractions of the castle itself would be lost to the visiting public, and that is something that we must avoid at all costs.

I hope that my hon. Friend will bear my next point in mind. Yesterday during Education and Science Questions, it seemed clear from the answers given by my hon. Friend the Under-Secretary that my right hon. Friend the Secretary of State would not interfere with the council's decision. If that means that he will not guide it on the sale of the castle, tourism in east Sussex will be badly damaged. That is of central concern and I hope that my hon. Friend the Minister will respond to it in replying to the debate. I hope that my hon. Friend will consider that English Heritage can expand its investment in east Sussex at Battle abbey and at Herstmonceux castle. If so, we shall see more people employed in the tourist trade in that part of southern England.

9.9 pm

Mr. Robin Maxwell-Hyslop (Tiverton): I wish to address myself to a restricted focus within the Select Committee report and the Government's response to it, that of seasonality. Great as is the employment provided by the tourist industry, its greatest single shortcoming is its seasonality — the fact that it does not provide employment for 12 months of the year. In most cases it does not provide pensionable employment. Therefore, the Select Committee was much taxed by the means through which the Government could assist in promoting what must be Government policy — that this enormous industry should be perennial rather than seasonal.

We discovered a circular position. Hoteliers complained that they could not attract residents because the facilities either did not open, or had closed, while many of the operators of facilities complained they could not keep their facilities open because there were not sufficient people in the hotels to patronise them. Both claims have demonstrable truth and justice in them. How, therefore, do we break out of that? How do we persuade operators to stay open later, or to open earlier in the year than they are prepared to do in their commercial judgment?

The Committee's answer was that the Government should pay a grant of 30 per cent. of the labour costs, not the overheads, of operators staying open for one month extra, for two years. We claim no magic for the figure of 30 per cent. We did not make any recommendation about whether the month should be in one slug, at the beginning or the end. PAYE returns will show when businesses were open in the previous year. The Committee has also recognised that many of the enterprises providing facilities

for tourists are run by the self-employed, so that recommendation must apply to the self-employed as well as to the employing.

I am deeply disappointed that the Government's response was wholly negative, and I do not know how the Minister wishes us to interpret his apparent assertion that the tourist boards are responsible with him for rejecting the recommendation. Page 8 of the Government's response states:

"The Government's view, shared by the tourist boards, is that the combination of creative marketing with selected project development is the most effective way of dealing with the problems of seasonality and that the growing success of the Boards' campaign makes it unnecessary to explore alternative approaches such as subsidising the labour costs of tourist facilities in the way the Select Committee has suggested."

None of the tourist boards had the courtesy to write to the Select Committee to say that they were advising the Minister to reject the recommendation. I do not wish to accuse them unjustly, and I ask my hon. Friend the Minister to intervene now if his reply has been misread. If he is attributing to the tourist boards advice to him to reject our suggestion which they have not made to him, I ask him to intervene now and correct me so that I do not attribute to them something that they have not done.

Mr. Trippier: Let me make it absolutely clear that the view expressed by the boards is the view shared by the Government—the Department of Employment—and, if my hon. Friend wishes, me in particular. I shall refer to that when I reply and try to develop the reasons why I reject the proposition.

Mr. Maxwell-Hyslop: I am wholly happy that my hon. Friend should tell me why the Government reject it. But he appears to be attributing the Government's rejection to the tourist boards' rejection. The tourist boards have not told the Select Committee that they rejected our suggestion. I ask my hon. Friend the Minister to send the Clerk of our Committee the letters from the tourist boards in which they have advised him to reject the specific recommendation of our Committee. My hon. Friend is inviting the House to reject our recommendation in paragraph 109 on the basis of the tourist boards' advice, and I am wholly unaware that the tourist boards have given any such advice.

Mr. Trippier: I do not understand how my hon. Friend interprets that from the paragraph that he has read out which is at the top of page 8. The first line says:

"The Government's view, shared by the tourist boards". What is wrong with that?

Mr. Maxwell-Hyslop: The tourist boards have not expressed any such view to the Select Committee. All I am saying is that if they have expressed such a view to my hon. Friend the Minister, but have not bothered to tell the Select Committee, I, and I am sure my colleagues on the Select Committee, would like to know the terms in which they have advised my hon. Friend the Minister to reject that.

I can do little better than specifically to draw to the attention of the House paragraph 109—and I am not given to reading to the House. We said:

"A circular situation can exist whereby tourist facilities of all kinds close as what is seen as the 'season' draws to its end: and accommodation for tourists closes as there are not enough facilities still open to attract people into an economic occupation of the accommodation. Yet it is in the public interest to lengthen the holiday season, both to prolong employment and to get the best return from the public investment in infrastructure and holiday facilities."

I do not see how anybody can depart from that reasoning. We go on to say:

"PAYE records will, in most cases, show during what period facilities were in fact functioning in a given year. It might be possible therefore to break this unproductive cycle by offering public money to pay a proportion of the labour costs of remaining open for a specified period longer than the previous year, both to promote longer employment, and to measure the cumulative effect of such a prolongation."

The Committee did not claim that it knew the answer to such an experiment. We believe that such an experiment is worth while, and that nobody can know the answer until the experiment has been conducted.

We then go on in bold print with our recommendation, which says:

"We therefore recommend that for two years the Government should pay a grant of 30 per cent. of the labour cost of tourist facilities remaining open for one month additional to the period which the enterprise concerned (be it accommodation, catering, or other holiday facility) was open in the previous year, the regional tourist board being the arbiter for payment and qualification."

That is one of the most constructive and positive suggestions that the Committee put forward. From whomever we took evidence, the point was made that it is an immensely seasonal business.

I must point out to my hon. Friend the Minister that the Government are moving more and more in the direction of wanting the private sector to take over the financing of pensions for people in this country, rather than the public sector. If they hold that view coherently and consistently, they must want the tourist industry, which is now such a major employer, to be perennial and to supply pensionable employment rather than seasonal and not supply pensionable employment.

It is all very well for the Minister to reject our recommendation and say:

"The Government's view, shared by the tourist boards, is that a combination of creative marketing with selected project development is the most effective way of dealing with the problem of seasonality".

But has it been effective? It has not.

I do not believe that the tourist boards have written to my hon. Friend saying, "Reject the Committee's view and we will support you." I believe that if they had done so my hon. Friend would have the elementary courtesy to send the Committee copies of the letters concerned, which he has not done. I also believe that the tourist boards would have sent us copies. I believe, in the absence of such evidence, that he is attributing to the tourist boards a view which they have not expressed.

Mr. Kennedy: A conspiracy.

Mr. Maxwell-Hyslop: I am not indulging in conspiracy theories, but I do believe that he is attributing to the tourist boards a specific view of our recommendations that they have not expressed.

I have focused on this point because my personal opinion is that the seasonality of the industry is one of its greatest vices as an employer. The Committee was much seized of that point. Of course, we covered many other things as well; but my dedication is not to expanding peaks, important as that is, but to turning the industry into a perennial one.

Look through the rest of our report, with its many useful and valuable recommendations, and accept them if

[Mr. Maxwell-Hyslop]

the Government will, but why reject one of the most creative suggestions, where 70 per cent. of the labour cost risk and the whole of the overhead cost risk falls on the entrepreneur who applies for the grant? Why is it likely to be abused, when 70 per cent. of labour costs and the whole of the overhead costs fall on the entrepreneur who takes advantage of it? I suspect that it is rejected because it involves spending a bit more money. That is my honest opinion. I ask my hon. Friend and my right hon. Friend the Secretary of State, who is now in charge of tourism throughout the United Kingdom, to reconsider this. It is a very good bargain for the taxpayer because the people who will be taken on would otherwise be drawing unemployment benefit or supplementary benefit.

Undeniably, it costs hoteliers more money to open earlier or stay open later. Staying open later can involve heating costs which can be considerable. Opening earlier may involve them in additional advertisement costs, but we want to persuade them to put their foot in the water and find that it is not freezing. We want to persuade them to try a longer season, slightly reducing their exposure, and then find that it pays them, so that after two years they would do it wholly with their own money and not at all with the Government's. We say two years. In the second year – let there be no misunderstanding about this – it would have to be a month longer than in the first year — *[Interruption.]* Does my hon. Friend the Minister wish to contribute?

The Minister for Social Security (Mr. Tony Newton): No.

Mr. Maxwell-Hyslop: I hoped that he would.

In the second year, those who wanted to benefit would have to be open two months longer than in the base year. That is the proposition that has been dismissed in such a cavalier way. I should like to see the letters from the tourist board because I should like to know the reasons that they gave the Minister — if they did, because I do not believe that they did — for turning down that positive recommendation.

The only other comment that I wish to make is about our structural recommendations. The money spent on promotion of tourism can do three things. It can persuade people to come from abroad to the United Kingdom who otherwise would not have come. It can persuade people from abroad to spend money on a longer tourist season in Britain, or it can rob Peter to pay Paul: it can merely persuade people to go to one location in the United Kingdom rather than another.

Unfortunately, it is that third facet that can well involve much public expenditure. At the moment, because we have a different system of financing from public money, from the Consolidated Fund, from the same taxpayers' money, tourism in Scotland or Wales or Northern Ireland compared with England, there are no cohesive parameters to that expenditure. That is why the Committee recommended a structure for the United Kingdom as a whole. We did not make recommendations as to what its criteria should be internally, but we recommended having a coherent structure, which we do not have at the moment.

My hon. Friend the Minister and, indeed, the House may be unaware that when we asked the civil servants from the Department of Trade and Industry who was responsible for the overall allocation of money within the United Kingdom on tourism they said that the Treasury was. We then sent for Treasury Ministers and said that the Department of Trade and Industry had said that they were responsible. We asked what their criteria were. The answer was, "They were wrong: we are not responsible." So we ended up discovering that nobody is responsible. This must be the only aspect of public expenditure in which no Minister acknowledges being responsible for the allocation of expenditure within the United Kingdom. That is unique.

In rejecting the Committee's recommendations, the Government have not put anything in the place of our recommendation. It is just left hanging in the air, with the Government rejecting our recommendation. Remember — I say "remember" because it is forgotten — that the Select Committees were set up in the first place to replace the old Estimates Committee and to try to bring coherence into public accountability. That is often forgotten.

If my hon. Friend the Minister rejects the Select Committee's solution to the problem of a coherent allocation of funds throughout the United Kingdom, what does he propose to put in its place? Does he propose to put nothing in its place, and to continue the existing system where there is no rationale within the United Kingdom for expenditure from the Consolidated Fund between England, Scotland, Wales, and Ulster? That is the conundrum into which my hon. Friend the Minister will plunge the Government if he rejects the Select Committee's recommendation.

My hon. Friend the Minister was perfectly entitled to find another solution in place of that suggested by the Select Committee. However, if he rejects the Select Committee's solution after the problem has been exposed and puts nothing in its place for the coherent allocation of funds for the promotion of tourism, by default he will state that he and the Government are happy with a chaotic, unjustifiable, illogical, irrational and capricious allocation of public expenditure between the different parts of the United Kingdom.

9.31 pm

Mr. Barry Sheerman (Huddersfield): We have had an example in this debate of Select Committees working at their best. I believe that the Select Committee report is of a high quality. It is full of interesting and positive ideas.

The contributions by the Chairman of the Select Committee, the hon. Member for Hastings and Rye (Mr. Warren), and by the other members of the Committee have shown the wide range of expertise that was brought to the task. Reading the report was an education for me.

On the other hand, the Government response to the report has been — to be polite — dismal. We have seen a fund of interesting ideas and a dismal Government response. The Government, in the face of these interesting recommendations, have more or less said, "Very interesting, but none of them is workable and the Treasury would not like them anyway."

Enough hon. Members have stressed how vital tourism is. Expenditure in the industry was £10 billion in 1984 and the forecast for 1988 is £14 billion. The industry employs more than 1 million workers and is on course to be the largest employer in the nation. Some of us have been guilty in the past – and at times we should admit such guilt — of ridiculing service industries such as tourism. Many of

us have learnt that we should not do that to an industry which is bigger than most of the other manufacturing sectors and which has more potential than most.

The Select Committee report has produced some fascinating information. It reveals that 50 million overseas visitors come to this country, of whom 20 per cent. are business and conference visitors. That is a healthy trend and things appear to be on course, although there has been a sad setback. Over the past weeks I have spoken to people in the tourist business. Many believe that they are entitled to compensation from the Government as they have received a tremendous slap to their revenue, income and livelihood because of the Government's decision to offer bases to the United States. Perhaps some of the costs of the promotional work being carried out by British Airways and others in the United States should be taken up by the Government. I do not see why British Airways, British Caledonian and others should have to pay to correct a problem which has arisen through no fault of their own.

The Select Committee also dug up other worrying matters. The hon. Member for Tiverton (Mr. Maxwell-Hyslop) referred to the seasonality of tourism in some depth and made some interesting points. Employment in the tourist industry is not all short-term, seasonal, low-paid or on the whim of an employer for a few days or weeks. There is much long-term, pensionable employment in the tourist industry and the Opposition would be the first to admit that. But there is also a lot of the other kind of employment. As in every other industry, I hope that good, non-seasonal, well-paid jobs will emerge in the tourist industry. One way to achieve that is through better trade union organisation and better standards of work.

The very high level of unemployment in this country also affects domestic tourism. As the Select Committee pointed out, we are talking about not just foreigners coming here but British people holidaying in Britain. The most chilling figure in the report is that 40 per cent. of British people never have a holiday away from home, either here or overseas. That is a sobering thought for those who, like most Members of Parliament, have holidays every year, and it is a sad comment on the perspectives and prospects of many people's lives in 1986. There is major scope for the expansion of domestic tourism.

We have a vital and important tourist industry, but there is much to be done. What seems to emerge from the report of the all-party Select Committee is a desire not just for coherence, to which the hon. Member for Tiverton referred, but for a positive, creative Government policy for tourism. The Government brag about developments in tourism, sometimes as a political move to draw people's eyes away from the terrible decline in manufacturing industry, but at the bottom line of their response to the report there is no positive policy for the development of the tourist industry in the long term. Many of the Select Committee recommendations suggest that there should be such a policy, but that Government policy at present is uncertain, fragmented and unco-ordinated.

One does not have to agree with all the Select Committee's proposals on structure to understand the need to do something about the national, regional and local organisation of tourism in this country and its promotion overseas, and nothing that has been said in the debate has persuaded me otherwise. This most important industry must have a positive, planned approach, because without such an approach — ironically, this is the problem — it runs against market forces. The Government are still dominated by the idea that everything will turn out all right if market forces are allowed to go their own way, but in the tourist industry the result will be disaster. In this, as in so many other industries, we need a positive relationship between the private and the public sectors.

I mention just one small instance. There has been the most wonderful rebirth of the canal system in this country, especially in my constituency and in that of the Under-Secretary of State, the hon. Member for Rossendale and Darwen (Mr. Trippier), both of which are linked by canals. The canal system has been brought back to life not by private investment but by public investment. That development has just begun and it has a great future. Once the public sector, whether it be central or local government, makes the heavy investment necessary to bring the system back to life, the private sector will move in to build hotels, leisure facilities, pubs, and the rest — and so it should. But first there must be a planned investment in the infrastructure. A positive relationship between the private and public sectors is therefore vital.

Planning is also important in relation to the short season of employment in the tourist industry. I have listened carefully to what has been said about this aspect, and I believe that the Government should think again about the very positive measures that have been suggested. They have been rejected because it means the Government taking an initiative and saying — pragmatically, not ideologically — "We shall try having the public sector take a lead."

A matter to which the Select Committee did not turn its mind, but which affects me as I have four children of school age, is the blight on tourism of school holidays and the traditional works and factory holidays. As many people are restricted to taking their holidays in just six weeks of the year, it is no wonder that the tourist season is so short. It might be sensible to discuss that narrow vision of holidays with the Department of Education and Science because it is important to expand the tourist season.

I have great sympathy with the Minister, who has a large brief. I know that, because I have a large shadow brief. It is impossible to give a Minister a brief for education and training, virtually the whole of the Manpower Services Commission, co-operatives and small businesses, and at the end to add tourism. We need a Minister who can devote a great deal of his time to tourism. It is a vital industry, so why is there not a Minister responsible for tourism who could bring together the Departments concerned?

I believe that the shift in responsibility for tourism from the Department of Trade and Industry to the Department of Employment was a retrograde step, made for political purposes.

Mr. Trippier: Rubbish.

Mr. Sheerman: The Minister and I have to disagree on some matters.

There should be not a positive public relations exercise, but a real shift in emphasis to a Minister with real power co-ordinating all the efforts in the tourist industry. There must be a more positive lead from the Government in creative partnership between the private and public sectors. A creative partnership in many tourism and leisure

[Mr. Sheerman]

projects could be beneficial in the medium to long term. The public sector could provide the essential infrastructure and the private sector could build on it. How can there be forward planning without a real move towards thinking and planning for the long term?

The Select Committee must surely have noticed, as it went about the country, that some of the most important initiatives in tourism development have been taken by local councils. West Yorkshire has suffered a body blow to tourist development with the abolition of the metropolitan county council, which was carrying out positive and creative work in tourism. That gap cannot be filled in the short term by the local councils. The Select Committee must surely have realised that, with the one hand, the Government have abolished some authorities while, with the other, they have placed the remaining local authorities in a straitjacket as regards the amount of finance and initiative they can put into tourist development. They are hampered at every turn. They have lost their ability under section 142 to raise money, and they have no compensation because of the abolition of the metropolitan counties. That has been a sad blow to local authorities which have been trying to show the way forward. Local councils know what they can do in their own areas.

We want a tourist policy that reaches the parts that tourist policy has never reached before. Tourism is ready to be exploited all over the region in areas such as my own. Good jobs can be created out of tourism.

Promotion is not enough. Someone said to me the other day that tourists come to this country to learn about British history, not to experience it. That is important to remember.

These days, people expect high standards of service. I have heard many remarks about poor service in this country. That leads me to education and training. The Government's policies and their answers to the Select Committee on Trade and Industry are laughable. If industrial training boards are abolished, training takes place on a voluntary basis. We know that not every industry carries out training. The tourist industry cannot be excused for not undertaking enough training and for not achieving high quality training.

The hon. Member for Harrogate (Mr. Banks), made an excellent point when he said that we need a centre of excellence. Cornell university, across the Atlantic, has a magnificent hotel management course. That course is renowned. It is in one of the best universities in America. Let us compare that with our education and training effort. We need to train people properly.

Many people in this country do not like service. The class system does not exist in the United States. I dine in restaurants in London quite often. I have seen guests treat waiters and waitresses in a way that they would never treat them in the United States. That is another reason why people do not like service. Let us have tourism, but let us have a positive, planned tourist policy that takes us somewhere, and let us have a Government who will deliver it.

9.46 pm

The Parliamentary Under-Secretary of State for Employment (Mr. David Trippier): We have had an interesting and wide-ranging debate on what is, I think we would all agree, one of the most important subjects that we could discuss on the Floor of the House. I am disappointed that members of the Select Committee are concerned about the Government's reply to the Committee's recommendations. I found that the Select Committee carried out a detailed and thorough study. Its contribution to the debate on tourism is widely welcomed, and I can agree with much of the report.

My hon. Friend the Member for Brentford and Ongar (Mr. McCrindle) accurately described some of the issues as controversial. It was the major ones which were controversial and which, in the end, we rejected. I think that I am under a moral obligation, in the short time that I have at my disposal, to try to elaborate on the reasons why we rejected the two major proposals. My hon. Friend the Member for Brentwood and Ongar referred to one, and my hon. Friend the Member for Tiverton (Mr. Maxwell-Hyslop) referred to the other.

I welcome the fact that my hon. Friend the Member for Hastings and Rye (Mr. Warren) said at the outset that it had taken a year for the report to be completed. When the report was started, the responsibility for tourism was vested in the Department of Trade and Industry. It is perhaps somewhat strange that it should end up with that Department, but I am glad that it did. It is a bit like Magnus Magnusson on "Mastermind", where once something is started it must be finished. One does actually start with an initiative. I am glad that after all the research and hard work, the report was completed and I welcome many of the proposals. They are a great contribution to the debate.

Of course, an awful lot happened in that year. Although hon. Members have been kind enough to refer to one or two events, the point made by the hon. Member for Huddersfield (Mr. Sheerman), is the most significant of all. Responsibility for tourism moved from the Department of Trade and Industry to the Department of Employment. Not only did that give a higher profile to the industry, which all hon. Members seemingly support, but it was a clear recognition that we had a sector that had the wealth and job creation potential that we could not see in others.

At the same time, and for exactly the same reasons, we moved the responsibility of sponsorship for small firms. That was pointed out by my noble Friend long before he became Secretary of State for Employment. He was able to see the enormous potential in the sector. Not everybody who has spoken today saw that potential when he did. I should have thought that more credit would be given to him for taking on board the production of PLJ, as we affectionately know it—pleasure, leisure and jobs. That was developing all the time. The White Papers on deregulation are an important part of the process, but as far as I can remember nobody has mentioned them today.

It would be churlish of me to avoid answering questions that hon. Members have asked. The hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) asked me to draw to the attention of my right hon. and learned Friend the Secretary of State for Scotland what he said about signposting. I am not sure whether my right hon. and learned Friend was in the Chamber at the time, but I am now under an obligation to write to him. I shall do that.

My hon. Friend the Member for Keighley (Mr. Waller) made an important point. The Department has an enormous task in trying to convince people in the north, especially in local government, of the enormous

advantages of tourism and of the potential in their areas. My hon. Friend drew our attention to Bradford. The hon. Member for Rotherham (Mr. Crowther) talked of local authorities realising the potential in their areas. The Bradford example can be held up to the whole nation. It all started with a photographic museum, which now attracts more than 1 million visitors a year. Who would have thought it? If somebody had told me or the hon. Member for Rotherham 10 years ago that Bradford could be turned into a tourist area and that a major tourist attraction would draw 1 million visitors a year, we should

Mr. Geoff Lawler (Bradford, North): On behalf of Bradford council, may I thank my hon. Friend for that advertisement? It will be greatly welcomed and I hope that it will generate a lot of custom from hon. Members during the summer recess.

Although it is obviously beneficial to widen the areas of tourism away from the traditional centres, tourism brings to areas such as Bradford an improved environment. More important, it brings an improved image, which leads to all manner of other benefits when it comes to attracting industry and improving the morale of local people in a depressed city area.

Mr. Trippier: The knock-on effect is often missed when we consider these matters. The best thing to come out of the debate — it was hinted at in the Select Committee report — is an acknowledgement of the fact that, whenever possible, we should approach these matters in a bipartisan way. I should like to take this opportunity to pay a compliment to many Labour councillors whom I have met and who have taken responsibility as members of regional tourist boards, for example. Many Conservatives are also involved. When it comes to tourism, they seem to bury the political hatchet and get on with the job, recognising that we have here a sector that can create wealth and work. Unfortunately, the same is not true for the House.

The thrust of the Select Committee's report is that there should be a British tourist board. The Committee used several tables. I appreciate that officials in the House and hon. Members have put in an awful lot of work, and I pay tribute to them for that. The tables, especially those on pages xxix and xxxiii, try to develop the argument that Government funding shows a disproportionate spend in favour of Scotland and Wales compared with England. The correlation between the tourism spend in England and the lower percentage grant is set out elsewhere.

The table that appears on page xxii is interesting, but no one seems to have referred to it. I studied it this afternoon at some length. If we extrapolate the correlation to which my hon. Friend the Member for Brentwood and Ongar referred to its logical conclusion, the tourist spend in London appears to suggest that the Government should support London more than any other area. The spend in London is obviously far higher than elsewhere, and disproportionate. However, I am sure that no one in this place would seriously suggest, unless he were fighting for his London constituency a little overmuch, that the Government should contemplate more spending from the tourism grant on London. It is the Government's policy to try to encourage the dispersal of tourists, which the hon. Member for Ross, Cromarty and Skye acknowledged, from London into the regions, including areas of higher unemployment.

Mr. Crowther: The Minister is overlooking the fact that according to the table on page xxii the Government are already spending almost twice as much on tourism in London as in any other area listed in the chart.

Mr. Trippier: I thought that someone would say that. When spending is considered in proportion to London's population, it is a drop in the bucket.

No reference has been made to the level of unemployment in Wales and Scotland and how that compares with the average level in England. The latest figures show that there is 16·8 per cent. unemployment in Wales, 15·6 per cent. in Scotland and 12·9 per cent. in England. When Ministers at the Scottish and Welsh Offices gave evidence to the Select Committee they argued effectively, as some hon. Members have today, including the hon. Member for Greenock and Port Glasgow (Dr. Godman), that it is extremely difficult to stimulate tourism. The region which I represent in part has the same problem. The problem is faced by the north-west, and very much so in Yorkshire and Humberside. Bradford, however, has shown us what can be done. It has shown other local authorities what the private sector and the Government can do together in partnership. I have no disagreement with the hon. Member for Huddersfield on that ground.

I welcome the contribution of the hon. Member for Huddersfield. It was quite a revelation for me, but not because he said it. I know the hon. Gentleman to be a decent chap. However, he is peddling propaganda which perhaps has not been approved by the Labour party. A number of Labour Members — some of them could be described loosely as distinguished members of the Labour party, like the hon. Member for Kingston upon Hull, East (Mr. Prescott) — seem from time to time to delight in rubbishing tourism.

The hon. Member for Kingston upon Hull, East refers to those who are engaged in tourism as glorified ice-cream salesmen. Mr. Ken Livingstone has referred to jobs in tourism as Mickey Mouse jobs. This is serious. The hon. Member for Huddersfield will recognise that as a Minister I have a number of responsibilities and a great deal of work to do, and I think that he will have his work cut out in trying to persuade his right hon. and hon. Friends that they should stop the silly business of rubbishing tourism. We get it whenever there are employment questions, and it does an enormous amount of harm. Most important of all, it is an insult to those who are working in tourism. It is a gross insult to them at whatever level they work.

I hope that I have demonstrated that the Government have given careful consideration to the Select Committee's report. I feel that I am under an obligation to write to my hon. Friend the Member for Tiverton to explain our thought processes. I shall detail them as far as I am able as they are set out in any letters that may be available to him.

I assure the House that we have given the report very serious consideration. I welcome most of its recommendations. I suppose that the most welcome thing is that we all agree that we have a most dynamic industry, which will certainly go from strength to strength.

9.59 pm

Mr. Warren: I wish only to acknowledge the value of this debate. I commend to my hon. Friend the Minister further study of the statistics that he quoted. At first sight,

[Mr. Warren]

he may not have interpreted them correctly. However, I value his kind assistance to us in answering the debate, and I hope that his work will lead to extra incentives to promote tourism.

Accordingly, I beg to ask leave to withdrawn the motion.

Motion, by leave, withdrawn.

The original Question was deferred, pursuant to paragraph (4) of Standing Order No. 19 (Consideration of Estimates).

It being Ten o'clock, MR. SPEAKER *proceeded to put forthwith the deferred Questions necessary to dispose of the proceedings on Estimates 1986-87, Class XV, Vote 2 and Class VII, Vote 1.*

Class XV, Vote 2

Resolved,

That a further sum, not exceeding £4,290,850,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1987 for expenditure by the Department of Health and Social Security on supplementary pensions and allowances.

Class VII, Vote 1

Resolved,

That a further sum, not exceeding £759,406,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1987 for expenditure by the Department of Employment on the promotion of tourism, including grants in aid, general labour market services, including a grant in aid, services for seriously disabled people and an international subscription.

Northern Ireland (Housing)

10.1 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Richard Needham): I beg to move,

That the draft Housing (Northern Ireland) Order 1986, which was laid before this House on 12th May, be approved.

The draft order provides assistance for eligible owners of certain defective houses sold by the public sector in Northern Ireland. It also extends the right-to-buy provisions of the Housing (Northern Ireland) Order 1983 for secure tenants of the Northern Ireland Housing Executive and provides new statutory rights for secure tenants of the Housing Executive and registered housing associations.

The draft order was the subject of wide consultation. In addition to the Assembly, comments were also received from 16 other sources and individuals, and all these were considered carefully before deciding on the text of the draft order which is now before this House.

The method of assistance in part II is based on a similar scheme provided in Great Britain in the Housing Defects Act 1984. However, in Northern Ireland we have only the Orlit type of prefabricated reinforced concrete house and it is the intention that only this type of house will be designated under the draft order in the first instance.

Of course, we received a number of representations during the consultation period for other house types to be designated, notably aluminium bungalows and houses with defective flues. However, although the legislation provides a general framework within which other house types can be designated, I am not satisfied that these particular house types meet the criteria for designation as set out in article 4 of the draft order. I must tell the House that at the moment there do not appear to be any other substantial classes which are likely to be designated.

The Housing Executive has sold only 200 of the Orlit houses out of a total stock of about 3,000. Initially our proposals will apply only to those 200. The assistance to be provided under the draft order will be either a grant towards reinstatement or, in certain circumstances, repurchase. However, I think that it is only fair that I should say that in practice assistance will take the form of repurchase rather than reinstatement. That is because it seems very likely that the costs of repair on those Orlit homes will be higher than the market value of the houses after reinstatement.

As for the 2,800 Orlit houses which remain in the Housing Executive's ownership, I must stress that the process of deterioration is gradual, and I wish to assure the tenants who occupy them that the Housing Executive has carried out full technical investigations which have confirmed there is no immediate danger. Even those Orlit houses in which the corrosion is most advanced have a serviceable life of between five and 10 years without the need for remedial action, while the others have a life of up to 30 years. Many of those homes will provide good housing for a long time to come. None the less, I am conscious that there are genuine anxieties about the future of Orlit houses especially from tenants who will not benefit from the provisions in this order. Therefore, the Housing Executive is presently considering ways of dealing with the Orlit houses which remain in its stock. Some proposals have already been announced and other proposals will be developed on an estate-by-estate basis after the Housing Executive has consulted the tenants and their public representatives.

Part III of the draft order deals with the rights of secure tenants. Since 1979 over 30,000 houses have been sold by the Housing Executive under its voluntary sales scheme and it has provided tenants with better terms and conditions of purchase than the Government's statutory right to buy. The scheme already incorporates all the advantages for tenant purchases included in the Housing and Planning Bill at present before Parliament. Nevertheless, although we do more, it must be right that we bring the statutory scheme in Northern Ireland into line with the parallel legislation in Great Britain, although the voluntary scheme of the Housing Executive goes considerably further than the proposals in the draft order.

The order enacts the improvements in the right-to-buy provisions in the Housing and Building Control Act 1984. At the earliest opportunity I intend to introduce the further advantages contained in the Housing and Planning Bill currently before the House. Chapter I deals with the right to buy and makes some important improvements in the statutory scheme. The proposals before the House which have already been incorporated in the executive's voluntary sales scheme will, first enable tenants in property in which the Housing Executive has a leasehold to have the same right to buy as tenants where the executive owns the property outright. Secondly, they will reduce the minimum tenancy period before entitlement to discount starts from three years to two years, and, thirdly, they will raise the maximum level of discount from 50 per cent. to 60 per cent. In addition, the range of public sector tenancies which can be considered for qualification for discount purposes is extended. Tenants of the executive will have the right to purchase their homes on an equity sharing basis. I repeat that on a voluntary basis we have been doing that for about a year.

Sheltered housing for the mentally disordered is added to the other types of sheltered housing already excluded from the right to buy and I am sure that hon. Members agree with that. The criteria used to identify sheltered schemes and housing for the elderly are clarified. These are designed to reflect the way that sheltered accommodation has expanded and will also ensure that only houses which are clearly identifiable as suitable for the elderly will be excluded from the right to buy. The remaining provisions of chapter I are designed to remove uncertainties and anomalies in the existing legislation.

Part III, chapter II, contains two new rights for secure tenants; the right to exchange and the right to repair. The right to exchange is an extension of existing practice and the right to repair will give registered housing associations new responsibilities towards their tenants. Under the right to exchange a secure tenant will usually be able to assign his tenancy to another secure tenant. Under the right to repair a secure tenant will be able to carry out, or to have carried out, repairs for which his landlord is responsible and to recover the costs. I will, of course, consult the Housing Executive and other organisations such as housing associations representing public sector landlords about the details of the scheme.

Part IV of the order contains a number of miscellaneous and supplementary provisions dealing mainly with recovery of grants to housing associations, indemnities to private sector lenders, and succession rights to statutory tenancies. The proposals on PRC homes are

[Mr. Richard Needham]

important to the private sector as they give relief to certain private owners who, through no fault of their own, purchased defective houses from the public housing stock. Part III of the legislation beings the law into line with existing practice and is a further step in giving tenants an individual say in the management of their homes. I trust that the House will agree that this is a sensible and a desirable measure. I am sure that the House will support it.

10.8 pm

Mr. Stuart Bell (Middlesbrough): I congratulate the Minister on his fluency, on his grasp of the order, and on the way he took the House through it. He will pardon me if I speak with less fluency in trying to make a number of small points about the order. As we know, and as the Minister said, it is designed to provide legislation in Northern Ireland which corresponds to the provisions of the Housing Defects Act 1984 and the Housing and Building Control Act 1984. Both these Acts are now consolidated in the Housing Act 1985. Thus, there is parity in United Kingdom legislation. It knits together provisions that are equally appliable to England, Scotland, Northern Ireland and Wales.

The order has two primary objectives. The first is to compensate those who bought system-built houses which were previously in the public sector and which have now been found to have fundamental defects. The Minister sought to assure those who are living in the system-built houses that are not defective. We welcome his assurances. I am sure that Northern Ireland tenants will also welcome them. The second objective of the order is to promote the purchase of public sector houses by their tenants.

We welcome the first objective. Nevertheless, we should like to examine some of the discussions that took place in the Northern Ireland Assembly and some of its recommendations. The Northern Ireland Assembly scrutinised this order. I do not wish to bore the House by referring again to the dissolution of the Northern Ireland Assembly. The decision to dissolve the Assembly was taken by this House, but it is a matter of regret that Northern Ireland Assembly Members are unable to continue their effective scrutinising role.

I have before me three reports of the Northern Ireland Assembly. One of the reports deals with this order. The others deal with homelessness in Northern Ireland. It must be a matter of some regret that those who best understand the problems of Northern Ireland and who produced these reports are no longer functioning in the interests of their constituents and in the interests of those in Northern Ireland who look to them for help. I hope that it will not be too long before those hon. Members who were members of the Northern Ireland Assembly again participate in our affairs.

It is also a matter of regret that the recommendations that were made by the Northern Ireland Assembly's scrutinising committee were not acted upon by the Government. The Minister referred to some of the recommendations. There were 24 further submissions by organisations and individuals, and their recommendations and suggestions were not taken up by the Government. I trust that their failure to take into account the views of others does not arise from indifference but, rather, from the weakness of the arguments that were put before the Government.

I have to confess that I was somewhat bemused by the illogicality of the Northern Ireland Assembly's first recommendation. It recommended that the Department of the Environment should consider means whereby the owners of house types in the private sector should be treated equally with those which had been in the public sector but which had been sold off by the Housing Executive. The Minister referred to aluminium bungalows and to those dwellings with defective flue linings and said that he was not satisfied that they ought to be part of the order. We must accept his explanation.

The Minister also said that that although the Government's reinstatement grant amounts to 90 per cent., whereas that Northern Ireland Assembly recommended that it should be 100 per cent., he is looking for the repurchase of those houses, in which case the reinstatement grant will not necesasarily be taken into account.

Is the Minister able to tell the House why the other recommendations in the report of the Northern Ireland Assembly's scrutinising committee were set aside and why other submissions by various interested parties were not taken into account? I am aware that copies of the Government's response to the Northern Ireland Assembly's report are in the Library of the House of Commons, but a brief explanation of why the recommendations were set aside would be welcomed.

We note what the Minister said about the sale of council houses, but we are anxious to ensure that the overall level of public housing in Northern Ireland is not reduced. Housing is a major issue for those who live in Northern Ireland, as it is for those who live in the rest of the United Kingdom. We acknowledge the work done by the Housing Executive over the years to ensure better standards of housing for all people in Northern Ireland. Nevertheless, the housing lists are long enough without their being made longer by the sale of council houses.

There is no doubt an ideological difference between the two sides of the House about the sale of council houses, but many who buy their council houses are unaware of how difficult things can become when one loses a job and ends on the dole and finds it difficult to meet mortgage payments. A reduced housing stock would make it even more difficult to house people who are already homeless, and also those who might find themselves unable to keep up with the purchase of their house and need to move back into a council house.

The Minister has told us that council houses have been sold for a year. What happens to the proceeds from those sales? Are they held by the Housing Executive as capital receipts and subject to the same rules as those that affect local councils in this country, so that only 20 per cent. of such proceeds can be used to reinvest in housing, or will there be, or is there, a special dispensation for Northern Ireland? The Opposition feel that the present levels of funding will mean that the Northern Ireland Housing Executive will be forced to end virtually all repair and renovation grants and to cut its new build programme.

Articles 38 and 39 deal with other rights of secure tenants, whether the rental will increase as a result of certain improvements, and the right to carry out repairs. My right hon. and learned Friend the Member for Warley, West (Mr. Archer) has already welcomed a report

published by the Private Housing Action group which touches on these articles, but relates to the operation of the Rent (Northern Ireland) Order 1978. My right hon. and learned Friend pointed out that the timely publication of this report, coming so soon after the McDowell judgment, which highlighted the predicament of private housing in Northern Ireland, provided valuable information on the true situation of those covered by the court ruling.

The report made a clear and cogent case for reform of the Rent (Northern Ireland) Order 1978, which refers to rent-controlled tenancies. It is our view that until such reforms take place many thousands of tenants will be left without any recourse to the law, even if injured by the failure of landlords to comply with the law. Such a situation clearly negates one of the central purposes of the rent order, allowing no effective remedy for those faced with dilatory or recalcitrant landlords. Private tenants in Northern Ireland are thereby left without the right that provides important protection to similar tenants in England.

I accept that we might be moving somewhat wider than the order, and I do not wish to detain the House longer on that issue. However, it is a matter of regret that the order cannot be amended and therefore we are not able to take into account the curious situation resulting from the McDowell judgment on private tenants.

We welcome the order and accept the thrust of the Minister's argument. We have expressed our anxieties, and no doubt at an opportune moment he will respond to them.

10.18 pm

Mr. J. Enoch Powell (South Down): I do not wish to be disagreeable to the Minister when I say that this is a cock-eyed way to proceed. The Secretary of State, in his letter says:

"The main purposes of the Proposal are to provide legislation in Northern Ireland corresponding to the Housing Defects Act 1984 and to the housing provisions of the Housing and Building Control Act 1984."

When the Bill that underlay the Housing Defects Act 1984 was first brought before the House, my hon. Friends and I asked that it might apply to Northern Ireland. We saw no reason why the benefits to purchasers of ex-public authority housing which were provided in Great Britain by the 1984 Act should not become available at the same time to those similarly situated in Northern Ireland. Indeed, the hon. Member for Eastbourne (Mr. Gow), who was then the Minister, at one stage believed and hoped that that might be possible. That hope has not been realised. A glance at the order will show that it comes into force two months after the order is made following the approval of a draft, which will no doubt take place tonight. In other words, for between two and three years the citizens of Northern Ireland have been deprived of the advantages accruing to those in identical circumstances in Great Britain simply because of the determination which has hitherto existed to legislate for Northern Ireland separately from the rest of the United Kingdom and by Order in Council under the 1984 Act.

There was no practicable difficulty in bringing Northern Ireland within the scope of the 1984 Act. It is true that the provision of public housing and the public housing authority in Northern Ireland is of a different character from the public housing authorities in the rest of the United Kingdom. Nevertheless, there is nothing outside the scope of the skill of parliamentary draftsmanship to have devised either clauses or a schedule which would have applied the provisions of the 1984 Act simultaneously to that part of the United Kingdom.

I followed with interest the speech of the hon. Member for Middlesbrough (Mr. Bell) when he drew attention to the scrutiny given to this order at an earlier stage by the late, defunct and, by some, unlamented Northern Ireland assembly. It could not be accepted in the House that our procedures for dealing with legislation by way of Committee and Report stages and the scrutiny to which legislation is submitted by the means available to this House are less satisfactory than any alternative methods that are available for giving effect to the wishes of constituents and to opinion in this country.

After all, when the House and its Members are confronted with a Bill, it is the business of hon. Members concerning themselves with that legislation to ascertain and put forward for improvement or amendment matters which are brought to their attention by interested parties in their constituencies. Obviously, that does not occur when part of the United Kingdom is deliberately omitted from such legislation. It is not practicable or within the scope of human nature when a Bill by its terms excludes part of the United Kingdom for the representatives of that part to be in a position to bring forward arguments, amendments and suggestions for the improvement of that legislation on the basis that in due course, by Order in Council, it will be applied to their constituencies. The fact that the Northern Ireland Office has been scrutinising the orders is no substitute for the scrutiny which would be available, if the principal legislation had in the first place applied to Northern Ireland, as it always was intended to apply and was stated that it would apply, so that Northern Ireland Members could have the same opportunities as anyone else to participate in debate upon it and on measures for its improvement.

The same considerations apply to part I of the Housing and Building Control Act, relating to the sale of houses by public housing authorities to sitting tenants, which is the other named subject matter of the order. Again, I agree with the Minister that from the beginning it was obviously desirable, if such sale was to be regulated by statute, that those statutory provisions should apply to Northern Ireland as they applied to the rest of the United Kingdom and as they are being applied by this Order in Council. There was no practicable reason why part I of that Act should not have extended to Northern Ireland and why the facilities for debate and for scrutiny should not have been available two years ago in that context.

The Minister was right to say that the massive sale of houses by the Northern Ireland Housing Executive to tenants has been one of the most important and gratifying social events in the Province in the past 12 years. Indeed, it would not be an exaggeration to say that the sale of public housing to sitting tenants was piloted by the schemes which were voluntarily promoted by the Northern Ireland Housing Executive.

Anyone who is acquainted with Northern Ireland and its housing can bear witness to the improvement of the scene that that sale has brought about. Hon. Members for other parts of the Kingdom may not be aware of the extraordinary phenomenon of what is called in Northern Ireland labourers' cottages — houses of a standard pattern which were provided at the end of the last and in the early years of the present century and which must at

[Mr. J. Enoch Powell]

the time have represented a revolutionary improvement in the conditions of living for the class which was then without shame designated as labourers.

Those houses, instantly recognisable throughout the countryside by their standard pattern — window, door, two windows — are extraordinarily popular to this day. It may seem surprising, but large prices are paid by sitting tenants to secure possession of those labourers' cottages, often dating from the early years of this century, which have to some extent been improved by the addition of porches and kitchens, but which, once they come into the hands of those who have previously been their tenants, become the object of frequently grant-aided improvement which makes a very real addition to the usable housing stock of the Province.

Nothing gives more pleasure in travelling the roads of Northern Ireland than to pick out the labourers' cottages and see those which have undergone that process of improvement over the years, not least because so many thousands of them in recent years have changed hands from the property of the Housing Executive to the property of those who were their tenants.

Perhaps I might be permitted, since it illustrates how deeply housing is woven into the social fabric of Northern Ireland, to relate one particular fact about these houses which puzzled me in my early years as a Member of Parliament for a Northern Ireland constituency. A wing was attached at right angles to the main frontage of the house. What seemed to me to be curious about that wing was that it did not look like a later extension because it was covered by the same roof-tree and the same pattern of roof.

One day, when I had been a Member for some years, I happened to be visiting a constituent who lived in one of those houses and I referred to the extension. I said, "I suppose that was an improvement." "Oh, no," he said, "that is the weaving room." These houses, built in the early years of the 20th century, were unacceptable to many of those who would be their tenants unless they included a weaving room which was either short for one loom or long for two looms, and which is still to be seen today as an important addition to the living accommodation in these houses.

Therefore, I dissent in no way from the stress that the Minister placed upon the value of the sale of Housing Executive houses to sitting tenants and his admission that in many cases the facilities that have been voluntarily extended under the scheme by the Housing Executive go beyond those which are rendered compulsory by the legislation which by this Order in Council we are now applying to Northern Ireland.

Notwithstanding that, it is right that there should be a common code for the sale of housing to tenants, that that should apply to the whole of the United Kingdom, and that it should be so made belatedly by this order, although it could perfectly well have been made two or three years ago by the inclusion of Northern Ireland in the original legislation, to the general saving of the trouble of the House and the improved participation of representatives of the people of Northern Ireland.

In case the Minister should say that there are other minor items in the order to which the same stricture does not necessarily apply, I notice that even the amendment which is made in the law relating to housing associations is a carbon copy of an amendment under the Housing Associations Act 1985 for Great Britain. In short, we are engaged in a duplicating process which is not only unnecessary but is inimical to good legislation for the Province of Northern Ireland.

I hope that the lesson, which I fear has been inculcated ad nauseam in one after another of these debates upon Orders in Council, will not be lost upon the House and the Government now that we have the opportunity, with the disappearance of the Northern Ireland Assembly, to consider afresh the manner in which Northern Ireland legislation is passed by Parliament.

10.30 pm

Mr. Michael Meadowcroft (Leeds, West): I welcome this order on behalf of the serried ranks of Liberal and Social Democrat party Members. I also welcome the presence of the right hon. Member for South Down (Mr. Powell), especially when he gives us such fascinating passages from Irish social history. I apologise to the Minister for missing the beginning of his speech and if I am unduly vulnerable as a result I hope that he will be characteristically generous. One regrets the absence of other hon. Members for the North of Ireland. One would have hoped that our colloquy would be graced by their contributions to the debate and I am sorry that that is not the case.

It is right and proper that the Housing Defects Act 1984 should be applied to Northern Ireland in the best possible way. I wonder whether the Minister could enlighten us as to what has been learned from the problems that have been faced by the application of the Housing Defects Act 1984 in England and Wales since its inception. Those of us who represent constituencies which are particularly affected by the Act are well aware of the imprecise nature of many of its provisions, especially since it applies to concrete houses and not particularly to those with timber frames. It is possible to envisage that it could be applied more generously to different types of housing in Northern Ireland?

The Minister will be aware that in the provision that has been applied in England and Wales it has been for the local authority to bear the burden of different types of housing included within the Act. I hope that the Minister will enlighten us about whether that will be more flexible in the case of Northern Ireland.

I shall broaden my comments slightly. Can the Minister enlighten the House on the situation with regard to the Divis flats? I understand that the great campaign with regard to the Divis flats has come to some conclusions. I read in the paper yesterday that there is some confusion about the future. Can the Minister tell the House whether they are now to be demolished? I am sure that the House would be pleased to hear about that.

What provision is the Minister making to hear representations on behalf of different communities within the Province under paragraph (6) of article 4 where it states:

"Any question arising as to whether a building is or was at any time in a class designated under the Article shall be determined by the Department"?

If the Minister is accruing to himself virtually sole powers to designate properties under the order, he should tell us whether he will be giving an undertaking to accept representations on behalf of different communities, different towns and different parts of the Province.

I agree with the comments of the hon. Member for Middlesbrough (Mr. Bell) as well as those of the right hon. Member for South Down that if we had more devolution within the United Kingdom we would all welcome, in our different ways, being able to deal with this in a different context. Nevertheless, one accepts and welcomes the order as it is presented.

10.34 pm

Mr. Needham: I thank the hon. Member for Middlesbrough (Mr. Bell) for his kind comments about my fluency. They were particularly kind, coming from him, as I have always admired his fluency more than mine.

I agree with the hon. Gentleman that it is a pity that we shall not have the Assembly to give us the benefit of its advice in the future as it had done in this case. While I accept the arguments of the right hon. Member for South Down (Mr. Powell) about the need for close discussion and consideration before orders are brought forward, I believe that the Assembly and the method of devolution through the Assembly is a more effective way of going forward in the context of Northern Ireland than relying only on the House of Commons.

The hon. Member for Middlesbrough referred to the responses to the proposals in the draft order. I hope that he will forgive me if I do not read out at great length the Department's reply to the other suggestions that were made. Of course, I shall provide him, if he so requires, with our responses to those proposals. Let me assure him that we took all of them very much into account. The order is based on the need for parity with United Kingdom law. Therefore, it would not make much sense for us to propose different legislation for Northern Ireland.

The hon. Gentleman asked what happens to the proceeds of council house sales. They remain with the Northern Ireland Housing Executive and are then spent by the executive — 100 per cent. — in the provision of new housing. That takes into account the stress that the Government lay on the importance of renewing and upgrading the housing stock in Northern Ireland.

The hon. Gentleman referred to one of our problems when he mentioned the cutback in the housing budget. It is not so much a cutback in Government funds as a reduction in the number of sales that the Housing Executive had expected which meant that it did not have the funds that it had projected to spend this year on new housing. Unfortunately, because of the other current stresses and strains on the Northern Ireland block, it has been impossible for the Government to make up the difference between the reduction in capital receipts and what the Housing Executive hoped it would be able to spend.

The hon. Gentleman referred to articles 38 and 39, on rent control, and the McDowell judgment. I have taken careful note of the points that he raised. We are fully committed to the private rented sector in Northern Ireland. It has long had, and will continue to have, a valuable role in providing houses for those who, for whatever reason, cannot buy their own home or are not housed in the public sector. We shall ensure that that important role continues to be backed and understood.

The right hon. Member for South Down told the House that this was a cock-eyed way in which to proceed. Perhaps that is a fair comment on much of what happens in the House with regard to Northern Ireland. In my judgment, it is a cock-eyed way to proceed that we do not have Northern Ireland Members present when we are talking about an extremely important matter, and when the Assembly has disappeared and there is no other forum where those issues can be thoroughly and properly discussed. I hope that the right hon. Gentleman will not take it amiss if I say that his contributions to the debate are extremely important to the Government because they give a view of the feelings of the elected representatives in Northern Ireland.

I cannot go into a historical analogy of why the Housing Defects Act 1984 did not apply to Northern Ireland. All I can say is that because it is the Government's policy and preferred option to work towards devolution

Mr. J. Enoch Powell: It was.

Mr. Needham: And it still is. These issues would form part of a devolved administration were that to happen. Therefore, we have followed the course of separate legislation.

The right hon. Member for South Down rightly said that the voluntary scheme that we have applied in Northern Ireland is considerably more advanced than the statutory scheme that now underpins it by this order. I hope he will agree that the voluntary scheme has in some ways allowed us greater flexibility to introduce proposals at an earlier stage than would have been the case with a statutory scheme. For example, we have raised the discount from 50 to 60 per cent., and that began in June 1986. We have reduced from five years to three years the period for which someone must own a council house before losing discount, also from June this year. That is an advance on anything that has happened in that connection on the mainland. The right to repair has been in existence through the Housing Executive for more than a year, as have the equity sharing proposals which form part of this legislation.

While I accept that it is important and necessary that the schemes should have statutory backing, I hope that the right hon. Member for South Down will accept that the relationship between the Department of the Environment in Northern Ireland and the Housing Executive is close enough for it to bring forward the Government's intentions as early as is practicable for the benefit of those people in Northern Ireland who, as the right hon. Gentleman correctly states, have benefited to such a great extent from the right-to-buy provisions.

With regard to the point raised about Orlit owners having suffered, the fact is that only very recently has a scheme of repair been brought forward by PRC homes for these houses. I do not think that these owners have suffered either more or less than their counterparts in the rest of the United Kingdom.

In response to the points raised by the hon. Member for Leeds, West (Mr. Meadowcroft), I can state that only 200 Orlit houses in Northern Ireland have so far been designated. Therefore, the problems in Northern Ireland in that respect are not of the extent, breadth or scope that exists in the constituency of the hon. Member for Leeds, West, or in mine for that matter. That does not mean that we are not worried about the problems to which I referred at some length in my opening remarks. Because of the cost of repair of these homes, I stress again that, with hardly any exceptions, we shall re-purchase these homes. That would be the sensible way to proceed.

[Mr. Needham]

The issue of the Divis flats does not fall within the scope of the order. I can tell the hon. Member for Leeds, West that what happens at Divis has to be determined in the first instance by the Housing Executive. As yet, I have received nothing from the Housing Executive to suggest that it has any intention of changing the policy that it has laid down over a considerable period of time. However, I stress that in the first instance it is for the Housing Executive to determine. If it has any change of heart, I hope that it will inform me before I read about it in the newspapers. One can never be too sure about that when dealing with the problems of Northern Ireland.

Mr. Meadowcroft: I accept the Minister's comments on the Divis flats. However, on the question of defective housing, is he referring to the 200 that are PRC problems, or is he including timber-framed houses, which are not covered by the English and Welsh legislation but which are known to be a problem?

Mr. Needham: I cannot give a full answer to that point. Article 4(1)*(a)* states:

"buildings in the proposed class are defective by reason of their design or construction, and *(b)* by virtue of the circumstances mentioned in sub-paragraph *(a)* having become generally known, the value of some or all of the dwellings concerned has been substantially reduced."

The key point is that not only are they defective by reason of design or construction, but that because that has become widely known they have lost a substantial amount of their value. If, in those circumstances in Northern Ireland, owners who have bought from the public sector a class of building that meets the provisions of article 4(1) *(a)* and *(b)*, I shall ensure that under 4(6) we look carefully at any submissions that come to us from those owners. We have looked carefully at all submissions currently before us, but there are no substantial classes of buildings that fall under the provisions of article 4.

The House has discussed this order with the usual degree of interest and depth that applies to Northern Ireland business. It is important that we have this statutory backing to a voluntary proposal. Nevertheless, I believe that the current voluntary scheme is a major and significant benefit to the people of Northern Ireland.

Question put and agreed to.

Resolved,

That the draft Housing (Northern Ireland) Order 1986, which was laid before this House on 12th May, be approved.

Northern Ireland (Criminal Justice)

10.47 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Nicholas Scott): I beg to move,

That the draft Criminal Justice (Northern Ireland) Order 1986, which was laid before this House on 24th June be approved.

Before dealing with the content of the order, I should perhaps explain that following publication of the proposal a number of amendments have been made to the order. One of those relates to the retrospective nature of the continuing offence of wrongful occupation of premises. The draft order, as originally published, provided that even where the wrongful entry to premises took place before the order became effective an offence would nevertheless have been committed if that entry were combined with a failure to leave on being requested to do so after the commencement of the order. As a result of representations, we have amended the application of the new offence to relate only to entries after the commencement of the order.

In the same article we have now extended the power of magistrates to stay the issue of warrants in cases involving publicly-owned property from a maximum of four weeks to one of three months. We have also amended the reference to a stay or suspension of the execution of warrants in such cases to refer to a stay or suspension of issue of warrants. That was to clarify and remove misapprehensions that had become apparent and may have inferred some new direct police involvement rather than construing that the enforcement of warrants would still be subject to the existing enforcement of judgment office procedures in Northern Ireland.

The House may also wish to note that provision has now been made in the renumbered article 5, which deals with the duration of training school orders, to allow for their suspension during a term of detention in a young offenders centre. That has been introduced to avoid the complications caused by dual liability in cases where young people are being considered for compassionate or other home leave from centres.

A further amendment to this article limits the type of orders under which persons are liable to be detained in training schools, which will cease to have effect. We have basically drawn a line here so as to include those involving findings of guilt and to exclude orders imposed on young people requiring care and protection or for persistent truancy, and so on. It was felt that the exercise of administrative discretion with regard to cessation was more applicable to the latter types of case.

Two items have been omitted from the order because of technical reservations expressed during the consultative process. One involved the clarifying provision relating to duration of sentences where committals to prison for contempt of court were involved; the other provided for extended remand periods where persons were already serving sentences for contempt of court. We have decided, in the light of comments about difficulties with the practical operation and interpretation of these provisions, that they should no longer be included in the order. A further minor change has been made to the amendments and repeals provision by the addition of a correction of a printing error in the Magistrates' Courts (Northern Ireland) Order 1981.

These changes in the content of the order since publication have, through deletion and the consequential renumbering of articles, altered its format to some degree. The amendments, which we consider to be improvements to the order, reflect the benefits to be gained from the consultative procedure for Orders in Council under the 1974 Act.

Having dealt with the amendments since publication of the proposal, I now wish to cover the main content of the order which makes provision for a miscellany of necessary alterations in the administration of criminal justice in Northern Ireland. Some of the provisions that are included are designed simply to bring criminal law in Northern Ireland into line with similar measures introduced in England and Wales over the past few years. Others are planned either to clarify or to strengthen existing law in the light of experience; while the remainder are steps to set right minor defects in earlier legislation.

One of the significant features is the alteration of the mode of trial for a range of offences. At present these offences are subject to trial only on indictment by a Crown court. The provisions of article 3 allow for summary trial of offences such as unlawful carnal knowledge and some types of burglary detailed in schedule 1 with the consent of both the accused and the prosecution. In addition, article 4 makes some less common offences contained in schedule 3 punishable on summary conviction only and sets new maximum penalties. These provisions should assist in reducing the number of cases, generally of a less serious nature, coming before Crown courts in Northern Ireland and they relate to provisions introduced in England and Wales by the Criminal Law Act 1977.

The primary purpose of article 5 is to remedy a current defect in Northern Ireland law affecting training school orders. These provisions now ensure that such orders imposed on findings of guilt are not rendered ineffective by orders for detention in a young offenders centre either as a result of non-payment of a fine, or which are suspended or quashed on appeal. As I mentioned earlier when dealing with the changes to a proposal, provision has also been made to suspend training schools during terms of detention in young offenders centres.

Article 6 amends the powers of Northern Ireland courts to order a convicted person to compensate the injured party; reflecting similar changes made in England and Wales. Compensation orders will be able to be made instead of, as against in addition to, any other penalty. Preference is also now to be given to the payment of compensation orders where fines are also imposed and where the offender is unable to pay both.

I shall now turn, if I may, to a number of provisions which are included under the heading of "Miscellaneous" in the order. The existing maximum period for which a court can remand a defendant in custody where both the accused and prosecution consent is increased from 14 to 28 days by article 7. Under article 8 it is proposed that prisoners may be removed from a prison to a hospital, or similar institution for medical investigation or observation in addition to medical or surgical treatment. This amendment, which is by way of clarification, corresponds with one made for England and Wales by Criminal Justice Act 1982.

Article 9 makes a minor technical repeal consequential upon the provisions of the Forgery and Counterfeiting Act 1981 in the Health and Safety at Work (Northern Ireland) Order 1978.

Article 10, read with schedule 5, in part re-enacts with amendments the existing law in Northern Ireland, which has been in force since 1946, regarding the wrongful taking possession or use of premises. These important provisions are specifically designed to provide a quicker and more effective means whereby those entitled to possession of residential premises can repossess them from those wrongfully occupying them. We are essentially dealing here with the problem of squatting. The House should take note of the safeguards contained in paragraphs (3) and (7) of the article, whereby protection is afforded to those with rights to possession. There are four main changes to existing law. These are the establishment of a continuing offence when persons fail to leave after being asked to do so by those entitled to possession; the mandatory issue of a warrant for repossession on conviction by a court, if appropriate, although the issue may be stayed; a general limitation of three months on a court's powers to stay the issue of such warrants in relation to premises owned and needed by certain public bodies—the Northern Ireland Housing Executive falls within this provision—and an increase in the maximum penalty on summary conviction to a fine not exceeding £2,000 and/or up to six months' imprisonment. These are similar penalties to those already available to courts in England and Wales when dealing with the generally comparable offence of adverse occupation of residential premises.

A further parity measure with England and Wales, in food and drugs, is introduced by article 11 and the associated schedule 4. These major amendments to the Food and Drugs Act (Northern Ireland) 1958 allow for trial on indictment for some of the more serious offences with associated increased penalties, and also include and extension of the limiting period under which prosecutions must be brought. These provisions should be viewed as a major strengthening of the powers to deal with those who place the health of the general public at risk.

I do not propose to deal with the remainder of the order as it contains minor consequential matters and corrections of defects in earlier legislation. I hope that the House will feel that I have given a reasonable summary of the main provisions of this order, which is by nature one generated by an ongoing process of review and update of criminal law in Northern Ireland. It should contribute to the improvement of Northern Ireland legislation in a range of unconnected areas. I commend it to the House.

10.57 pm

Mr. Stuart Bell (Middlesbrough): The Minister began by saying that certain provisions would not be retrospective. We welcome and appreciate that announcement.

The proposed Order in Council would make several changes in the administration of criminal justice in Northern Ireland. I am reminded that a wag, who is not an hon. Member, has said that change and progress are not the same thing. Although the explanatory notes to the order refer to "improvements" in the administration of criminal justice in Northern Ireland, it is devoutly to be wished that they are improvements rather than changes.

I welcome the fact that some of the proposed changes correspond to those made recently in England and Wales. Others have arisen through the experience of operation of the existing law in Northern Ireland. I am not entirely sure where that leaves the constitutionalists. Does it mean that there is to be parity of law between England, Scotland,

[Mr. Stuart Bell]

Northern Ireland and Wales but that the administration of criminal justice in Northern Ireland will be delineated in accordance with experience?

In an abstruse way, we see that integration and devolution are not mutually exclusive. As long as Northern Ireland is a part of the United Kingdom, it is right that it should be governed by the same laws that govern the rest of us, and that, as it is separate from the rest of the United Kingdom, lessons should be learnt from the course of justice there.

The fact that the order also includes some minor or technical changes to remedy minor defects in earlier legislation is necessary, if incidental

The parliamentary draftsmen of the Northern Ireland Office in the criminal law branch have, at least in the explanatory notes, unconsciously, no doubt, revealed how two opposite concepts can live side by side and make for better law.

Article 10 deals with the law governing protection against the

"Wrongful taking possession, or use, of premises."

I note that it relates solely to the taking of premises rather than land. Although the image of the so-called peace convoy instantly comes to mind, it is not entirely apt, for those in the convoy were essentially looking for a home on land rather than in premises.

The Opposition were worried that those in Northern Ireland who have been in what might be described as unlawful possession of premises since the present troubles began in 1969 and 1970 might be caught by this Order in Council. They were the early victims of this last sectarian war between people of the same race, the same colour, the same language, the same religion—in that they worship the same God—and the same culture, but who, because of a gulf of history, are unable to live in a peaceable atmosphere as we understand it, buttressed in part by a sense of alienation, a lack of identity and, therefore, a common cause in life.

Those who lost their property in those days, and who have been squatting ever since, would have felt the scourge of the new regulations and might have been caught by the Order in Council. We welcome the Minister's statement that, after representations made to him, he has altered the terms of the order. That is in the best traditions of our democracy.

However, we must consider the provisions as they relate to squatting, as the Minister called it. He said that other changes had been made in the Order since its publication in draft form, and we welcome them, too. But we must ask whether it is desirable to criminalise squatting per se. After all, there are remedies in civil law, and, although it is often said that the law is an ass, essentially the law tries to keep a balance between the rights of parties. To come before the criminal courts for a civil matter — trespass upon property — would seem to be an infringement of one civil liberty in seeking to redress another. The object of the changes has been said to be a speedier and more effective remedy against squatting. We have expressed some of our doubts on the subject, while welcoming the Minister's statement that orders on publicly owned property will be extended to three months and his statement on the involvement of the police.

Article 7 amends article 47 of the Magistrates' Courts (Northern Ireland) Order 1981, under which a magistrates court may remand an accused person in custody or on bail. In effect, the Government propose to extend the periods during which remand prisoners can be held with their consent without appearing before the courts. The period is extended to 28 days. I understand that the consent of the accused and the prosecution must be obtained. The prosecution will give its consent as a matter of practicality and convenience, but what of the accused? On what grounds is he likely to give his consent for a further 14 days in prison while his case is being prepared? Some remarkable reasons must be given to him, or he must be remarkably luckless or ill advised, for him to agree to spend another 14 days in gaol simply for administrative convenience. Of course, he can refuse, and will then spend only eight days in remand before being brought before a judge, except if he is already being detained under a custodial sentence.

We must be careful about the concept of administrative convenience. We must be careful that human rights are not further eroded. We must be careful that a person awaiting a proper trial should not be held in prison on remand for longer than is necessary. A remand prisoner is innocent until proven guilty and administrative convenience can lead to a lackadaisical approach to justice. The 28 days to which the order refers can so easily become the norm. I can imagine the view of the Northern Ireland Office that the purpose of article 7 is to reduce the necessary court appearances of the few prisoners who presently consent to appearance every 14 days. This measure might increase the potential for pressure to be put on prisoners to consent, and there is the additional danger that 28-day appearances may become the norm and find their way into later legislation, so eventually we find ourselves faced with the dropping of the concept of consent.

I seek not to draw the House into a discussion on its own legislative powers, however abundant they are, nor to query the vigilance of future legislators. But, with the mass of legislation by way of Bills and Orders in Council, it may be that in a few years consent is no longer a concept that drives along our administration of justice. The 28-day provision may become par for the course. If that happens, our system of justice will begin to silt up with its own delays. This institutionalisation of long periods of detention on remand will continue to cause us some anxiety.

I shall turn backwards again, no doubt to the confusion of the Minister and the House. We call it backmost, foremost where I come from. Article 5 deals with the duration of training school orders. The Minister has spent some time explaining to the House the precise nature of the article. It is designed to remedy a defect in the present law in Northern Ireland arising from the operation of section 87(3) of the Children and Young Persons (Northern Ireland) Act 1986, which deals with the duration of a training school order. If a young person who is subject to a training school order appears in court on criminal charges and is found guilty, the court may decide to punish him in a number of ways.

This calls to mind the so-called Black report, which was the shorthand name for the report of the Children and Young Persons review group. I am not entirely sure whether the provisions of article 5 arise out of the report, but I am aware that on 30 March 1982 the then Secretary of State for Northern Ireland, the right hon. Member for Waveney (Mr. Prior), made a statement to the House

about progress on the implementation of the recommendations of the report. If the Minister has the opportunity to reply, perhaps he will enlighten the House on whether provision is being made for some of the recommendations. If not, when can we expect the Government to implement the recommendations? If that is not done in this Session, possibly it will be done in the next.

I note from a briefing document kindly issued to the Whips' Office that if the enactment of the extended remand provisions is delayed there may be difficulties in relation to the proposed Bill to amend the Northern Ireland (Emergency Provisions) Act 1978, which the Government hope to introduce in the next Session. We welcome the Secretary of State's statement that he will be implementing many of the Baker report's recommendations. We have long pressed the Government, including successive Secretaries of State, to do just that. I should like an explanation of how the present order relates to that proposed legislation as I wish to ascertain whether it will affect the bringing of that legislation before the House.

In the main, we welcome the order. We welcome the parity that is being brought about between Northern Ireland legislation and that governing the rest of the United Kingdom.

The debate provides us with an opportunity briefly to state that, although the Labour party believes in a united Ireland, an Ireland united by consent and through peaceful means, it also accepts that as long as Northern Ireland consents to remain part of the United Kingdom legislation affecting it should have parity with other legislation.

11.10 pm

Mr. J. Enoch Powell (South Down): It is only right to acknowledge with appreciation the Minister's courtesy in supplying most of those taking part in the debate with an explanation in his letter of 13 June, which he has partly repeated tonight, of the differences between the proposal form of the order and the draft before us.

In every respect, it would appear that the changes made between those two stages are beneficial, and it is right that they have been made. But it should be put on the record that, whatever may be achieved by comments on proposals for an Order in Council, there is no substitute for the degree of scrutiny provided by the publication of a legislative proposal in Bill form or for its subsequent consideration in Committee and on Report. There is something about the Committee procedure, whereby queries, difficulties and objections have to be framed in advance in the form of amendments, which concentrates the minds of hon. Members and of the Government. It is unfortunate that under the Order in Council procedure, we have dispensed with the rigour introduced into legislation of the procedure by Bill, which applies to most of the substantive legislation that the House enacts.

The hon. Member for Middlesbrough (Mr. Bell) came near to making some assertions of principle about the relationship between the law of Northern Ireland and the law of the United Kingdom — or, rather, the law of England and Wales, not the law of England, Wales and Scotland, which is often different. I would associate myself with his view, that so long as Northern Ireland is part of the United Kingdom, the onus is on those who would argue that there should be a difference between the law applying to the subject in England and Wales and the law applying to the subject in Northern Ireland. Most of the order is concerned with assimilation of the law in Northern Ireland into the law as it has been produced in England and Wales by relatively recent legislation.

Perhaps I may briefly go through the order. Most of it is of an assimilatory character. For example, articles 3 and 4 refer to the mode of trial and involve assimilation with an England and Wales statute of 1977. Article 6 on compensation is an assimilation with an England and Wales statute of 1982. Article 8, on the removal of prisoners to hospitals, is an assimilation with an England and Wales statute of 1982. Article 9, involving forgery and counterfeiting, is consequential upon an England and Wales statute of 1981. Finally, article 11 on food and drugs is consequential upon an England and Wales statute of 1982.

If the principle enunciated by the hon. Member for Middlesbrough is generally accepted, I see no reason why Northern Ireland's citizens should have to wait nine years before the law applying to them is rendered uniform through changes made to the law in England and Wales. Convenience would accrue to the House and to all concerned, and would aid efficiency in the process of legislation, if changes to the law of England and Wales that inherently should apply in Northern Ireland were preceded by some thought during the, not brief, proceedings preceding legislation, so that the application can be made at the same time and in the context of a Bill, thus invoking those opportunities for concentration of attention on the part of those concerned which only procedure by Bill can provide. My emphasis upon that is reinforced by my study of article 13, entitled "Amendments and repeals." That is to put right acts or mistakes made on the occasion of legislation by Order in Council.

Perhaps tonight we are laying up work for a future sitting of the House in correcting mistakes which, unbeknown to us, we are making in this Order in Council. I wonder whether those mistakes in the legislation set out in article 13 would have escaped the proper scrutiny that the House gives to legislation before it in the form of Bills.

I have one substantive query to address to the Minister about article 10,

"Wrongful taking possession, or use, of premises."

The hon. Member for Middlesbrough touched on that. As far as I can see from the wording of the article, there is nothing which restricts its application to residential property, although in the explanatory material that accompanied the Order in Council it was constantly referred to as "residential premises".

I do not know whether this enactment applies to all premises or whether there is some provision, not visible to the naked eye, that restricts it to residential property. On balance, I come down, as did the hon. Member for Middlesbrough, in favour of the improvement of the procedure for gaining possession of property. I assure the hon. Gentleman that where squatting takes place in contemporary circumstances, it can rarely be justified by the emergency conditions that he said had existed in earlier years.

Squatting is commonly due to an attempt to get ahead of the allocation procedures that are rightly followed by the public housing authorities and to steal a march upon one's fellow citizens. Therefore, it deserves no sympathy and the more swiftly it can be dealt with the better for all concerned — including the squatters. I find from experience in my constituency that a family that squats

[Mr. J. Enoch Powell]

loses in the end because its opportunity of being allocated accommodation suitable to its needs is diminished rather than accelerated by the unlawful act.

Mr. William Cash (Stafford): Did the right hon. Gentleman notice the phrase "land adjacent to"? Does he agree that against the background of the recent squatting and peace convoy activities that have taken place in Great Britain, that power could usefully be used to ensure that people do not squat on land adjacent to residential property, thereby invading the rights of other people?

Mr. Powell: That is an interesting intervention by the hon. Member for Stafford (Mr. Cash). I hope that he will turn out to be right, all the more so since part of my constituency is suffering at the moment from a plague of itinerants occupying sites which, under the most generous interpretation, are in no way suitable, but perhaps that is not directly related to the purpose of article 10. I hope that the Minister will refer to the scope of the premises mentioned in that article.

11.18 pm

Mr. Michael Meadowcroft (Leeds, West): I shall not be other than succinct at this hour, and I certainly do not wish to emulate the hon. Member for Middlesbrough (Mr. Bell) in his skilful and lucid way of moving backwards through the order. Anything put forward by the Minister which eases the burden of the Royal Ulster Constabulary in its job of law enforcement will, I hope, be welcomed by the House. That is in contrast to the appeal made today by the hon. Member for Antrim, North (Rev. Ian Paisley), who urged the RUC to rebel against the provisions that it is currently asked to enforce.

I agree with the right hon. Member for South Down (Mr. Powell) that we should examine Bills line by line and clause by clause. He is the lone voice among his Ulster colleagues, which may illustrate the fact that the undermining of that process has been encouraged by other hon. Members. Orders and legislation relating to Northern Ireland are introduced in an attempt to ameliorate the situation. To that extent, we welcome provisions which attempt to tidy up a miscellaneous conglomeration of issues.

The hon. Member for Middlesbrough referred to remands. In previous debates I understand that my hon. Friend the Member for Isle of Wight (Mr. Ross) referred to the long period that is spent on remand by many prisoners in the Province and said that it was excessive. He would welcome its reduction. Is the Minister able to say whether the order will lead to the time spent on remand being reduced? Is he also able to say whether the provision to extend from 14 to 28 days, by consent, appearance in court on remand will reduce the pressure to shorten the time spent on remand before people are brought to trial, or whether this is just a way of hiding from the prospect of shortening that period? I should deprecate an extension of that period. In Scotland there is a limitation by statute to 110 days. A similar limitation ought to apply not only in the Province but in England and Wales.

I hope that all hon. Members will welcome the order. I hope, too, that the Minister will be able to reply to my points.

11.21 pm

Mr. Scott: The hon. Member for Middlesbrough (Mr. Bell) gave a general welcome to the order. In particular, he welcomed the elimination of the element of retrospection from its provisions. It is a fine balance, but I believe that it is right that no element of retrospection should be enshrined in legislation. Strong representations were made to us, and I am glad that we were able to respond to them.

The hon. Member for Middlesbrough and the right hon. Member for South Down (Mr. Powell) referred to article 10. The hon. Member for Middlesbrough referred to the criminalisation of squatting per se. The order seeks to strike a balance between the rights of different groups of citizens. The right hon. Member for South Down made it very clear that those who squat frequently deny access to more deserving cases.

The Northern Ireland Housing Executive adopts a liberal and humane attitude towards those who squat. If premises are not immediately needed, in return for a modest charge for use and occupation that occupation is licensed until such time as the premises are needed. Where squatters are distorting the operation of the selection procedure for the allocation of housing, it is appropriate that the rights that are given to it by this order should be available to a public authority that is acting in the public interest.

Article 7 relates to the 28-day remand period. This is a modest proposal. It could lead to a useful saving of resources, as long as it is based on consent. Just under 10 per cent. of remands are, by consent, extended to 14 days. A somewhat smaller percentage may agree to an extension to 28 days. That would lead to a saving in the time of the court and also to a saving of both prison and police resources in Northern Ireland. It is a modest proposal, but I emphasise that in this case at least it is based entirely on consent. When we debate in the autumn the emergency provisions legislation, the principle of consent will not, as I made clear to the House on a previous occasion, be part of the proposals.

I was asked about training school orders and the Black report and progress on that. Consultations are still going on between the Government, those with training school interests, and those concerned with the care and welfare of young people. I appreciate that there has been a long delay in seeing how the principles of the Black report can be incorporated into the new arrangements for the treatment both of young offenders and care cases, and I hope that it will not be too long before we shall have proposals.

The hon. Member for Leeds, West (Mr. Meadowcroft) asked about the provisions for 28-day remands and the delays in coming to trial, and I assure him that they have no link. I am extremely concerned about the delays in bringing cases to trial, although the delays are about the same as the average delay for those in England and Wales, and substantially shorter than the delays in the Metropolitan police district, part of which I represent.

My right hon. and noble Friend the Lord Chancellor has sought both the appointment of extra judges in the High Court and in the county court in Northern Ireland, and the appointment of a substantial extra number of Queen's Counsel in Northern Ireland to alleviate trial delays. We have likewise sought, by establishing a working party in Northern Ireland, to look into all the factors that

make for delay in cases coming to trial to see how they can be minimised. Those of us who are familiar with the workings of the legal system in Northern Ireland know that in many cases the choice of defence counsel can be an important factor in the delays of some of the cases coming for trial.

I hope that I have dealt with all the specific points raised by right hon. and hon. Gentlemen. I commend the order to the House.

Question put and agreed to.

Resolved,

That the draft Criminal Justice (Northern Ireland) Order 1986, which was laid before this House on 24th June be approved.

BRITISH COUNCIL AND COMMONWEALTH INSTITUTE SUPERANNUATION BILL

Order for Second Reading read.

Motion made, and Question put forthwith, pursuant to Standing Order No. 69 (Second Reading Committees), That the Bill be now read a Second time.

Question agreed to.

Bill accordingly read a Second time, and committed to a Committee of the whole House.

Committee tomorrow.

BRITISH COUNCIL AND COMMONWEALTH INSTITUTE SUPERANNUATION BILL *[MONEY]*

Queen's recommendation having been signified—

Resolved,

That, for the purposes of any Act resulting from the British Council and Commonwealth Institute Superannuation Bill, it is expedient to authorise—

(a) the payment out of money provided by Parliament of any increase attributable to that Act in the sums payable out of such moneys under the Superannuation Act 1972; and

(b) payments into the Consolidated Fund. — *[Mr. Lennox-Boyd.]*

A140 Road (Suffolk)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

11.27 pm

Mr. Michael Lord (Suffolk, Central): I am extremely grateful for this opportunity of debating the subject of the A140 trunk road in Suffolk. When I made my maiden speech in 1983, I said that I thought that one of the biggest problems facing my new constituency would be the effect on its roads, villages and towns of the rapidly increasing volume of traffic. Little did I realise just how true my forecast would turn out to be.

After moving into my constituency and making our family home there since 1983, my family has had personal and daily experience of the problems facing some of the roads in general and the A140 in particular. The continuing success and expansion of our east coast ports and the growth of business generally in East Anglia have greatly increased the numbers of vehicles on our roads, and these numbers, particularly the high number of heavy goods vehicles among them, have caused problems that could not have been envisaged a few years ago.

The subject of the debate, the A140, is the only trunk road running north-south through the centre of Suffolk. My particular concern is with that part of it that runs through my constituency from its junction with the A45 in the south to the northern border of Scole.

I am able to speak from personal experience. I live in the north of my constituency, in the village of Mellis, and therefore have to travel regularly down the A140 to Ipswich, a quarter of which town is in my constituency. Moreover, for the past two years my daughter has been at school in Ipswich and my wife has regularly travelled that section of road four times a day.

The A140 is extremely deceptive. It looks as if it should be possible to travel on it in safety at high speeds, and along some sections that is the case. Unfortunately, other sections and hazards may be encountered which make it far more dangerous than it looks. The most recent accident figures sadly prove that beyond any shadow of doubt.

In 1983 the number of accidents involving personal injury on this stretch of road was 27, in 1984 it was 30 and in 1985 the figure rose to 40—a 33 per cent. increase on the previous year. I have personal knowledge of two of those accidents which occurred at exactly the same spot within the past 12 months, only a short distance from my home near the village of Yaxley. In both cases the drivers had been deluded by the character of the road's northern end into thinking that they could drive faster than they could and without the fear of any obstruction.

In the first instance, a coach, carrying a youth orchestra from Germany, did not realise that the vehicle in front, delivering newspapers, was stationary. At the last moment the coach driver swerved into the path of an on-coming lorry and collided with it. Fortunately, and mainly due to the quick reflexes of the lorry driver, no one was killed, although there were serious injuries. The outcome could easily have been much more horrific.

I visited the scene of that crash soon after it happened, and among the people already helping the injured was a constituent, Professor John Buxton, outside whose house the crash occurred. Some months later he was being driven home in the direction in which the coach had been travelling. The driver stopped before turning right into

[Mr. Michael Lord]

Professor Buxton's home to allow oncoming traffic to pass. In precisely the same way as before, another vehicle travelling in the same direction, southwards, failed to realise that the car was stationary and shunted him forwards and sideways across the path of an oncoming lorry. Professor Buxton, lucky to be alive, was taken to Ipswich hospital with multiple injuries and is only now recovering.

I am aware that it can be argued that such accidents are due to a lack of care on the part of drivers and that it is difficult to prevent them from happening, but this type of accident is much more likely to happen on some roads than on others. The A140 is a trunk road and several sections of it are long and straight and give the impression that it can be driven along at speed. Unfortunately, for many reasons that is not so.

Other hazards make the road even more dangerous. The sheer volume of traffic is increasing rapidly year by year. The national road traffic forecast published in December 1984 gives a range of national average growth rates between 1980 and 1985 from about 11 per cent. to about 16 per cent. Of the five sites along this stretch of the A140 where measurements are regularly taken, one falls below 11 per cent., three are between 11 per cent. and 16 per cent., and at one point the growth rate is in excess of 17 per cent. Clearly, traffic is increasing on this road at or above the national average, but, more important, there appears to be an extremely high percentage in those totals of heavy goods vehicles. As a major through route it carries a large number of heavy commercial vehicles which amount to one fifth of the daily total flow.

Perhaps more importantly, with accidents very much in mind, it needs to be said that along this length of road there are good and bad stretches. For example, there is a short piece of dual carriageway at the southern end of the A140 just before it joins the A45 near the village of Coddenham. The only problem is that while the good bits are not too bad, the bad bits are appalling.

Travelling northwards from the junction with the A45 there is a section of road known as Creeting Bottoms, which I can only describe as being more like the big dipper at Blackpool than a trunk road. My hon. Friend the Minister really would have to see it for himself to believe just how the road at that point dips and bends in the most alarming way. I shall return later to the question of my hon. Friend seeing it for himself.

A little further north, where the A140 is crossed by the A1120 in the village of Little Stonham, there are again extremely difficult bends to negotiate at the bottom of steep hills as well as at the intersection with the A1120 before that trunk road continues straight through the heart of the village.

Further north again, in the village of Brockford, there are no fewer than three minor road junctions off what is known as Brockford street. At that point, as long ago as 1978, 6,500 vehicles a day were recorded through the village, and 20 per cent. of those were heavy goods vehicles. The village takes a constant pounding from that volume of traffic, and turning into or out of minor roads, houses or shops is an extremely hazardous operation.

Bypasses to both Little Stonham and Brockford were approved as long ago as 1968 by the former East Suffolk county council when it had responsibility for the road, after considerable public consultation and taking account of views expressed by all local authorities and other consultees. Since then, nothing has happened, despite the mounting volume of traffic.

Again in 1968, when the county council had responsibility for the A140, it was proposed to make it dual carriageway. The idea was that the bypasses of Little Stonham and Brockford would be incorporated into the dual carriageway construction. However, since then the criteria which are used to decide those matters, such as traffic flow, and so on, have been changed. Although up to 1975 some improvements were carried out, which could ultimately have been incorporated into a dual carriageway, since 1979 no significant improvements have been made. I repeat, that is all despite the increase in traffic volume and the recognised black spots on the roads.

An additional, although in many ways separate, problem that occurs more frequently on the A140 than on other roads is that caused by slow-moving agricultural vehicles having to travel along stretches of the trunk road in order to get to and from the fields in the course of their daily work. Large numbers of vehicles travelling at relatively high speeds suddenly coming up behind such vehicles are frequently the cause of, at best, fierce braking, and, at worst, more accidents.

Clearly, the farmer cannot be blamed because he is only going about his normal work and has to get from one field to another with his machinery. However, the problem is being exacerbated by the fact that many farmers are now using the bodies from old heavy goods vehicles, modified as trailers, to tow behind their tractors. The result is that another motorist, when approaching that kind of vehicle from the rear, sees what he assumes to be a heavy goods vehicle which again he assumes will be doing a reasonable speed. Unfortunately, when he realises that it is only travelling at perhaps 5 or 10 mph it is often too late.

I have taken up that matter with the Department of Transport in the past and locally with the National Farmers Union and the county council. Apparently, it is permissible to use amber flashing lights on any vehicle which is incapable of travelling at more than 25 mph. There is a great deal of evidence to show that if such warning lights are used, other motorists spot those slow-moving vehicles well in advance and the last-minute braking and problems resulting from it can be avoided.

Unfortunately, although all those with whom I discussed this were in favour of some action, nothing as yet has happened. I ask the Minister to look into this again to see what steps may be taken, perhaps with the possibility of introducing legislation if that proves to be necessary.

I have discussed the problems of the A140 in some depth with Suffolk county council, and I know that the county surveyor believes that, in the matter of the trunk roads in the county, the improvement of the A140 from the A45 to Scole should now receive the highest possible priority.

Whether the road is made into a dual carriageway or whether improvements are carried out at the worst places along its length with a view to making the whole length a dual carriageway in time, I am not sure. However, I am sure that something must be done urgently. Whatever is decided will take some time to programme, and, for the reasons I have already given, I do not believe that time is on our side.

Here and now I would like to extend an invitation to my hon. Friend the Minister to come to central Suffolk and drive with me along the length of the road to see for himself the enormous problems that are occurring along its length and what my constituents are having to put up with, whether they are driving along the road or living in the villages affected by it. I am sure that if he will come he will be convinced of the need for urgent action.

We in Suffolk do not want roads for roads sake, nor are we anxious to encourage unnecessary traffic through our countryside. However, the traffic using the road at the moment has been forced on and through Suffolk by the success and activity of our east coast ports and other expanding businesses. In truth, we must not complain because much of it is helping to bring jobs to our towns and villages. However, it is crucial that that increased traffic is dealt with as efficiently and safely as possible. If that does not happen, not only will the quality of life in our villages deteriorate and the efficiency of our businesses be jeopardised, but I am sure that we will see more serious accidents, more injuries and more loss of life, which cannot be tolerated.

This is a trunk road. Responsibility for it lies with my hon. Friend the Minister and his Department. Having put the case before him on behalf of my constituents, I await his reply with the greatest concern.

11.42 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): My hon. Friend the Member for Suffolk, Central (Mr. Lord) has a reputation as a fine and conscientious Member of Parliament. He and his family are well recognised, especially because, as he said, his wife and daughter spend all their time driving up and down to Ipswich. I do not know whether they carry advertisements for him on the side of their car. The days are long gone when a Member of Parliament could represent his constituency by remote control, and my hon. Friend has shown by the detail of his speech and the passionate way in which he has put forward his constituents' interests that they are well served by him.

I went to central Suffolk in the days of his predecessor; in fact in the days of the previous Labour Government. If I had been the Minister responsible for roads and traffic in those days, I would have had no words of comfort at all. The sad truth is that for all the calls for increased infrastructure spending, the real roads programme was cut in half between 1973 and 1979-80. Many historic towns and villages could not have their bypasses; and things got progressively worse. If I may speak confidentially, so much money is being spent in East Anglia now, and so much is proposed to be spent in the future, that if other regions of the country got to know about it they would feel jealous.

Mr. Andy Stewart (Sherwood): Hear, hear.

Mr. Bottomley: I am grateful for that confirmation from my hon. Friend.

I went to open the Ely and Littleport bypass and briefed myself on the various proposals for what we call the eastern region, although it may be a rather wider description of East Anglia than my hon. Friend would accept, and it runs to hundreds of millions of pounds.

I feel a great affinity for my hon. Friend's concerns, because my great-grandfather was rector of Lavenham. I have spent many years driving from Cambridge across to the east coast for one reason or another on the good roads and the bad roads, and for a year I was a salesman in East Anglia having to travel north and south as well as east and west. East Anglia has, as my hon. Friend described, a number of roads which are not as safe as they should be.

The debate provides an opportunity for me to say a word in particular about the A140, which is a relatively young trunk road. It attained trunk road status in 1978 because of increased use of the road for strategic traffic between London and Norfolk. A high proportion is through traffic—about 30 to 40 per cent.—and over 20 per cent. is heavy vehicles.

There are communities that would still like to be added to the bypass programme. I have a paragraph in most of my speeches saying that I feel that I carry a similar responsibility to that of Home Secretaries in the days before capital punishment was abolished. I control where lives are saved. My hon. Friend is rightly asking for the risk of accidents to be reduced on his roads. Other hon. Members rightly put forward the same claim for their own areas. In fact, that is one of the advantages of our single constituency system of parliamentary representation. I somehow doubt that if we went in for multi-Member constituencies there would be the same attention to detail as we now have in issues concerning roads.

If I decided to approve major spending on trunk roads where it had a lesser benefit in terms of safety or economic growth, I would rightly be accused of not having the right priorities. I shall consider all that my hon. Friend said in the debate, and make sure that we have the best chance of getting small improvements or larger improvements on the A140 and go on giving proper consideration to the needs of the communities that he mentioned.

I am grateful to my hon. Friend for giving illustrative examples. I hope that he will pass our best wishes to Professor John Buxton. It is not entertaining to be involved in a traffic accident, especially when it happened because one was giving way, as one rightly should, to oncoming traffic before turning right.

A week or so ago I spent a day with some of the county surveyors of East Anglia, looking at accident investigation and prevention sites. The AIP is a low-cost scheme, whereby it is possible to reduce the incidence of accidents, and accidents involving personal injury—roughly one in 10—by making sure that there is proper analysis and investigation of where accidents take place and in what conditions. Such investigations include accidents involving perceptual errors by drivers. That is a common theme to many of the points that my hon. Friend made.

My hon. Friend rightly said that we do not want unnecessary new roads, which are expensive in money and agricultural land. We want to make sure that the resources used are properly justified. As my hon. Friend would expect, in determining standards we must satisfy the needs of the traffic expected on particular lengths. We do not provide a particular standard just because a road is called a trunk road. We try to meet likely need rather than provide uniformity just because of classification as a trunk road.

I should like to say a word to those from the London area who think that just because we trunk about 70 miles of road it will automatically be dualled. My hon. Friend will confirm that that is not so. In fact, about 60 per cent. of our national roads are not dual carriageways.

[Mr. Bottomley]

We have introduced new departmental standards to allow greater flexibility in assessing the carriageway width to be adopted where we improve a road or provide a new road. This allows more new routes to be assessed as to whether they should be dual carriageways. I do not want to overstate the effect. Frankly, it is unlikely to alter dramatically the overall balance between single and dual carriageways. The new standards allow a lower threshold for considering whether dualling would be right. The road would not necessarily be built to that standard just because it came above the lower threshold that we can now use for consideration. It is one factor among others. We need to consider the economic and the environmental impact of particular schemes. I should like to pay a tribute to the staff of the Department of Transport in our regional offices and at headquarters. Most people now accept that the environmental considerations are taken into account to a greater extent than previously. The people who have worked out better methods of proceeding in this context do not normally receive any recognition. People now take for granted the fact that roads are blended into the landscape wherever possible.

The new threshold for considering dual carriageways is 11,000 vehicles a day. Current traffic flows on the A140 range from 7,500 to 9,000 vehicles a day. I must say—and I do not say this in any sense to comfort my hon. Friend the Member for Suffolk, Central — that the average accident rate for that route is not above average for that kind of road. I will continue to see whether factors arise which justify special measures and we will continue to monitor the route as traffic increases. My hon. Friend has stated that the rate of traffic growth in East Anglia and in his part of Suffolk has been above average.

I have mentioned that accident investigation and prevention teams continue to identify accident black spots. We are considering schemes that have a significant impact at specific locations where the rate is higher than we think should be tolerated.

Along the Suffolk length of the A140 improvements have already been made at the B1078 junction where a right turning lane has been provided. At the Yaxley crossroads signing and carriageway markings have been improved and the junction widened. Following representations from my hon. Friend the Member for Suffolk, Central, improvements were made at the B1118 Oakley crossroads early last year when the road was widened, traffic islands were constructed and improvements made to signing and to carriageway markings.

That is a good example of an AIP scheme. I would ask anyone involved in such matters, whether they be members of a county highway authority or in the Department, to keep their eyes and ears open for problems and also to pay attention to representations made by the public and by Members of Parliament. Consideration of ideas that have been put forward or anxieties about a particular junction or stretch of road can lead to improvements. If you, Mr. Deputy Speaker, have any roads that you are worried about, I hope that you, as well as other hon. Members present, will take up my invitation.

In the three years before the improvements at the Oakley crossroads there were seven personal injury accidents. Since then there as been one injury accident in 18 months. That is the level of improvement that we are seeking. We welcome the work which leads to such a reduction.

Another accident site has been identified at the A1120 Stonham crossroads. There have been 12 injury accidents there in three years and we are now considering what improvements can best be made. We are looking at the possibility of further additions where these can be justified.

My hon. Friend the Member for Suffolk, Central referred to the desirability of bypassing the villages of Little Stonham and Earl Stonham. I will consider my hon. Friend's points and if, after consideration, we have to decide that the economic case is not strong enough and that other competing claims on our resources appear to have higher priority, that will not be a final decision. These issues are reviewed and we will continue to keep an eye on the position. However, I cannot promise—certainly not tonight—that such a scheme would secure a place in the programme in the near future.

In conjunction with the county council, we are considering the case for bypassing Brockford, but we have not yet identified a viable scheme which might go into the programme. As I say, we give high priority to monitoring safety and to assessing road accidents. Last year road accidents were responsible for 5,200 deaths and 315,000 injuries.

I refer to the point raised by my hon. Friend about slow moving agricultural vehicles. There was one point which I have not heard before. He referred to the adaptation of what appeared to be conventional heavy goods trailers being towed behind agricultural tractors. I will try to gather more information on that and, if necessary, will ask my hon. Friend for examples for the experts to examine.

I also think that my hon. Friend is right about having talks with the National Farmers Union on the desirability of slow-moving agricultural vehicles having flashing lights so that other drivers may know what is happening. I give a warning to drivers: do not expect every slow-moving vehicle to have a flashing beacon. For example, a horse-drawn cart—normally used for recreation—may be on the road, as may be cyclists. There is always the possibility that car may have broken down around the bend or that a driver may be waiting to turn right into a drive. There is a responsibility on all road users, whether in private cars or commercial vehicles, to drive so that we can stop within the distance that we can see, and to notice what is happening in front of us.

I accept my hon. Friend's point about the need to make it easier for people to understand what they are seeing. I shall do all that I can to emphasise the message. I shall also consider, perhaps in consultation with others, whether in future there should be compulsory legislation to ensure that vehicles that owners know will be moving slowly are better identified.

I shall write to my hon. Friend about any of his points with which I have not been able to deal. We can discuss any points that he thinks we should go through together. I do not think that I shall be able to visit Suffolk this side of the recess, but if I can discover some suitable time later in the year I should like to see the conditions that he has described so eloquently to the House. Quite frankly, I should like to spend much more time going out and about, not only to assess potential needs but to stand at the crossroads that he identified as an accident site and to obtain more publicity for that sort of thing.

The 40 accidents last year on my hon. Friend's section of the A140 might illustrate other AIP sites with which we should deal. Even if dualling or some other major improvement has to be delayed, there may be works that can be done in an attempt to find a way of improving the safety and relieving some of the danger.

My hon. Friend has done a service to the House as well as to his constituents. There cannot be too much attention paid to these issues. As road safety improves, it will be because of debates such as this initiated by my hon. Friend.

Question put and agreed to.

Adjourned accordingly at three minutes to Twelve o'clock.

House of Commons

Thursday 10 July 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ABERYSTWYTH HARBOUR BILL

LONDON DOCKLANDS RAILWAY (CITY EXTENSION) BILL

Orders for Third Reading read.
Queen's Consent, on behalf of the Crown, signified.
Read the Third time, and passed.

ESSEX BILL *[Lords]*

Read a Second time, and committed.

FELIXSTOWE DOCK AND RAILWAY BILL *(By Order)*

Order for consideration read.
To be considered upon Monday 14 July at Seven o'clock.

TEIGNMOUTH QUAY COMPANY BILL

Order for Second Reading read.
To be read a Second time upon Thursday 17 July.

BEXLEY LONDON BOROUGH COUNCIL BILL *(By Order)*

Order for Second Reading read.
To be read a Second time upon Tuesday 15 July at Seven o'clock.

SHOREHAM PORT AUTHORITY BILL *(By Order)*

PLYMOUTH CITY COUNCIL BILL *[Lords] (By Order)*

Orders for Second Reading read.
To be read a Second time upon Thursday 17 July.

WESTERN ISLES ISLANDS COUNCIL (BERNERAY HARBOUR)

Mr. Secretary Rifkind presented a Bill to confirm a Provisional Order under section 7 of the Private Legislation Procedure (Scotland) Act 1936, relating to Western Isles Islands Council (Berneray Harbour); And the same was read the First time; and ordered to be considered upon Wednesday 16 July and to be printed. [Bill 204.]

Oral Answers to Questions

AGRICULTURE, FISHERIES AND FOOD

Sheep

1. **Mr. Kennedy** asked the Minister of Agriculture, Fisheries and Food if he is yet in a position to announce details of compensation for farmers affected by the recent controls on the movement and slaughter of sheep; and if he will make a statement.

5. **Mr. Ray Powell** asked the Minister of Agriculture, Fisheries and Food when he expects to consider the payment of compensation to sheep farmers who have suffered losses as a result of the measures announced on 20 June.

The Minister of Agriculture, Fisheries and Food (Mr. Michael Jopling): My colleagues and I have had discussions with the farmers unions on the compensation issue. We have agreed that, as yet, it is too early to assess the overall impact on producers of the restrictions, since that will depend upon the relationship between the length of time the restrictions are in operation and the individual farmer's marketing patterns. In this connection, I am happy to announce that my right hon. Friend the Secretary of State for Wales and I have today signed another order to come into effect at midnight to release a further area of Cumbria from the restrictions. I understand that he will be making a similar announcement today, in relation to further areas in Wales. These releases are based on the results of intensive monitoring, which is continuing. Full details of the area, and the results of latest tests, are being published today and a copy is being placed in the Library of the House.

Mr. Kennedy: In thanking the Minister for that informative reply, may I stress to him that in my constituency in Easter Ross, which obviously and understandably will not be covered by the decisions that he is making today, we have the continuing difficulties of last year's bad weather, a 75 per cent. fall in farm incomes and, within the past 48 hours, confirmation from Lord Gray of a further increase in Scottish farming indebtedness to the banks of 9 per cent.? Given those difficulties, and appreciating what the Minister said, may I urge him to take all possible steps as and when sufficient evidence becomes available to help compensate those farmers, who are already suffering badly at the margins and who will be plunged even further into indebtedness, because the survival of the whole rural economy in the highlands of Scotland is dependent on their well being? Can the Minister give us that undertaking?

Mr. Jopling: I have listened to the hon. Gentleman. Many of his points are matters for my right hon. and learned Friend the Secretary of State for Scotland. I remind him that I said on 20 June that we were prepared to discuss cases of compensation for severe loss in particular circumstances to specific farmers. That undertaking still stands.

Mr. Powell: That is not all that helpful to farmers. Recently we have also had discussions with the farmers union, and the farmers want to know the Government's criteria on compensation. When will the Government

make a statement on that? Is the Minister suggesting that the Secretary of State for Wales may be making that statement somewhere else, because he should be present on the Front Bench if it is a measure affecting Wales? Is the Minister aware that in Wales the scare is so great that a butcher in Monmouth must use a geiger counter to sell lamb in his shop? Is it not time that the Government came clean and told farmers how they will compensate them and the criteria that they will lay down?

Mr. Jopling: The hon. Gentleman should be a little careful before he starts making irresponsible statements of that sort. Questions today are for my Department and not for the Welsh Office. I shall repeat to him—he probably was not listening when I said it earlier—that the leaders of the farmers unions in England and Wales have recognised that until more data are available it is not possible to consider the compensation question in detail. I accept the importance that they attach to early decisions as soon as sufficient data are available.

Mrs. Kellett-Bowman: Will my right hon. Friend accept that we appreciate that he is concerned about the serious economic plight of many farmers in our part of the world? Will he deplore, as he did partly in his answer, the scaremongering that may lead people to cease to buy lamb which is perfectly safe? Will he continue to press the Russians, who are responsible for this disaster, to cough up some cash?

Mr. Jopling: I am glad that my hon. Friend has drawn attention to the perfect safety of consuming sheepmeat at this time. I believe that the British housewife has demonstrated that clearly because the market price for lamb, both last week and, as we forecast, this week, is rather higher than it was in the corresponding weeks last year. With regard to the points my hon. Friend made about the Russians, I warned Mr. Murakhousky when he was here last week of concern about the impact of the Chernobyl disaster on our agriculture. Of course, any matter of claims is one for the Foreign Office, and not for me.

Mr. Nicholas Winterton: Will my right hon. Friend accept that I am reassured by the fact that he admits that compensation is needed? However, in addition to the sheep farmers, haulage contractors and auction markets have suffered a fairly dramatic drop in their income. Will their position also be considered? Will he confirm to the House, as I had hoped my right hon. Friend the Minister for Health would confirm, that there is no danger whatsoever to any man, woman or child in this country in eating sheepmeat?

Mr. Jopling: I can gladly confirm that there is no danger. With regard to the matter of abattoirs and markets, the undertaking that I gave to consider compensation was for specific farmers. One has to realise that abattoirs and markets were able, if they wished, to draw sheep from outside the areas in which the restrictions applied. With regard to compensation, I can only repeat what I said. We are prepared to discuss cases of compensation for severe loss in particular circumstances by specific farmers.

Mr. Mark Hughes: I am deeply disturbed by the right hon. Gentleman's comment that abattoirs can draw from elsewhere. The butchers and abattoirs in parts of north Wales cannot, without great loss, call from sources elsewhere. They are as eligible to compensation as anyone else. Will they be considered, and will the right hon. Gentleman please ask that his right hon. and hon. Friends from the Welsh Office are present on such occasions?

Mr. Jopling: With regard to markets and abattoirs, I can only repeat the truth. Markets and abattoirs, even if they were within the restricted areas, were and are entitled to draw their livestock and sheepmeat from outside the area.

Mr. Home Robertson: We welcome the fact that the Minister has felt able to lift the ban in certain areas. The Minister of State, Foreign and Commonwealth Office told me in a written reply on 1 July that the Government were reserving the right to press a claim against the Soviet Union for any losses, but does the Minister accept that farmers whose lambs have missed the market cannot possibly wait to press a claim through the International Court of Justice? The right hon. Gentleman gave a clear commitment on 20 June to the principle of paying compensation to people who had sustained losses, and he repeated that commitment today, but he appeard to be back-pedalling in a speech that he made to farmers at the Great Yorkshire show. Will the Government try to wriggle out of that commitment, or will they pay compensation where it is justified?

Mr. Jopling: The hon. Gentleman is putting words into my mouth. What I have done today is to repeat precisely the undertaking that I gave to the House on 20 June. Perhaps some newspapers misreported what I said at the Great Yorkshire show the day before yesterday. If the hon. Gentleman reads the *Yorkshire Post*, I think he will find that, in its customary way, it has got it right.

Food Labelling

2. **Mr. Meadowcroft** asked the Minister of Agriculture, Fisheries and Food what recent representations he has had on food labelling.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): We have recently received comments on our proposal for fat content labelling of foods and on guidelines for nutrition labelling, and on European Community proposals for amendment of the EC food labelling directive 79/112.

Mr. Meadowcroft: Does the Minister recognise that many hon. Members are getting weary of the complacent attitude towards food labelling and of the Government not going anywhere near far enough? When will the Food Advisory Committee's report on colouring be published, which has been suppressed? Will the Minister go further and issue instructions that labelling must include a warning that the azodyes, the benzoates, the sulphites, the sulphates, the nitrites, the nitrates, and the BHA and BHT additives, all of which are already banned from baby food, are possibly toxic to people in vulnerable groups?

Mrs. Fenner: The reasons why those additives are not in baby food is that there are two criteria for food additives —safety and need. If there is not an established need in baby foods, the additive is not put in, so that every additive that is passed as safe in adult food is safe if babies or children should eat it. Otherwise, it would not be in the food. I a sorry that the hon. Gentleman should think me complacent. We have a strict consultation pattern, which

is required in the legislation. We issued our proposals on 13 February. We asked that observations should be received by May. We sent out to 700 interested parties, and we are now assessing their comments.

Mr. Coombs: As the Committee on Medical Aspects of Food Policy report recommended an increase in the intake of complex carbohydrates and warned against an increase in the intake of simple sugars to make up for the deficiency in calories consumed from eating less fat, how does my hon. Friend expect the consumer to make the right choices in the absence of the mandatory labelling of sugars?

Mrs. Fenner: COMA did not request or recommend statutory labelling for other than fats and saturated fatty acids. As my hon. Friend says, it suggested some reduction in other things. I should inform him that sugars are already required to be shown in the listing of ingredients, which came fully into effect on 1 July this year. I should further tell him that COMA advised at the 20 June meeting last month that a panel be set up to examine the effect of sugars in the diet. We shall, of course, consider the implications of any such report.

Mr. Pike: While it is to be welcomed that on this occasion the Government are at least consulting, which is very unusual for this Government, when will they cut the waffle and take action on labelling, and ensure that accurate labelling is provided, which is what the public seek?

Mrs. Fenner: The hon. Gentleman speaks in contradictions. The Government do consult, as required under the legislation. His Government consulted on agricultural matters as they were required to do under the legislation. He cannot expect consultation and, at the same time, expect us to carry out labelling without taking due account of the consultation requested.

Mr. Michael McNair-Wilson: Is my hon. Friend satisfied with the labelling of so-called health foods? Does she think that the description on labels is substantiated by scientific research? Does she not think that the time has come for approved definitions in which the Government would have some say?

Mrs. Fenner: Labelling requirements must be complied with. For example, those foods which purport to aid slimming must be labelled extremely carefully. If my hon. Friend has any instances that he wishes to draw to my attention, I shall happily look at them.

Mr. Donald Stewart: Can the Minister assure the House, since the fast food merchants have taken considerable umbrage at the slight advances that have been made, that she will give priority to the consumer interests, and that all foods, with relevant cartons, will contain a complete and accurate note of the contents?

Mrs. Fenner: The regulations were introduced in 1984. They came into operation fully on 1 July. They require total ingredients listing in order of the amount in the processed food. Every additive must be put on the label in its generic form and with its E number.

Cereals (Co-responsibility Levy)

3. **Mr. Terry Lewis** asked the Minister of Agriculture, Fisheries and Food what is his latest estimate of the proportion of cereals grown in the United Kingdom which will be liable for the co-responsibility levy.

Mr. Jopling: I estimate that about three quarters of the United Kingdom's cereals production is likely to be subject to the levy.

Mr. Lewis: Is the Minister not aware that this is the first time that he has given any indication of the way in which the scheme will work? It should have been in operation at least 10 days ago. The whole industry has been thrown into confusion by this vacillation, and the Minister should be ashamed of himself.

Mr. Jopling: We have continually made the industry as a whole aware of how the arrangements will work. We have had a good deal of difficulty, because we did not have the final version of the Community's rules in English until recently. It is wrong to suggest that the industry has been kept in the dark.

Sir Peter Mills: I congratulate my right hon. Friend on the fact that the present proposals are a jolly sight better than the original ones. Having said that, many problems remain. Will my right hon. Friend bear in mind that, especially in the south-west of England, feeders must pay at least another £2 a tonne as a result of the burden? The burden of the co-responsibility levy should be shared all over British farming.

Mr. Jopling: I am grateful to my hon. Friend for his opening remarks. He is right in saying that we succeeded very well in the price fixing in reducing dramatically the discrimination that existed in the Commission's original proposals. I accept from my hon. Friend that many difficulties are inherent in the co-responsibility levy. That is why the House agreed that we should do everything we could to resist it. However, we found ourselves completely isolated and, at the end of the day, we had to accept it. I realise that it is likely that extra costs will fall upon the industry as a result of having to pay the levy.

Mr. J. Enoch Powell: What opportunity and what powers will the Minister have to resolve the problems that have arisen over the interpretation of first-stage processing in the Commission's regulations in this context?

Mr. Jopling: So far there is no Community or national definition to work on as regards what is a holding. I think that that is what the right hon. Gentleman is referring to. We are still considering the detailed criteria necessary in the light of comments made to us by the trade organisations concerned. We shall be issuing guidelines to the industry as soon as possible. Ultimately, the intervention board must decide in individual cases.

Mr. Heathcoat-Amory: Is my right hon. Friend aware that apparently the wretched tax is to be paid by compound feed mills but not by integrated units on farms, however large they may be? Does my right hon. Friend agree that that is highly discriminatory? Will he, at the very least, tighten up the rules to achieve a measure of equality and to exempte only those genuine individual farmers compounding their own feed and giving it to their own animals?

Mr. Jopling: Yes, but my hon. Friend should recall that, under the rules, a producer would be exempt from the levy if he processed grain on his own agricultural holding for use in animal feed on that holding. Exemption of an intensive unit would depend on whether an individual business met the criterion that compounding and livestock production were carried out on the same holding. We shall issue guidelines on that as soon as possible.

Mr. John: The right hon. Gentleman knows that this tax came into force and should have been levied 10 days ago. He said that the criteria are ultimately the responsibility of the intervention board. How much later is "ultimately"? I understand that at a meeting yesterday the trade was given no greater clarity about the criteria. Who is to blame for this mix up?

Mr. Jopling: The delay occurred because the Commission did not supply us with the detailed rules until a good deal of time had passed. I am sure that the hon. Gentleman is aware, because he has read the regulations which have come from Brussels, that the levy will be paid on the new crop. The new crop has not yet begun to come forward for processing, or for exporting or to go into intervention.

Coal Mining Subsidence

4. **Mr. Heddle** asked the Minister of Agriculture, Fisheries and Food what discussions he has recently had with the National Farmers Union on the subject of coal mining subsidence.

Mrs. Fenner: None, but the National Farmers Union copied to me its representations to my right hon. Friends the Secretaries of State for Energy and for the Environment on the report of the Waddilove committee.

Mr. Heddle: Does my hon. Friend agree that many small farmers and smallholders, especially in mining counties such as Staffordshire, are suffering severe hardship because they cannot obtain compensation for consequential loss against coal mining subsidence? Will my hon. Friend use her persuasive efforts to urge our right hon. Friend the Secretary of State for Energy to implement some of the Waddilove proposals as soon as possible.

Mrs. Fenner: We are concerned that farmers whose land suffers subsidence should receive appropriate compensation where restoration of the land is not practical. As my hon. Friend knows, such compensation is the responsibility of my right hon. Friend the Secretary of State for Energy.

Home-produced Food

6. **Mr. Knox** asked the Minister of Agriculture, Fisheries and Food what proportion of food consumed in the United Kingdom is home-produced.

Mrs. Fenner: It is provisionally estimated that 60 per cent. of all food consumed in the United Kingdom was home produced in 1985.

Mr. Knox: What was the percentage before Britain joined the European Community? Does my hon. Friend agree that, if the level is to be maintained and improved, the Government must continue to give strong support to British agriculture, especially the livestock sector?

Mrs. Fenner: That percentage compares with 50 per cent. in 1973 and represents a considerable achievement by the industry. However, self-sufficiency in indigenous foods — those that can be grown commercially in Britain's climate—increased from 62 per cent. in 1973 to 80 per cent. in 1985. I think that that will reassure my hon. Friend that we are giving that support to the farming community.

Mr. Canavan: Is it not time that the Government took effective action against the high proportion of South African foodstuffs in our shops? Does the Minister not realise that sanctions of this nature would help home food producers as well as help to bring about the end to the evil apartheid regime in South Africa?

Mrs. Fenner: The hon. Gentleman's ideology should not persuade him that we could grow citrus fruit in this country.

Mr. Andy Stewart: My hon. Friend's comments are good news for the British producer. However, does she agree that much of this has been achieved by the promotional work carried out by the Women's Farming Union? Will she consider appointing a member of the Women's Farming Union to head Food from Britain, as Sir Richard Butler does not appear to be acceptable?

Mrs. Fenner: I note what my hon. Friend says, and I am trying very hard not to let my Freudian slip show. Of course I agree that the Women's Farming Union, the agriculture industry, the food industry and Food from Britain have all made a great contribution. It is also significant that, as well as home consumption, our food exports are now some £2·7 billion a year compared with £800 million in 1975.

Mr. Livsey: Will the Minister comment on the position in the dairy industry, which is only 85 per cent. self-sufficient, and which is having to accept a further 3 per cent. cut in milk quotas, with subsequent unemployment among dairy creamery workers? Will she please make a statement about New Zealand imports and say whether these can be offset against quota?

Mrs. Fenner: In relation to the hon. Gentleman's latter point, the Community has a commitment, which we fully support, not to deprive New Zealand of outlets essential to that country. It is significant that New Zealand exports of butter to the Community have less than halved since our accession to the Community.

Mr. Key: Does my hon. Friend agree that only rarely do urban consumers see the connection between what is happening in the fields in the countryside and what appears on their supermarket shelves? Would she therefore join me in congratulating Safeways and other supermarkets on displaying home-produced rape oil on their shelves?

Mrs. Fenner: Yes indeed. Of course, Food from Britain has, through its quality charter systems, also drawn the consumer's attention to the quality of British food.

Dr. Godman: Does the Minister agree that the British fisherman plays an important part in producing food for the domestic consumer? Will the hon. Lady and her ministerial colleagues give an assurance that the provision for the Sea Fish Industry Authority will be maintained so that a first-class product can continue?

Mrs. Fenner: I wholly agree with the hon. Gentleman about the great and increasing contribution that fish makes in persuading people of the high quality of British food. We support the Sea Fish Industry Authority in its promotion of fish. I am delighted to see that supermarkets also promote fish heavily.

Mr. Phillip Oppenheim: Despite the fact that the agriculture industry has had great success in gaining a larger share of the home food market, will my hon. Friend accept that none the less, it is true that, since the

introduction of milk quotas, that share has slipped back a little, to the benefit of French and Dutch dairy farmers, who produce a surplus, while British dairy farmers have had to cut back despite the fact that we are not self-sufficient overall in dairy products?

Mrs. Fenner: Domestic butter production, as a proportion of total new supplies, has increased from 57 per cent. in 1980 to 64 per cent. in 1985. For cheese, there has been a slight decrease from 70 per cent. to 67 per cent., but that figure reflects cheese imports and an increased range of choice.

Lamb (Radiation)

7. **Mr. Hirst** asked the Minister of Agriculture, Fisheries and Food what checks his Department is currently undertaking into radiation levels in lambmeat; and if he will make a statement.

Mr. Jopling: I refer my hon. Friend to the reply I gave earlier to the hon. Members for Ross, Cromarty and Skye (Mr. Kennedy) and for Ogmore (Mr. Powell). I intend to reduce further the size of the designated area in Cumbria as soon as additional sampling results confirm the continued fall in radiocaesium levels.

Mr. Hirst: Does my right hon. Friend agree that the radiation testing and the open approach of his Department are most welcome? Does he regard it as unfortunate that certain sections of the media have indulged in unnecessary scaremongering about lambmeat, to the detriment of farmers and butchers? Is it not true that I received a larger dose of radiation when I had an X-ray on a tooth recently than I would have received if I had eaten lambmeat for each and every meal—at breakfast, lunch and dinner—for a month?

Mr. Jopling: My hon. Friend has done us all a service in pointing out just how prudent are the safety levels to which we have been working. His conclusions are fully borne out by the fact that this year the price of lamb on the market is higher than in the corresponding week last year. That shows that the housewife also has confidence in the prudent safety levels that the Government have adopted.

Mr. Torney: Will the Minister instruct Ministry scientists to research into whether the future offspring of lambs born during the Chernobyl disaster could be infected with caesium? The House should remember that caesium has a 14 year half-life.

Mr. Jopling: Scientists in my Department are already carrying out extremely extensive testing, and they will certainly consider that point.

Mr. Bill Walker: Does my right hon. Friend agree that an essential factor in obtaining a reasonable price for one's products is confidence? When confidence has been shattered as a result of radiation checks, farmers are concerned that sheep, and sheepmeat from allegedly nuclear-free zones, could affect other areas that are not nuclear-free, where the price of sheepmeat has already been adversely affected.

Mr. Jopling: The nonsense surrounding nuclear-free zones has nothing to do with the fact that the British housewife fully understands that sheepmeat is safe to eat, and is very good value.

Mr. Campbell-Savours: Is the Minister aware of the interesting work done by the Institute of Terrestrial Ecology? It is now preparing a national survey of all vegetation and grassland in order to establish radiation levels, with particular reference to Cumbria and the Lake District, which have lately been the subject of some fairly vigorous criticism, which has in turn damaged the tourist trade and the farming industry. Without pre-empting the institute's findings, does the Minister agree that they will probably help to secure a better image for the county?

Mr. Jopling: I join the hon. Gentleman in paying tribute to the fine work done by the Institute of Terrestrial Ecology at Grange, in my constituency. It has been very helpful to us in the past few weeks in allowing us to isolate the areas where restrictions should apply. It has a very important future workload, and I hope that the results of those tests will help us, and will facilitate dealing with some of the rather silly criticisms about the safety of the Cumbria area.

Mr. D. E. Thomas: Even if the Minister was misquoted in the press on the issue of compensation for sheepmeat producers, he could not have been misquoted yesterday morning on Radio Wales, because I heard him myself. Will he now state clearly the Government's policy on compensation? Will he also state clearly that, whatever the detail, the Government intend to pay the costs sustained by sheep producers in my constituency and others as a result of radiation levels?

Mr. Jopling: I do not know whether the hon. Gentleman was in the Chamber earlier——

Mr. Thomas: I was.

Mr. Jopling: Earlier, I said that the leaders of the NFU recognised that until more data are available it is impossible to look at the question of compensation in detail. But I am glad to repeat what I said on 20 June, as it still stands. We are

"prepared to discuss cases of compensation for severe loss in particular circumstances to specific farmers." — [*Official Report*, 20 June 1986; Vol. 99, c. 1321.]

Mr. Home Robertson: Will the Minister think again about his refusal to review the contingency plans for radiation emergencies in the light of the Chernobyl disaster? Does he not accept that there is evidence that the Ministry was caught napping during the first week in May, and that there were serious shortcomings in the advice made available to both producers and consumers?

Mr. Jopling: I strongly resist the suggestion that my Department was caught napping. Nothing of the sort occurred. The monitoring being carried out by my Department has been unsurpassed by any comparable department in the European Community.

Cereals (Co-responsibility Levy)

8. **Mr. Fatchett** asked the Minister of Agriculture, Fisheries and Food whether the cereals co-responsibility levy will apply to large-scale livestock producers who process their own feed.

Mr. Jopling: Any producer, whatever his size, who processes cereals on his agricultural holding for use in animal feed on that holding is exempt from paying cereals co-responsibility levy on that grain.

Mr. Fatchett: Does it not appear from the right hon. Gentleman's earlier answers that small and medium-sized producers, which are much more likely to have to buy feed rather than rely upon their own, will have to pay the levy? As a result, in an industry which is very competitive and in which margins are tight, is is not likely that some producers will go out of business?

Mr. Jopling: I cannot accept that final comment. The hon. Gentleman should understand that many medium-sized and smaller farms mix a good deal of their feeding-stuffs at home and therefore would not pay the levy. However, grain that goes for processing, including the manufacture of animal feeds, will be subject to the levy.

Mr. Colin Shepherd: Does my right hon. Friend accept that there is considerable urgency about resolving the problem to which he referred earlier? There is much uncertainty in the intensive livestock industry as to who will pay the levy and costs are, therefore, affected in one way or the other. There is also uncertainty about the future purchasing arrangements for feed. Does he expect to have the problem resolved within days, or weeks?

Mr. Jopling: There is no uncertainty about who is exempt from the levy. A producer who produces grain on his own agricultural holding for use in animal feed on that holding is not liable to pay the levy. I am perfectly well aware that there have been delays in finalising the Community regulations and that that has disrupted trade. I regret this. I and my officials have kept in close and continuous contact with interested trade organisations. We have always sought to clear up the uncertainties as quickly as possible, and we shall continue to do that.

Mr. John: How can the right hon. Gentleman say that when his Department has not defined an agricultural holding for the purpose of the levy? This is important, because if integrated producers are exempted from the co-responsibility levy, it means that one third of the feed grain produced in Britain will be exempt and the statement of my hon. Friend the Member for Leeds, Central (Mr. Fatchett) that small and medium-sized producers will be penalised unfairly is justified.

Mr. Jopling: I hope that the hon. Gentleman understands what he is saying. He must understand that the more farms there are that are manufacturing feed and which we ask to pay the levy, even though they may be large integrated holdings, the more money may unnecessarily go to the Community's funds from Britain. We must weigh one thing against the other.

Mr. John Townend: Does my right hon. Friend accept that the application of the levy will cause great unfairness, specially to producers such as Twydale Turkeys in my constituency, which purchases 45,000 tonnes of feed from four mills and will be put at a competitive disadvantage? It could also result in those mills having to reduce employment. What action can he take to make the application of the levy fairer among various sectors of the industry?

Mr. Jopling: My hon. Friend will recall that when we debated the matter before the price-fixing resolution we agreed that inherent in the levy system was some discrimination and unfairness, and so it has proved. That is why we did everything we could to avoid a co-responsibility levy in those price-fixing negotiations.

Finished Lambs (Sales)

9. **Mr. Livsey** asked the Minister of Agriculture, Fisheries and Food what are the provisional figures for sales of finished lambs in markets in England and Wales, for the weeks ending Saturday 28 June and Saturday 5 July, compared with the same weeks in 1985.

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John Selwyn Gummer): Figures from the Meat and Livestock Commission, based on 64 sample markets in England and Wales, show that 87,517 lambs were certified in the week ending 29 June 1985 and 77,692 in the week ending 6 July. This year's corresponding figures are 61,426 and 63,505.

Mr. Livsey: I am grateful for that information. In view of these figures, may I inquire whether, in respect of consequential losses outside the areas affected by the Chernobyl fall-out, the Minister will consider compensation for those lambs that did not qualify for the variable premium?

Mr. Gummer: The hon. Gentleman will know that the change in the distribution of sales of lambs is largely due to the lateness of the season, and it is too early to make any kind of judgment. On the matter of compensation, my right hon. Friend has made his position clear.

Common Agriculture Policy (Expenditure)

10. **Mr. Deakins** asked the Minister of Agriculture, Fisheries and Food what is the latest estimate of common agricultural policy expenditure in 1986; how this compares with the budgeted amount; and if he will make a statement.

Mr. Jopling: The Commission's preliminary draft supplementary and amending budget for 1986 provides 23,025 mecu for expenditure under the common agricultural policy. This compares with 22,009 mecu in the present budget as adopted by the European Parliament.

Mr. Deakins: Has the Secretary of State read the recent speech of the Minister for Overseas Development calling for a radical reform of food aid policy in the Common Market? If so, does he agree with the principles involved and will he seek to extend them to the disposal of commercial surpluses, which are a major part of the costs of the CAP which he has just mentioned?

Mr. Jopling: As usual, my right hon. Friend made a fine speech and the implications of what he said will be taken into account in dealing with the disposal of surplus products from the Community. However, I am sure the hon. Gentleman recognises that at this time the Community is extremely short of cash.

PRIME MINISTER

Engagements

Q1. **Sir John Biggs-Davison** asked the Prime Minister if she will list her official engagements for Thursday 10 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

Sir John Biggs-Davison: Will my right hon. Friend give an assurance that Her Majesty's Government will not countenance force against South Africa, recalling the Leader of the Opposition's advocacy of mandatory United Nations sanctions, the logic of which, according to the right hon. Member for Leeds, East (Mr. Healey), is that we must be prepared for a naval action against South Africa — and that was the ex-Minister who wanted to arm the South African navy?

The Prime Minister: I am glad to respond to my hon. Friend. The Government are not talking about the use of force in connection with apartheid in South Africa. Rather are we calling for the suspension of violence on all sides and seeking a peaceful solution. I hope that everyone on both sides of the House will wish my right hon. and learned Friend the Foreign Secretary well in his great endeavours.

Q3. **Mr. Hanley** asked the Prime Minister if she will list her official engagements for Thursday 10 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Hanley: The House is rightly concerned with the issue of sanctions, and, indeed, with the effect that that debate is having around the world, but perhaps the House is losing sight of the positive steps that the Government are taking to help the blacks in South Africa and in the front-line states. Will my right hon. Friend take this opportunity to remind us of what the Government are doing to help those whom all hon. Members wish to help?

The Prime Minister: As my hon. Friend is aware, at the recent European Community Heads of Government meeting we agreed to take positive measures to help the blacks in South Africa and we have allocated a further £15 million over the next five years for that purpose in addition to the £22 million that we are already spending. Last year we gave £70 million in aid to Zimbabwe, Zambia, Mozambique, Botswana, Lesotho and Swaziland.

Mr. Kinnock: Has the Prime Minister seen the report from the Select Committee on Social Services, which has a seven to three Conservative majority, which says:

"Taking into account efficiency savings, on the most favourable interpretation of the Government's own data for the last five years, the Government has done no more than half what, by its own admission, should have been done . . . total underfunding of the hospital and community health services was £1,325 billion".

When will the Prime Minister provide enough resources to come up to even the minimum standards set by her Government?

The Prime Minister: I have not seen the detail of that report, as it came out only this morning. I am aware of some of the figures. May I point out that spending on the National Health Service has increased from £7·5 billion in 1978-79 to £18·75 billion in 1986-87. That means that the average expenditure per family to finance the Health Service out of taxation has gone up from less than £11 per family per week to £27 per family per week. That is what families have to find in tax to finance the Health Service, which is the best Health Service that we have ever had.

Mr. Kinnock: Has it occurred to the Prime Minister that families not only pay taxes but need dependable health services, and that they have a real grievance now over the deficiencies in that Service? Does she not accept that, on her Ministers' own admissions, the figure that she used earlier should be at least a third higher in order to meet the realities of increasing numbers of frail elderly people, of changes in medical technology and of changes in provision of community services? The Prime Minister has asked that the facts should talk. Do not these facts of underfunding talk very clearly and say that the Health Service is not and never will be safe in the Prime Minister's hands?

The Prime Minister: No. We have the best Health Service ever. It is safe in our hands, and it far exceeds what the last Labour Government did. I note that the Merrison committee set up by the Labour Government said:

"We had no difficulty in believing the proposition put to us by one medical witness, that we can easily spend the whole of the gross national product on the health service."

Every Government have to work within constraints, but what the right hon. Gentleman said about an extra third would mean that every family would immediately have to increase its spending from £27 per week on the National Health Service to £36 per week.

Mr. Hicks: Will my right hon. Friend examine the Commission's proposals for New Zealand butter imports for the next two years, which, if implemented, could have adverse effects not only for our dairy farmers but for our taxpayers? Will she recall that these arrangements were meant to be transitional, yet New Zealand today has a greater share of our butter market than it did in 1973 at an annual cost in excess of £100 million?

The Prime Minister: As my hon. Friend — and, I believe, the House—is aware, we have always fought for New Zealand in the Community, knowing full well the importance of both lamb and butter to that economy. The amount that the Commission is proposing should be permitted to be imported for the next two years is, of course, considerably less—indeed, almost half—what it was when we went in at the beginning, and the figures being proposed represent a reduction on current levels, but are in line with what was proposed when the question was last discussed in 1984. I believe that we should continue to fight for New Zealand in the Community, but I believe that the figures should be realistic and that those have been proposed by the Commission are realistic.

Mr. Steel: If I may revert to South Africa and look back at the whirlwind of interviews that the Prime Minister has given over the last 48 hours, of which result is she most proud? Is it the paean of praise showered on her by Pretoria state radio, the humiliation of the Foreign and Commonwealth Secretary in Zambia and Zimbabwe, or the damage to the Commonwealth games in Edinburgh?

The Prime Minister: Perhaps the right hon. Gentleman does not know it, but I think that the argument against general economic sanctions and punitive economic sanctions has been won. I notice that *The Guardian* says today:

"Economic sanctions will not bring South Africa to its knees: they will mean that black children starve: the desolation of the Pretoria economy would be a tragedy for all Africa."

That is true. Is that what the right hon. Gentleman wants?

Mr. Norris: Would my right hon. Friend care to comment on her view this morning of the new Rover 800 series car, and will she join me in congratulating my constituents at Cowley on a magnificent product and wish it well for the future?

The Prime Minister: I saw the car and it is excellent and of superb design. I hope that it will sell well, and I can certainly recommend the blue one that I drove this morning.

Q5. **Mr. Yeo** asked the Prime Minister if she will list her official engagements for Thursday 10 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Yeo: In applauding my right hon. Friend's determination to reduce the burden of tax on the lower paid, may I urge her to consider further increases in tax thresholds, further reductions in employee national insurance contributions for low-paid workers and the re-introduction of a lower rate of taxation, in preference to cutting the basic rate of income tax, as all those three measures are far more cost-effective ways of using available resources?

The Prime Minister: As my hon. Friend is aware, our objective remains to reduce the burden of income tax, particularly on those on average earnings or lower pay. Some 18 million taxpayers are on below-average male earnings, but they pay 42 per cent. of the yield of income tax. We must have special regard to the amount that they pay. It remains our aim to reduce it. My hon. Friend has a particular scheme, which I shall draw to the attention of my right hon. Friend the Chancellor of the Exchequer.

Mrs. Renée Short: I am sure that the Prime Minister is delighted with the vindication of Mrs. Wendy Savage by the committee set up to investigate her clinical competence. Will the Prime Minister now ensure that those consultants who accused Mrs. Savage, and who deprived her patients of her skill and care for all these months, are investigated by the committee of the teaching district?

The Prime Minister: I shall draw what the hon. Lady has said to the attention of my right hon. Friend the Secretary of State for Social Services.

Mr. Lyell: Will my right hon. Friend warn the public, and particularly employees and trades unionists, against the reported Labour party proposal to remove from the courts and hand over to some trades union-based quango the power, such as it might be, to enforce their rights to secret ballots before strikes, and to elect union officials? How can this be described as either freedom or fairness?

The Prime Minister: I gladly agree with my hon. and learned Friend. It has been our purpose to give ordinary members of trades unions legally enforceable rights to have a proper ballot and we shall continue to pursue that objective.

Q6. **Mr. Kirkwood** asked the Prime Minister if she will list her official engagements for Thursday 10 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Kirkwood: Is the Prime Minister aware that the proposed social security regulations designed to restrict single payments available to claimants on supplementary benefit were expected to be laid on the Table of the House this week, but have now been deliberately suppressed by the DHSS until after the Newcastle-under-Lyme by-election? Was she consulted about the decision on timing, and will she give the House a guarantee that the regulations will be debated before the recess and not implemented by stealth during the recess?

The Prime Minister: It is my understanding that the regulations will be debated before the recess.

Q9. **Mr. Winnick** asked the Prime Minister if she will list her official engagements for Thursday 10 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Winnick: Is the Prime Minister aware that those of us who are very much opposed to her policy on South Africa hope, nevertheless, that the Commonwealth leaders, when they meet, will bear in mind that the Prime Minister does not represent the majority of British opinion, and moreover that the days of her wretched Administration are coming to an end?

The Prime Minister: I am afraid that the hon. Gentleman is guilty of wishful thinking on the latter point. I believe that the overwhelming majority of the British people reject the use of force to try to solve the South African problem, wish to have a suspension of violence and a peaceful solution, and support my right hon. and learned Friend the Foreign Secretary in his mission.

Mrs. McCurley: Now that the European Court has delivered its judgment on compensation for nationalisation, will my right hon. Friend suggest how Parliament can protect the property rights of the citizens of this country, particularly if, God help us, there are predations from the Labour side of the House, if the Opposition are ever returned to government?

The Prime Minister: The people can protect the property rights of citizens by never returning a Labour Government.

Q10. **Mr. Ray Powell** asked the Prime Minister if she will list her official engagements for Thursday 10 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Powell: The Prime Minister can get into a fit about sanctions against South Africa, but has she considered that the bloodstained coal of South Africa has caused the redundancy of many people in this country, particularly in my constituency, where her Government have closed five collieries and put 5,000 miners out of work? Is she aware that since the miners' strike hundreds of miners have been pushed out of work because coal is being imported from South Africa? What are the Prime Minister and her Government going to do to stop that?

The Prime Minister: Judging from the drift of the hon. Gentleman's question, he is against causing further unemployment by imposing sanctions on South Africa. To impose sanctions on South Africa would cause further unemployment there and would cause further unemployment here. I understand that the hon. Gentleman does not wish that to happen. Nor do I.

Q12. **Mr. Colin Shepherd** asked the Prime Minister of she will list her official engagements for Thursday 10 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Shepherd: Is my right hon. Friend aware that the whole nation will be watching carefully the progress that

she makes with her new Rover Sterling car? As for the future of this car, does my right hon. Friend agree that it will outsell Mercedes and Audi only if its quality and reliability are of the absolute topmost maximum possible effectiveness?

The Prime Minister: I believe that that car is of the topmost design, that it has a super engine and that every attention has been given to every detail. Special extra provision will also be made for its export to the United States. We wish it well. I have great faith in the car.

Business of the House

3.31 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House whether he will state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir. The business for next week will be as follows:

MONDAY 14 JULY Until seven o'clock, private Members' motions.

Remaining stages of the Legal Aid (Scotland) Bill.

The Chairman of Ways and Means has named opposed private business for consideration at seven o'clock.

TUESDAY 15 JULY Opposition Day (18th Allotted Day, 1st Part). There will be a debate entitled "Defending British High Technology Industries". The debate will arise on a motion in the names of the leaders of the Liberal and Social Democratic parties.

Motions on orders and regulations relating to drivers' hours. Details will be given in the *Official Report*.

The Chairman of Ways and Means has named opposed private business for consideration at seven o'clock.

WEDNESDAY 16 JULY Opposition Day (19th Allotted Day). There will be a debate on an Opposition motion, the subject for debate to be announced.

Motion on the Control of Pesticides Regulations.

Motion on secretarial allowances.

Remaining stages of the British Council and Commonwealth Institute Superannuation Bill.

THURSDAY 17 JULY Completion of remaining stages of the Finance Bill.

Motion relating to the Channel Tunnel Bill.

At ten o'clock the question will be put on all outstanding Estimates.

FRIDAY 18 JULY Consideration of any Lords amendments which may be received to the Dockyard Services Bill.

Proceedings on the Insolvency Bill *[Lords]* and the Company Directors Disqualification Bill *[Lords]* which are both consolidation measures.

Motion on the New Towns (Extinguishment of Liabilities) Order.

MONDAY 21 JULY Opposition Day (15th Allotted Day, 2nd part). There will be a debate on an Opposition motion, the subject for debate to be announced.

Consideration of any Lords Amendments which may be received to the Gas Bill.

The House will wish to know that, subject to the progress of business, it will be proposed that the House should rise for the summer Adjournment on Friday 25 July.

[Regulations and Orders to be debated on Tuesday 15 July: Drivers' Hours (Harmonisation with Community Rules) Regulations; Drivers' Hours (Goods Vehicles) (Modifications) Order; Community Drivers' Hours and Recording Equipment (Exemptions and Supplementary Provisions) Regulations; Community Drivers' Hours and Recording Equipment Regulations.]

Mr. Kinnock: I am grateful to the Leader of the House. The mess in which the Government have placed themselves is obvious in next week's business. That is why we have a continual late, late show with so much important business being taken after 10 o'clock, and the Dockyard Services Bill and the new towns order coming in on Friday. Does he really think that the Dockyard Services Bill, which vitally affects Plymouth and Rosyth, and the new towns order, which vitally affects many other places, is fitting business for Friday?

Is the right hon. Gentleman aware that major decisions are likely to be taken on the future of Leyland Bus and Truck in the next few days? Can he assure us that there will be a statement on the matter either tomorrow or on Monday? That is the time scale in which the Government should be operating. I ask the right hon. Gentleman to guarantee that there will be statements on the rate support grant for the different parts of Britain before the summer recess.

We are awaiting the Government's decision on how they will react to changes that have been made to the Social Security Bill in another place. A few hours for debate, especially if they are made available to the House on the day of the royal wedding, will not do justice to legislation affecting millions of elderly and poor people in Britain. Will the right hon. Gentleman reaffirm that, in response to my request, he will arrange for the Foreign Secretary to report to the House when he returns from his visit to southern Africa next week?

Finally, will the right hon. Gentleman tell us when we are to hear the long-awaited statement on the Prime Minister's great anti-litter campaign? Will he take it from me that, on the basis of current calculations, the initiative seems as if it is to be as great a malfunction as Mr. Branson's earlier transatlantic odyssey.

Mr. Biffen: I shall take the Leader of the Opposition's questions in the sequence in which he presented them. It is a travesty to describe the business that I have announced as some sort of mess. He knows perfectly well that the House has to consider a good deal of business in the final two weeks before going into the summer recess. He knows that a well-judged programme of work has been presented for next week that will not detain the House unduly, unless there are those who are anxious to create mischief.

If the right hon. Gentleman wishes to make representations through the usual channels on the treatment of the Dockyard Services Bill, I shall take note of that. I hope, however, that he will recognise that, under successive Governments, Fridays have been properly treated as days for significant Government business as well as for other measures.

I shall refer to my right hon. Friend the Secretary of State for Trade and Industry the right hon. Gentleman's remarks about Leyland Bus and Truck and the possibility of a statement. I reassure the right hon. Gentleman by repeating what I told him last week. It is our plan to have the rate support grant announcement for the component parts of Great Britain laid before the House before it goes into recess.

We shall be making clear the Government's position and recommendations on the Lords amendments to the Social Security Bill. I must tell the right hon. Gentleman that for many people throughout the country, royal wedding or not, Wednesday 23 July will be an ordinary working day. I would not like to think that the right hon. Gentleman thought that for the House of Commons there was somehow to be a "second division" of work on that occasion. *[Interruption.]* I am sorry that those homespun observations have caused such anxiety and embarrassment on Opposition Benches.

Finally, I take account of what the right hon. Gentleman says about the desirability of the House learning from my right hon. and learned Friend the Foreign Secretary direct after he has concluded his present African journey, and I shall make that point known. Also, I hope that there will be a statement on United Kingdom 2000 next week.

Sir Ian Percival (Southport): May I draw my right hon. Friend's attention to the fact that early-day motion 991 on the death penalty for terrorists now has the support of 130 right hon. and hon. Members?

[That this House congratulates and thanks all those whose efforts played a part in securing the conviction of the Brighton bomber on charges of murdering five people and of those who so recently pleaded guilty in Belfast to murdering 17 people; extends its heartfelt sympathy to all who suffered loss or injury from their acts; asks itself whether there is available in such cases any penalty such as will in any sense meet the crime and whether in permitting the law as to penalties to remain as it is, it is doing sufficient to protect those who may be the next victims of such appalling evil; is of the opinion that it should give fresh consideration to extending the death penalty, now limited to treason and piracy, to criminal acts such as those done to terrorise; and asks the Leader of the House to arrange for it to have time to debate these matters.]

While I appreciate that my right hon. Friend cannot assist us before the recess, may I suggest that the horrific nature of the act referred to in the motion, and the fact that several people who have consistently voted against the death penalty support the motion show that this is not a closed subject? May I ask my right hon. Friend to give kindly consideration to allocating time to this subject, which is of great interest to the public, in the autumn programme?

Mr. Biffen: I take the point that my right hon. and learned Friend makes and I appreciate the terms in which he has put it to me. I shall consider it in the context of the overspill, but he will know that that is a fairly congested period of parliamentary existence. With the next session of Parliament, all sorts of additional opportunities may arise.

Mr. David Alton (Liverpool, Mossley Hill): Given the reply that the Prime Minister gave earlier this afternoon to my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) about laying the social security supplementary benefit regulations before the House, can the Leader of the House say when they will be laid? Will he also tell us the time scale for the review of secretarial allowances and whether that four-year review will look at fundamental questions as well as percentage increases?

Mr. Biffen: On the hon. Gentleman's first point, the order will be laid in good time and he need have no fear of being disappointed. On his second point, the four-yearly review is a fundamental review of the operation of the secretarial allowances and goes far beyond a consideration of mere percentages. No time limits have been suggested for reporting back, but I imagine that they will be reported back some time early next year.

Mr. Anthony Nelson (Chichester): Will my right hon. Friend give consideration before the recess to finding time for a debate to draw attention to the significant increase in overseas aid which the British Government are giving to many Commonwealth, including African, countries? It would provide a welcome opportunity for many of us to say to those Commonwealth countries which are now threatening to boycott and impose sanctions on the United Kingdom that they should not be allowed with impunity to bite the hand that feeds them.

Mr. Biffen: I fully understand my hon. Friend's anxiety that there should be parliamentary time for a debate on this topic; his point will receive widespread recognition. He will understand that I can offer no Government time between now and Parliament going into recess, but certainly the topic will still have considerable currency when we return in the autumn.

Mr. Merlyn Rees (Morley and Leeds, South): Is the Leader of the House aware of the major problems that face us in some inner cities of the deteriorating housing stock, particularly of houses built in the 1950s and 1960s? Is he further aware that, in the city of Leeds, the problem has come to a head with the balconies of high-rise blocks being in danger of falling off, and that the people living in them are genuinely worried that little can be done because there is no money? Can we expect a statement on that next week? It is all very well going into recess and I am glad that we are, but meantime, unless the Department of the Environment comes up with some money, some people are in a far worse position than they would be in the old slum dwellings.

Mr. Biffen: I am grateful for the right hon. Gentleman's word of appreciation about the proposal that we should rise for the summer Adjournment on Friday 25 July. I was beginning to wonder whether I had a single friend on this topic in the House. I am perfectly prepared to revise the date, if the House would so wish. I will refer the point about housing in Leeds and more generally to my right hon. Friend the Secretary of State for the Environment.

Sir Anthony Grant (Cambridgeshire, South-West): In addition to the statement by my right hon. and learned Friend the Foreign Secretary on his South African visit, will there be an opportunity, perhaps, to debate South Africa before we rise? If we did, it would provide an opportunity, first, for those who believe that economic sanctions are nonsense nevertheless to express the view that the National Government are being particularly pigheaded about the release of Nelson Mandela; and, secondly, for the Opposition to explain why, at a time when the pass laws were in full brutal effect, a Labour President of the Board of Trade was encouraging trade with South Africa and was saying in the House that if we stopped trading with countries with which we disagreed, we would soon be bankrupt. Perhaps the Opposition would wish to use a Supply day to refute the charge of humbug.

Mr. Biffen: I will try to give my hon. Friend as straight a reply as I can to a subtle question. I have to tell him that as things stand, if we are to go into recess on the date I have suggested, there will be no opportunity for a debate in Government time. Of course, there will be a recess Adjournment motion and the debates that arise from that. That may well give my hon. Friend the opportunity that he seeks.

Mr. Nicholas Brown (Newcastle upon Tyne, East): Will the Leader of the House ask his right hon. Friend the Secretary of State for Defence to make a statement next week answering points I raised in the Defence Estimates debate on Tuesday 1 July, on a Standing Order No. 10 application on Thursday 3 July and in questions to the Prime Minister on Tuesday 8 July about why the Harland and Wolff design drawings for the AOR1 were said to have been comprehensively costed in April and are still being reviewed at the Ministry of Defence now?

Mr. Biffen: As I have previously acknowledged, the hon. Gentleman is a persuasive advocate on that matter. I shall refer the points that he has raised to my right hon. Friend the Secretary of State for Defence.

Mr. Michael Latham (Rutland and Melton): Has my right hon. Friend seen early-day motion 1094 in the name of my hon. Friend the Member for Rugby and Kenilworth (Mr. Pawsey) about cement imports from Greece, on which Conservative Members saw the Minister for Housing, Urban Affairs and Construction this morning?

[That this House is gravely concerned about the damage that will be caused to both the United Kingdom cement industry and to employment by state subsidised cement imports from Greece; and calls upon Her Majesty's Government to make urgent and strenuous representations to the EEC Commissioners to amend the transitional arrangements to prevent this dumping taking place.]

Is he aware that it is an extremely urgent and important matter on which we expect a statement from the Minister for Trade next week?

Mr. Biffen: I was aware of the motion to which my hon. Friend refers and of the exchanges that took place on the topic involving my right hon. Friend the Prime Minister. As my hon. Friend will appreciate, it is a matter in which we are beholden, to some extent, to European Community commitments and institutions. However, I shall certainly pass on to my right hon. Friend the Secretary of State for Trade and Industry the anxiety that there should be a statement.

Mr. Peter Hardy (Wentworth): Did the Leader of the House tell us that we were to deal with Lords amendments to the Gas Bill late at night a week on Monday? Is that not an example of gracelessness, since I understand that the House of Lords has not yet finished consideration of that Bill? Might it not be taken amiss by their Lordships and would it not be entirely reasonable if they did feel that anger?

Mr. Biffen: The advice, which I am sure was most thoughtfully considered, may be based on a misapprehension. I would judge that we are likely to get on to that business at about 7 o'clock in the evening.

Mr. Cecil Franks (Barrow and Furness): I am sure that my right hon. Friend is well aware of the grave disquiet, not only in the House but throughout the country, concerning allegations against the deputy chief constable of Manchester and his subsequent removal from the inquiry into Northern Ireland. Will my right hon. Friend accept that hon. Members understand the difficulties of the Home Secretary, the Attorney-General and the Secretary of State for Northern Ireland in making any comment on the matter since they are the ultimate appellate authorities for matters within their responsibility? Will he convey to his right hon. Friend that, if the Police Complaints Authority ultimately decides that there is no substance or validity to the allegations made against Mr. Stalker, it would be most convenient for those who have been culpable in making those allegations, if such an announcement of innocence were to be delayed until after 25 July when hon. Members will not have the opportunity to raise the matter in the House?

Mr. Biffen: My hon. Friend has put those points to me previously. I am sure that he will appreciate that I cannot, very helpfully, go beyond what I said last week. I shall certainly put the point that he has raised to my right hon. Friends for whom it is relevant.

Mr. Dave Nellist (Coventry, South-East): Is the Leader of the House aware that if he is looking for someone to disagree with the 25 July recess date I will be the one? Apart from 4 million people on unintentional permanent holiday who are unemployed, most workers in this country get no more than four or five weeks holiday a year. If the arcane procedures of this place were brought into the latter half of the 20th century there would be a case for Members of Parliament having a similar length of holiday to workers in the rest of the country. [HON. MEMBERS: "It is not a holiday."] It is for Tory Members.

We should have that length of holiday if for no other reason than that, in this case, it would enable us to question the Prime Minister and the Foreign Secretary following the Commonwealth conference in August about why she is not prepared to implement economic sanctions against the apartheid regime in South Africa. We could then monitor the progress of those trade union organisations gearing themselves up in the next few weeks to implement such sanctions.

Mr. Biffen: The hon. Gentleman puts a lively point of view. I must most profoundly disagree with the proposition that the recess is analogous to a holiday. When I fought Coventry, East in the 1950s, that was a good apprenticeship. I lost nobly, I might say; Richard Crossman increased his majority. Let me tell the hon. Gentleman that I learnt many things. One was the hard work done by Maurice Edelman, Richard Crossman and Elaine Burton in that city during the recess. They would not have thought of that as a holiday. I hope that the hon. Gentleman will not cast aspersions to the effect that he is surrounded in the House by a mob that is about to decamp to the south of France.

Sir Eldon Griffiths (Bury St. Edmunds): As we are moving into the marching season in Northern Ireland, when the House of Commons will not be in session, may I ask my right hon. Friend whether he has seen the call by one hon. Member of the House that the Royal Ulster Constabulary should do less than its duty in policing the march at Portadown next weekend, and the call of another hon. Member that a statutory body, the Police Federation for Northern Ireland, should actively fight against the Anglo-Irish agreement? Will my right hon. Friend make sure that, before the House rises, the Secretary of State has an opportunity to make it clear that it is a criminal offence for a Member of the House or any other citizen to seek to procure the disaffection of a police officer, that it is the duty of every police officer to uphold the law without malice or affection and with fear or favour to none, and that no hon. Member can get outside of those obligations?

Mr. Biffen: My hon. Friend raises a particularly effective point at this time in the affairs of the Province.

I believe that there is a widespread if not universal desire in the House to applaud the bravery of the Royal Ulster Constabulary in carrying out one of the most invidious tasks that could befall any civilian police force. I understand that initially the points that my hon. Friend raised are matters for consideration by the police, but I shall certainly draw the attention of my right hon. Friend the Secretary of State for Northern Ireland to them, so that he may consider them.

Mr. Andrew Faulds (Warley, East): When can the House have the chance to debate the competence of the British Rail midland region management, where services and maintenance have disastrously declined over the past few years and which, on the motto "We're getting there," managed to produce the timetable for the Birmingham-Paddington services, due on 12 May, on 10 July?

Mr. Biffen: Last week it was the hon. Gentleman's gastronomy that was adversely affected—

Mr. Faulds: Only briefly.

Mr. Biffen: It has to be briefly; I rather treasure these exchanges. This week it is the hon. Gentleman's travel arrangements. I suggest that it could very well be a matter for consideration in the recess Adjournment debate, but in any case I shall refer the hon. Gentleman's point to my right hon. Friend the Secretary of State for Transport.

Sir Geoffrey Johnson Smith (Wealden): Can my right hon. Friend tell us whether it would be wise of us to expect a debate on the Peacock report before the recess?

Mr. Biffen: It would be foolish virginity of the most remarkable condition.

Mr. Robert Parry (Liverpool, Riverside):) I support the point raised by the hon. Member for Rutland and Melton (Mr. Latham) about the import of cement from Greece. I refer the Leader of the House to my early-day motion 1081.

[That this House, concerned at the increasing import of cement from Greece, the German Democratic Republic and Poland, which poses a threat to the United Kingdom cement industry and the stability of the home cement market, fears that over capacity, particularly in Greece, and further cheap imports will have a detrimental effect on jobs and investments; supports the Transport and General Workers' Union's special delegate conference on 21st July; and also calls upon Her Majesty's Government to take the necessary steps to protect the British cement industry and British working jobs.]

The right hon. Gentleman will be aware that there is a special delegate meeting of the Transport and General Workers Union, which is concerned about the effects that those imports may have on the cement industry in Britain and British worker's jobs.

Mr. Biffen: I understand that the concern is not confined to just one side of the House. It goes across a wide spectrum. I cannot add to the reply that I have already given, but I shall see that my right hon. Friend the Secretary of State for Trade and Industry knows of the interest.

Mr. Douglas Hogg (Grantham): The Leader of the House will be aware of the prolonged opposition that my constituents and I have levelled against a proposal to put low-level nuclear waste at Fulbeck airfield. I think that he will be aware that Fulbeck airfield was run by the Ministry of Defence, and that the original purpose for that has now ceased. Is the Leader of the House aware that many of my constituents believe that to use a former defence airfield for such a purpose is a breach of the principles enunciated by Sir Thomas Dugdale in the Crichel Down case at the time of his resignation? Will the Leader of the House take the opportunity to ensure that a senior Minister of the Crown tells the House whether the Crichel Down principle, as enunciated by Sir Thomas, still operates, or whether it has been abandoned?

Mr. Biffen: I shall pass on the request. I realise that my hon. Friend's constituency has a lively interest in the matter. I shall see what I can do to secure an answer for him.

Mr. Greville Janner (Leicester, West): As the school holidays are approaching even faster than our own, and as schoolchildren will have even less to do than most hon. Members, will the right hon. Gentleman allow time for a debate on road safety in the absolute knowledge that a considerable number of children will be tragically killed on our roads during their holiday? Will he bear in mind the carnage on the roads in constituencies, such as mine, that are being cut through the great estates, dividing the people who live on them, and causing a tremendous new danger to the children who play on them?

Mr. Biffen: The hon. and learned Gentleman will appreciate my difficulties about suggesting the availability of Government time. The hon. and learned Gentleman may have a chance to make the point on Monday of next week during transport questions.

Mr. Derek Spencer (Leicester, South): My constituents who speculated in a vote for the alliance in the county council elections last year got their fingers badly burned when the rates were hoisted by 40 per cent. They are now horrified to learn that, apparently, the alliance stands for the dismantling of the multi-fibre arrangement, and that would cost thousands of jobs in my constituency. Can we have an early debate, before the arrangement is renegotiated, so that those contemplating voting in the local government by-elections in my constituency in September know exactly what it will cost them to vote alliance this time?

Mr. Biffen: I shall gladly consider the question. A debate on the multi-fibre arrangement would demonstrate that not only was the alliance in favour of its dismantling, but that it carries its own seeds of discontent, because the hon. Member for Rochdale (Mr. Smith) strongly agrees with the alliance policy.

Mr. Geoffrey Lofthouse (Pontefract and Castleford): I ask the Leader of the House whether he has had an opportunity to read early-day motion 1078.

[That this House calls upon Her Majesty's Government to provide time in Energy Efficiency Year for a debate in the House on energy efficiency; notes the Energy Committee's recommendation that such a debate would appropriately complement the extra-parliamentary activities being held during the year; and believes that the House is the appropriate forum for the Secretary of State for Energy to be held accountable for the level of success of the expensive 1986 campaign to promote energy efficiency by which he has set so much store.]

The early-day motion requests the Government to provide time for a debate on energy efficiency. Is the Leader of the

[Mr. Geoffrey Lofthouse]

House aware that the Select Committee on Energy recommended that such a debate would be complementary to the extra-parliamentary activities taking place? Does he think that the Secretary of State for Energy should be accountable to the House for activities during Energy Efficiency Year?

Mr. Biffen: I understand the point that the hon. Gentleman has made, especially in the context of it being Energy Efficiency Year. There is no prospect of a debate in Government time before we go into recess. Obviously, it could be considered in the overspill.

Mr. Jonathan Aitken (Thanet, South): Can my right hon. Friend tell us more about the latest spot of bother on the Channel tunnel, and why it necessitates a surprise late-night debate during the coming week? Will he ensure that the motion that we debate on that occasion will be broad, so that we can discuss the latest disclosures in today's press reports that the Eurotunnel consortium has had to call an emergency board meeting, following advice it received from its financial advisers in the City of London that it is unable to raise even the first £200 million of equity for this amazingly successful £4 billion project?

Mr. Biffen: I am in no position to comment on the financial problems that my hon. Friend believes might exist. However, the motion will be tabled later today. It will invite the House to instruct the Select Committee on the Channel Tunnel Bill to consider suggestions by petitioners for alternative means of access and egress to the Folkestone terminal.

Mr. Dennis Skinner (Bolsover): Will the Leader of the House revise his opinion about having a debate on South Africa, following his answer to the hon. Member for Cambridge, South-West (Sir A. Grant)? Such a debate could prove interesting. It would give us the opportunity to read out the names of all those 30-odd Tory Members of Parliament who are making money out of South Africa. It would enable the hon. Member for Stockton, South (Mr. Wrigglesworth) — a spokesman for the Social Democratic party—to explain that he is making money out of apartheid supported by Barclays bank. It would enable the Liberals and the Social Democrats to explain why they took £2,500 from General Accident, which is making money out of the alleyways in South Africa. Such a debate might lead those hon. Members, if they are concerned about the morality of apartheid, to say that they will give the money back. If the right hon. Gentleman has any problems in setting aside such a day, may I say that some of us are prepared to come here on the day of the wedding.

Mr. Biffen: Thank you very much. When the hon. Gentleman has stopped bending my ear, and as I have so little time available between now and the recess, may I discreetly and respectfully suggest that he bend the ears of his own Front Bench because there is a day and a half of Opposition time. I know the hon. Gentleman's difficulties——

Mr. Skinner: I am working on it.

Mr. Biffen: Good—keep working.

Mr. Peter Bruinvels (Leicester, East): Following the suspicious circumstances surrounding the election of Mr. John Macreadie as general secretary of the Civil and Public Services Association and the allegation of vote rigging and intimidation, will my right hon. Friend find time for a debate on employment and election for union office, as it is highly likely that a new election will be called by the Right wing, the moderates and the sensible members of the Civil Service? Is there not a need for a postal election, and therefore no intimidation, rather than a workplace election? Will my right hon. Friend provide time for such a debate?

Mr. Biffen: I think that my hon. Friend and the House generally will agree that the union is carrying out an inquiry. I should have thought that it would not necessarily be a bad thing to wait until the consequences are known.

Mr. D. E. Thomas (Meirionnydd Nant Conwy): Will the right hon. Gentleman confirm that his right hon. Friend the Secretary of State for Wales is still a member of the Government? Having confirmed that, will the right hon. Gentleman have a word with his colleague, if he sees him in Cabinet, and ask him whether he will make a statement to the House on the fundamental issue of the effect of radiation on sheepmeat in my constituency and in other parts of north and mid-Wales, as he is the only Minister with responsibility for agriculture who has not made a statement to the House on that subject?

Mr. Biffen: I am a little concerned that the hon. Gentleman is perhaps so caught up in the glorious countryside of Meirionnydd that he has not come to the House to realise that my right hon. Friend the Secretary of State for Wales is a most effective Minister in Westminster and Whitehall and is fully in charge of affairs. I shall tell my right hon. Friend of the sad circumstances which seem to have overtaken the hon. Gentleman and ascertain whether there is any way in which he can remedy them.

Mr. Edward Leigh (Gainsborough and Horncastle): I notice that we are to have a debate on secretarial allowances. Perhaps alliance Members of Parliament need particular help in this respect in light of the remarkable amnesia recorded on the part of 2·5 million people. An opinion poll published this week shows that, although 26 per cent. of the population voted for the alliance last time, only 18·5 per cent. remember doing so.

Mr. Biffen: I would say with all my heart that we have enough on the agenda next week without introducing that topic.

Dr. Norman A. Godman (Greenock and Port Glasgow): As one who has an abiding interest in safety at sea and related matters, I deplore the fact that there is not to be a debate on next week's boat race. After all, there is the important issue of the safety of participants in that race. I should like to declare a personal interest. With no consultation whatsoever, I have been placed in the same boat as the hon. Member for Littleborough and Saddleworth (Mr. Dickens). With respect to the hon. Gentleman, I would suggest, on a fair amount of experience, that he constitutes a safety hazard on any vessel of less than 100 tonnes gross registered tonnage. I sincerely hope that an urgent constituency issue will take me away from the House next Wednesday.

Mr. Biffen: I understand the personal dilemma that confronts the hon. Gentleman. I can say only that he

should use the usual channels with he utmost expedition to secure a clear undertaking on pairing. As to the wider issue——

Mr. Frank Cook (Stockton, North): This is the silly season.

Mr. Biffen: I have no responsibility for what happens next Wednesday. The point raised by the hon. Member for Greenock and Port Glasgow (Dr. Godman) is precisely one that could feature in the recess Adjournment debate.

Mr. John Browne (Winchester): Does my right hon. Friend accept that there is a great problem in Winchester whereby central Government are calling for the building of 65,000 new homes in an area where there is insufficient local infrastructure to cope? The proposed buildings are far in excess of the number wished for by the local authorities. Does my right hon. Friend accept that this is a national problem in two respects? First, the decision grossly overrides locally expressed democracy. Secondly, it will divert valuable and much-needed resources from the north and midlands to an area where an excess number of these homes are being built. May we have a proper debate on that subject?

Mr. Biffen: I am afraid that I cannot offer a debate within the time scale that we are considering. I shall refer my hon. Friend's point to my right hon. Friend the Secretary of State for the Environment, because it is the Department of the Environment which is capable of dealing with that problem.

Mr. Jeremy Corbyn (Islington, North): Is the right hon. Gentleman aware of early-day motions 1043, 1049 and 1066 on the position in Chile?

[That this House, condemning the continuing oppression in Chile, expresses its full support for the working people of that unhappy country in their national strike on 2nd and 3rd July; and congratulates them on their courageous struggle for freedom and democracy.]

[That this House supports the objectives of the National Civic Assembly of Chile, which is calling for a return to democracy and an end to military dictatorship in that country; and deplores the repression of political opposition and dissent being carried out by the military rulers of Chile.]

[That this House is alarmed at the reports from Chile of police brutality, arrests and charges against the organisers of a national day's protest; and further calls on Her Majesty's Government to cease all military contact with Chile and to recall Her Majesty's Ambassador.]

Does not the right hon. Gentleman feel that it is essential that, before the end of this session, there is time for a full debate on Britain's relationships with Chile, on the use by the British military of Chilean bases as part of the Falklands enterprise and on the sale by British companies of arms to the Chilean Government, which are used to kill people on the streets of Santiago who are protesting against the military dictatorship which has overtaken that country?

Mr. Biffen: The hon. Gentleman thoughtfully sought a debate before the conclusion of this Session. Clearly, that subject could be considered when we come to the overspill, but it cannot feature in the business between now and the recess.

Mr. Tony Banks (Newham, North-West): I know how the Leader of the House felt when he lost in Coventry. In 1970, I lost by the odd 26,000 votes in East Grinstead. Is the right hon. Gentleman aware of the concern expressed by both sides of the House that, when next week we debate secretarial and clerical allowances, the House will be asked to break with the agreed formula? Is the right hon. Gentleman aware that these additional resources are desperately needed by hon. Members on both sides of the House, especially those who represent inner-city constituencies where the problems can be weighed, there are so many of them? Is he aware also of the scurrilous allegations which have been made? Ian Aitken made one in the *Guardian*. If some hon. Members are not using their allowances as they should, why should not all the allowances be paid through the Fees Office? We desperately need that money. We need the resources to represent our constituents. When will we have the vote? On what shall we vote?

Mr. Biffen: Most of the hon. Gentleman's points relate to the general review of the secretarial allowance — *[Interruption.]* May I just answer this point? It must be well into July. The debate on the order will concern the uprating for the current year. The formula linkage has broken down because of restructuring.

Mr. Derek Fatchett (Leeds, Central): Will the right hon. Gentleman arrange for the Secretary of State for Defence to make a statement so that we can ascertain the progress of the Vickers bid for the royal ordnance factory in Leeds? Will the right hon. Gentleman ask his colleague to square any potential sale with previous statements which show the Government's commitment to privatise the ROF as a whole and not in part? In the same statement, will the Secretary of State for Defence guarantee that the sale will be in line with the Government's competition policy? That sale will result in there being only one tank producer in this country under private ownership, over which the Government would have no control. Is it not about time that the Government played the game squarely by the ROF employees in Leeds, not as they have done over the past month?

Mr. Biffen: I reject the remarks which surrounded the hon. Gentleman's central question. He asked me to request my right hon. Friend the Secretary of State for Defence to make a further statement on that matter. As the hon. Gentleman will appreciate, my right hon. Friend the Secretary of State for Defence answered a private notice question on this matter only a short while ago. Of course, I will refer the hon. Gentleman's remarks to my right hon. Friend the Secretary of State.

Mr. D. N. Campbell-Savours (Workington): Can we have a debate on the regional reorganisation of the BBC? Is the Leader of the House aware that the BBC board has taken a most unpopular, unpalatable and unacceptable decision in the view of the northern region by moving Cumbria from the north of England into the north-west? Is he aware that that decision has antagonised the whole of my electorate and the electorates of the hon. Member for Penrith and The Border (Mr. Maclean) and of my hon. Friends the Members for Carlisle (Mr. Lewis), for Copeland (Dr. Cunningham) and others in the northern region? Even at this late stage, may we have a debate on this matter?

Mr. Biffen: I cannot comment upon the substance of the hon. Gentleman's remarks. However, if he is correct, it shows a remarkable lack of sensitivity on the part of the

[Mr. Biffen]

management of the BBC and that has been a matter of concern to many on the Conservative Benches for some time. I will examine the hon. Gentleman's points and see what time might be available later in the year.

Commonwealth Games (Boycott)

4.11 pm

Mr. Harry Ewing (Falkirk, East): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"The threat to the Commonwealth games in Edinburgh caused by the boycott by African countries as a result of the British Government's policy towards South Africa."

The importance of this matter can hardly be over-emphasised because many people now believe that the withdrawal of Nigeria and Ghana is likely to be followed by other African Commonwealth states and that might be the beginning of the total break-up of the Commonwealth. It is also important to provide an opportunity to make these African nations understand that the people of this country in general, and of Scotland in particular, are whole-heartedly behind them in their present struggle.

It would be a great tragedy if the African nations were to confuse the Government's policy with the sympathy of the people. The sympathy and support of the British people are wholeheartedly with the people of these African nations. Therefore, it is important that we have time to discuss this urgent matter. In order to demonstrate support for the African nations, many towns and cities throughout Great Britain over the past few weeks have been flying the African National Congress flag.

The matter is specific because it relates to the Commonwealth games. It is urgent because the games are due to open two weeks from today. There is now a real fear that the games will not take place if there are any more withdrawals. You, Mr. Speaker, heard the Leader of the House openly say that there will be no opportunity for a debate on South Africa before the House rises for the summer recess. I respectfully suggest that you, Mr. Speaker, should create that opportunity by granting this application under Standing Order No. 10.

Mr. Speaker: The hon. Member for Falkirk, East (Mr. Ewing) asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"The threat to the Commonwealth games in Edinburgh caused by the boycott by African countries as a result of the British Government's policy towards South Africa."

As the hon. Gentleman knows, the decision which I must take in this matter is whether to give his application precedence over the business set down for today or for Monday. I regret that I do not consider that the matter that he has raised is appropriate for discussion under Standing Order No. 10 and I therefore cannot submit his application to the House.

ESTIMATES DAY

[1ST ALLOTTED DAY] [SECOND PART]

SUPPLEMENTARY ESTIMATES, 1986-87

Class III, Vote 1

European Communities (Budget)

[Relevant documents: Fifth report of the Treasury and Civil Service Select Committee on Budgetary Discipline in the European Community, HC 203 (1985-86); the Government's response to the fifth report in their second special report, HC 508 (1985-86).]

4.13 pm

Mr. Peter Shore (Bethnal Green and Stepney): On a point of order, Mr. Speaker. I would like to raise a point of order which relates to the business about to be called in relation to the Supplementary Estimate in connection with the European Community budget.

The House is placed in an appalling difficulty. Our proceedings are a mixture of farce and scandal. We are being asked to approve an Estimate of no less than £930 million in relation to a budget that has not yet been formally agreed. We all recall that the last European budget of this year was declared to be unlawful and was struck out by the European Court. The present budget has not yet completed its final stages, although I understand that the budget committee of the Council of Ministers agreed it this morning.

The second element of scandal is that no information is available to the House about the composition of the budget or the categories of expenditure which have been approved. I can think of no occasion when the House has been asked to approve the payment of sums of this magnitude in relation to objectives about which the House has no information.

I suggest through you, Mr. Speaker, to the business managers that the debate which is to follow should properly be postponed and that no proceedings should be concluded tonight in advance of full information. Also, the Ministers concerned should come to the House tomorrow morning and make an oral statement at the first opportunity.

Mr. Nigel Spearing (Newham, South): Further to that point of order, Mr. Speaker. You will recall that there was an application under Standing Order No. 10 earlier this week from the hon. Member for Southend, East (Mr. Taylor) which related to a matter on today's Order Paper. As I understand it, the position is even more serious than my right hon. Friend the Member for Bethnal Green and Stepney (Mr. Shore) has stressed. This afternoon the Assembly Parliament in Strasbourg is being invited to pass a budget which, if agreed, will increase taxation transfer in this country from British taxpayers to the European Economic Community by amounts which at present are unknown, because the Government have not made a statement on that point.

I submit that the amount of taxation should be known before we debate the business before us, and should certainly be known before we debate the business that is due to start at 7 pm. As the Government have not yet made a statement, they should make a statement now, otherwise the business that we are involved in cannot be properly entered into and the powers of this House will be removed without our knowledge.

Mr. Speaker: None of these matters concerns me, as I am not responsible — as the right hon. Member for Bethnal Green and Stepney (Mr. Shore) said — for the business brought before the House. However, I can announce to the House that I have selected the amendment in the debate that follows in the name of the right hon. Member for Worthing (Mr. Higgins) which would, if passed, reduce the vote by £667 million.

Mr. Neil Kinnock (Islwyn): Further to that point of order, Mr. Speaker. I am ready to acknowledge, as every hon. Member should, that you, Mr. Speaker, do not have charge of the business brought before the House. Equally, I am sure that you would be the first to acknowledge that you have primary responsibility for the good order of this House and for assisting in ensuring — although this cannot be your responsibility alone — that the Government do not become irresponsible in their relations with the legislature.

Today we have a conjunction of circumstances in which the body that will, in great part, determine the budget has not made its decision, and which, in its preceding discussions, has given every impression that it is unlikely to make a firm decision. However, we are required today to debate a motion and an amendment to a motion that anticipates the outcome of the budget decisions. We are discussing something that does not exist — *[Interruption.]* It is all very well for the Economic Secretary to the Treasury to make comments from a sedentary position. I would have thought that any responsible Government Minister would have done his best to ensure that the timing of the debate was such as to make it a debate of substance instead of a debate of speculation.

I appeal to you, Mr. Speaker, to use your good offices to make the Government business managers consider whether it is appropriate in terms of the orders of this House for us to debate the matter this afternoon.

The Economic Secretary to the Treasury (Mr. Ian Stewart): Further to that point of order, Mr. Speaker. I should make it clear that neither the Estimate nor the debate is designed to approve or disapprove of the 1986 European budget. The motion represents a proposal to validate transfers between the Consolidated Fund and the contingencies fund via a method that has long been recognised as satisfactory by the Treasury and Civil Service Committee. The Committee put forward the matter for debate. It does not depend on the size of the European budget because it relates to the collection of levies and duties.

This debate happens to coincide with the day on which budgetary procedures are taking place in Europe. No doubt my hon. Friend the Minister of State, who is taking part in them, will report to the House after the completion of that process — *[Interruption.]* But that does not affect the proposals on the Order Paper, which do not involve any increase in public expenditure or in payments from this country to the EC.

Dr. Oonagh McDonald (Thurrock): Further to that point of order, Mr. Speaker. In the Supplementary Estimates, it says that the provision of £930 million

[Dr. Oonagh McDonald]

"is sought to pay agricultural levies and customs duties which will have been collected under the common customs tariff to the European Community, approximately one month earlier than the dates on which they would normally be paid"
at the request of the Commission.

We are talking about amounts that are being paid in as our contribution to the Community budget. The point is that we do not know how much the budget is, or what its constituent parts are. We do not even know whether it has been decided upon by the European Parliament. That is to be decided later this afternoon. We have no details before us, and rumour has it that we shall only be told them in a written answer tomorrow.

Mr. Ian Gow (Eastbourne): Further to that point of order, Mr. Speaker. I wonder whether my hon. Friend the Economic Secretary was absolutely accurate in what he said to the House a moment ago. We are being asked to approve an enormous sum of money. The motion standing in the name of my right hon. Friend the Financial Secretary refers to payments to the budget of the European Communities for the year ending 31 March 1987.

In my respectful submission, there is at present no such thing as a budget of the European Communities for the year ending 31 March 1987. We have been told that the European Assembly is today debating the budget for the year ending 31 March 1987, and will be able at least in part to decide upon it——

Mr. Terence Higgins (Worthing): It may not decide.

Mr. Gow: That is true. It is possible that the Assembly could debate the matter all night. It is wrong that the House should be asked to approve a payment of £930 million to a budget that does not exist, and which is wrongly described in the motion as being a budget that does exist. In those circumstances, would it not be better if the debate, including the most excellent amendment standing in the name of my right hon. Friend the Member for Worthing (Mr. Higgins), was held after the conclusion of the European Assembly's deliberations?

Mr. Nicholas Budgen (Wolverhampton, South-West): Further to that point of order, Mr. Speaker. I have two points to make, Mr. Speaker. First, my hon. Friend the Economic Secretary said that the Treasury and Civil Service Committee approved of this procedure. But the procedures of the House are not decided by the Treasury and Civil Service Committee. We may have a view about the matter, but it would be plainly wrong for my hon. Friend to suggest that the Select Committee is some alternative to your authority, Mr. Speaker.

Secondly, when my hon. Friend the Member for Eastbourne (Mr. Gow) was on the Front Bench, he gave a binding undertaking on behalf of the Government that there would be no further recourse to the House for extra funds. He gave that undertaking on behalf of the Government. There is plainly a grave imbalance, if not a constitutional crisis, which the Government must face. It is wrong that they should come before the House with this proposition when they do not know the extent of the change in position, and when the House does not know the extent to which they have gone back on the solemn undertaking given by my hon. Friend the Member for Eastbourne.

Mr. Teddy Taylor (Southend, East): Further to that point of order, Mr. Speaker. The House is being asked to agree to either the motion or the amendment. It is being asked to give the European Communities either a lot of money in advance, or very little. The motion is based on the premise that there is a cash flow shortage. But at the moment we do not know whether there will be a cash flow shortage after the European Assembly has made its decision. We understand that the budget has left the Common Market without enough money to pay its bills. But it will be impossible for any hon. Member to make a reasonable decision about the motion if he does not know whether that cash flow crisis still exists.

We read in the newspapers that the Common Market budget will give authority for up to 1·4 per cent. to be raised from VAT, which will involve a huge additional sum. But we do not have the slightest idea whether that is the real figure. Hon. Members will find it impossible to decide whether to vote for the motion or the amendment. We know that there was a cash flow crisis last week, but we do not know whether there is a crisis now. We just do not know how much extra money the European Assembly and the Council of Ministers have agreed to take.

Is there any way in which hon. Members can postpone the debate? No hon. Member can know whether there is still a cash flow crisis in the Common Market, although it appears that the Council of Ministers may have solved it by agreeing to an extra £2 billion.

Mr. Dennis Skinner (Bolsover): Do you agree, Mr. Speaker, that during the past few years, and particularly since the Common Market went bankrupt, this constitutional difficulty has raised its ugly head in the Chamber quite a few times? Points of order are being raised because hon. Members feel that they are being placed in great difficulty because the Common Market wants the power when it has not got the money. Hon. Members are always being urged to believe that there should be no taxation without representation, but the Common Market and the Government are cutting across that principle.

There is another problem, in that perhaps the debate is being held today because the Treasury and Civil Service Committee is going on a fact-finding tour next week. I have received assurances that if the debate is postponed, not until next week, when it would be inconvenient for the Committee's members to attend, but until the following week or even later, no inconvenience would be caused to those travelling to all the corners of the world in search of those very important facts. So if there is any question of postponing the debate, I can say that there is no problem, providing that it is held within the 10 days following Sunday.

Mr. Eric Forth (Mid-Worcestershire): If anything, the position is even more complicated than my hon. Friends the Members for Eastbourne (Mr. Gow) and for Wolverhampton South-West (Mr. Budgen) have pointed out. The date mentioned in the motion is 31 March 1987, and the amount being asked for is supposed to take us up to that period. But the EEC budget runs for a calendar year, from January to December. We are therefore being asked to debate the amount of money before us today, which would take us through until March 1987, when we do not know precisely what the EEC budget for 1986 is, or what it will be for 1987.

Thus I suggest that the position is even more difficult than has been suggested so far. I hope that the House will be given time to consider these issues before being rushed into voting this huge amount of money.

Mr. Ron Leighton (Newham, North-East): Further to the point of order, Mr. Speaker. We are faced with a difficult problem. The House is accustomed to being continually asked to rubber stamp increasingly large sums of money to the Common Market. We are presently in a state of flux because we are being asked to vote money to a budget which, as the hon. Member for Eastbourne (Mr Gow) has said, does not exist. Would it not be better to postpone this debate until we know what the budget is? Then we would know what we were voting money to.

Mr. Budgen *rose*——

Mr. Speaker: I do not think it will help. The hon. Gentleman has had his say and I now want to have mine.

I appreciate that the House is in difficulty but I think we should proceed by stages. The vote is for a supplementary sum not exceeding £930 million. I have already announced to the House that I have selected the amendment in the name of the right hon. Member for Worthing (Mr. Higgins) who is the Chairman of the Treasury and Civil Service Select Committee. If the House feels as strongly about this as it evidently does, it has a remedy of voting for that amendment.

Mr. Gow *rose*——

Mr. Budgen *rose*——

Mr. Speaker: It is no good hon. Gentlemen bobbing up and down. I have no power to postpone this debate. The hon. Member for Wolverhampton, South-West (Mr. Budgen) may make his point.

Mr. Budgen: On a point of order, Mr. Speaker. I attacked my hon. Friend the Member for Eastbourne (Mr. Gow) and he is hoping to catch your eye on a point of order to explain that what I said was, perhaps, wrong. I hope that you will be able to see him more clearly in a moment or two.

Mr. Speaker: I am amazed that the hon. Gentleman believes that he may have been wrong, but if the hon. Member for Eastbourne (Mr. Gow) thinks he was, perhaps he will tell us.

Mr. Gow: Further to that point of order, Mr. Speaker. I have no wish to criticise the former Minister of State, Treasury who spoke in last year's debate on 22 October. However, on a point of order, my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) made some observations about what the former Minister said. It may be convenient for the House, and certainly for my hon. Friend the Economic Secretary to the Treasury, if I remind you, Mr. Speaker, of what was said on that occasion by my right hon. Friend the Member for Worthing (Mr. Higgins), whose amendment you have selected for debate this afternoon.

Mr. Budgen: What did you say?

Mr. Gow: I am coming to that. I wish to remind you, Mr. Speaker, of the pertinent question which was put on 22 October by my right hon. Friend the Member for Worthing:

"can he"—

that was the then Minister of State—

"give us a categorical assurance that the Government will not in any way increase the sums available to the Common Market before those negotiations take place?"

The Minister replied:

"I repeat"——

[Interruption.] That is what he said—

"that I find it impossible to envisage circumstances"——

Mr. Teddy Taylor: Withdraw.

Mr. Gow: I am quoting from the *Official Report* and my hon. Friend should not rebuke me for doing so. The Minister said——

Mr. Taylor: What happened to him?

Mr. Gow: My hon. Friend must not lead me astray. The Minister said

"I find it impossible to envisage circumstances in which the Government will come back to the House in the way that my right hon. Friend describes"—[*Official Report*, 22 October 1985; Vol. 84, c. 186.]

My hon. Friend the Member for Wolverhampton, South-West described those words as a

"categorical assurance given on behalf of the Government."

I submit that they did not amount to a categorical assurance but amounted to a certain incredulity expressed by the then Minister of State as to what would happen.

If I have the good fortune to catch your eye, Mr. Speaker, I shall explain why I shall be voting in the Lobby for the amendment standing in the name of my right hon. Friend the Member for Worthing.

Mr. Speaker: I think the wisest thing would be to see how the Minister gets out of that.

Motion made, and Question proposed,

That a supplementary sum, not exceeding £930,000,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1987 for expenditure by the Treasury in connection with payments to the Budget of the European Communities not covered by direct charges on the Consolidated Fund under section 2(3) of the European Communities Act 1972, as set out in House of Commons Paper No. 439.—*[Mr. Ian Stewart.]*

Mr. Speaker: I have selected the amendment in the name of the right hon. Member for Worthing (Mr. Higgins).

Mr. Spearing: On a point of order, Mr. Speaker.

Mr. Speaker: I will take it, but very briefly.

Mr. Spearing: I am much obliged, Mr. Speaker. A moment ago, Mr. Speaker, you said that there was no way in which you could adjourn the debate. May I put it to you that, in the Standing Orders of the House, there is a mechanism which has been inserted over the years when the House meets a difficulty and which could be available at this moment. If a Member rises on a point of order and wishes to adjourn the House on a particular matter, it is within the discretion of the Chair to accept the motion.

As I understand it, if the motion is accepted there is a debate—it may be short or long—on whether the House should proceed to the Question. Bearing in mind what you have heard, Mr. Speaker—that there is a non-existent budget to which the House is now being invited to vote money, the basis of our power—and the fact that we have heard nothing from the Treasury Bench on these points of order—that is unusual and should be marked —I therefore, beg to move, That the debate be now adjourned.

[Mr. Spearing]

A motion having been moved, That this House do now adjourn, MR. SPEAKER, *pursuant to Standing Order No. 28 (Dilatory motions in abuse of rules of the House), declined to propose the Question thereon to the House.*

Mr. Speaker: The Question is the motion on the Order Paper. For the third time, I announce that I have selected the amendment in the name of the right hon. Member for Worthing (Mr. Higgins).

4.36 pm

Mr. Terence Higgins (Worthing): I beg to move,

That Class III, Vote 1, be reduced by £667,000,000.

The House is not in bad humour this afternoon, but I do not think that this should in any way diminish the profound importance of the points of order which have been raised. This is a matter of great moment. It provides a clear argument, which I had not anticipated making, in favour of the amendment which I propose.

Clearly if there is no budget at this moment — we have had no sign from the Economic Secretary that such a thing exists—there must be an overwhelming case for supporting this amendment to a motion which would seek to finance something which does not exist. It is sad that the House is not more crowded. If hon. Members had heard what has just gone on, many would have felt grave disquiet at the situation in which we find ourselves and would in due course have been prepared to support the amendment. I certainly hope that they will, assuming of course that the Government do not feel it right—I think they should — to accept the amendment that I have proposed.

If one studies the Order Paper, a slightly strange situation emerges because the amendment in the name of the Opposition is for a reduction of £10,000 whereas mine is for a reduction of £667 million—a slight disparity. None-the-less, I hope that that in no way—not least for the reasons which have just been adduced—deters the Opposition from supporting my amendment in the Lobby this evening. I am heartened by the fact that my amendment has received support from those with views as normally disparate as my right hon. Friend the Member for Taunton (Sir E. du Cann) and the hon. Member for Bow and Poplar (Mr. Mikardo). It commands wide support, and that should encourage hon. Members to vote in its favour this evening.

Before I deal with the substance of the amendment I wish to comment on the procedure under which we are having the debate. The substitution of Opposition days and Estimates days for the old Supply days is, on the whole, working satisfactorily. I am glad the Government have seen fit, on various occasions, to divide those days in half so that we may debate a variety of subjects. I also welcome the fact that the Government have put a motion on the Order Paper that we should have a vote at 7 o'clock. A situation wherein we had a debate ending at 7 o'clock and the vote at 10 o'clock would be reminiscent of the system introduced by the late Richard Crossman wherein we had debates in the morning and the vote at 10 o'clock. I think his memoirs have been of more lasting interest than his procedural reform. The motion that the Government have put down is a convenient one.

I think it is important that members of Select Committees which have an Estimates day should be given more notice than they are at present. Today, it is a wide-ranging debate in which many hon. Members are interested but, generally speaking, Estimates days are on a subject in which the specific Select Committee has the greatest interest and it may be very difficult for Members to attend at short notice. I hope that my right hon. Friend the Leader of the House will make a note of that point.

Having said that, let me spell out the purpose of the amendment. I do so from the position of one who believes that we are right to be members of the EEC, but, nonetheless, who on this occasion, particularly in the light of the earlier points of order, feels grave disquiet at the way in which it is going, particularly in its financial affairs.

The purpose of the amendment is not to prevent—unless we find that there is not a budget at any stage—the eventual payment of the sums involved. The House will have noticed that my amendment does not cover the full amount of the estimate. The reason for that is that the difference between the two sums has already been paid to the EC regardless of the fact that it does not have a budget.

My amendment seeks to stop the procedure, which would not be repeated, whereby the House is asked to pay to the Community amounts which would normally be paid under the own resources procedure in advance of the due date, but paid not only in advance of the due date, but in advance of the due date without payment of interest, even though, if the situation were reversed and money was owed in the other direction, we would have to pay interest, at a penal rate. So the purpose of the amendment is simply to prevent the payment being made in advance—not the eventual payment of the sum involved. That is something that the House should support.

The main reason, apart from those that I have already mentioned, why the House should support the amendment is that the whole basis on which we have been increasing resources to the Community has been that there will be effective budgetary discipline. But, as the report of the Treasury and Civil Service Select Committee on budgetary discipline in the EC makes clear, the reality is that that has not been effective. If it were effective it would not be necessary to pay the sums in advance. Therefore, the amendment seeks to bring out the fact that the discipline is not working effectively and that we should not make such payments which, as I understand it, we have no legal obligation to make.

We were told last year when the own resources—the VAT payments—were increased from 1 to 1·4 per cent. that there would be no need for such temporary expedients. My hon. Friend the Member for Eastbourne (Mr. Gow), who was at that time in the position of my hon. Friend the Economic Secretary this afternoon replying to the debate, made it clear that once we had increased the own resources there would be no need to have the rather sordid transactions of this kind; that the temporary expedients would no longer be necessary.

The report to which I have just referred makes it clear that budgetary discipline has not been enforced. The Treasury and Civil Service Select Committee has always expressed doubts about that and there is a long history of the matter. Our earlier report on budgetary discipline and the Fontainebleau agreement points to the argument put forward by the Prime Minister that more EC members are becoming net contributors and that that is the best discipline that we could possibly have.

The reality is that that has proved completely untrue. Indeed, the way in which, for example, the German

Government have been operating makes it clear that the fact that people are net contributors has not imposed the kind of discipline that should be imposed. I regret to say that it has not been reflected in the attitude of Her Majesty's Government towards budgetary discipline, even though we have certainly been better than some others, not least in the matter of the illegal budget, and so on, with which I shall deal in a moment.

None the less, I hope that in the light of the earlier points of order the Government will come to the House at the earliest moment when any hard information is available to tell us what is happening in Europe with our taxpayers' money. I hope that if that information is available by 7 o'clock the Government will come to the House—they have an obligation to do so—and tell us the up-to-date position. Be that as it may, it is still right to vote for the amendment. However, at the moment we are relying on press reports on what is happening there. If one then tries to ascertain the position from the Treasury, we are told that no information is available. We do not know where the press reports are coming from, but there are strong signs that we are now very close to the 1·4 per cent. ceiling which was agreed only a short time ago.

That being so, we should raise the question of the communiqué of the then presidency of the European Council following the Fontainebleau agreement. That said:

"One year before the new ceiling is reached, the Commission will present a report setting out the state of play on:

—the result of the budgetary discipline

—the Community's financial needs

—the breakdown of the budgetary costs among Member States".

If indeed we are approaching that 1·4 per cent. figure, we should ask whether the Commission is proposing to make such a statement. I hope that my hon. Friend the Economic Secretary will be able to tell us about that.

But the fact is that the Estimate we have before us this afternoon is much larger than any of the previous such Estimates. It goes on for a much longer period and is based on various criteria of acceptability which the Government have in no way stated, and that is clearly unsatisfactory.

In particular, the report on budgetary discipline to which I referred points out that that discipline is simply not working. I refer in particular to paragraphs 6 and 7 of our report. That brings out clearly the way in which the Council of Ministers has not been prepared to stick to the guidelines to which it agreed. Indeed, paragraphs 6, 7 and 8 of the report spell out in detail the way in which it has constantly increased the resources against the view that budgetary discipline should be imposed. On top of that we have had the clear conflict between the Council of Ministers on the one hand and the Parliament or the European Assembly on the other.

We had the case of the budget being taken to the European Court which, as the House will know, has now held that it is illegal. Therefore, at this moment, we have no legal budget for the Community. There are many worrying aspects of that. To start with, the court's judgment effectively said that nothing could be done about the money that had already been paid out. It is not the least bit clear why there cannot be a corresponding reduction in the future. However, as far as I know, no such recommendation is being put forward by the Government, still less by other members of the Community. The court effectively says that payments that have already been made under the illegal budget none the less remain valid.

Let me ask my hon. Friend the Economic Secretary a specific question. Does that mean that the funds that have been affected by the interim result which we got in the court will now go back to the EEC? If so, it would be the height of absurdity. The whole area is deeply and profoundly disturbing. The tendency on these occasions is almost to laugh because otherwise one would virtually burst into tears about the affair. It is getting more and more worrying. I am bound to say that it is unfortunate that the Government, and in particular the Prime Minister, who takes such a clear and forthright attitude on other issues, which I shall not enumerate, are failing to do so with regard to control of public expenditure in relation to the EEC. There is effective control in many other areas, not least health and social services, and so on, but not so with regard to Europe.

Mr. Gow: There may be some slight misunderstanding in my right hon. Friend's mind. It is not that my hon. Friend the Economic Secretary when he had responsibility for these matters, or my hon. Friend the Minister of State, Treasury, or my right hon. Friend the Chancellor, let alone my right hon. Friend the Prime Minister, have been anything other than resolute at every meeting of the European Council, of ECOFIN and of Ministers. The problem is that Her Majesty's Government are always in an actual minority.

Mr. Teddy Taylor: What about Monday?

Mr. Gow: However resolute my right hon. Friends are—and they have been totally resolute in championing our interests—they cannot bring about that discipline that my right hon. Friend and I want to see.

Mr. Higgins: I note what my hon. Friend says. I want to make two points about that. I hope that the Economic Secretary will tell us how close we are to the 1·4 per cent. limit. We were told previously in the communiqué following Fontainebleau that the maximum take may be increased to 1·6 per cent. on 1 January 1988 by unanimous decision of the Council and after agreement with national procedures and so on.

The clear import is that we have a right of veto. I hope that my hon. Friend will confirm what is implicit in the reply that the Treasury and Civil Service Committee has already had from the Government, that we shall use our veto to prevent any increase above the 1·4 per cent. limit.

The Treasury and Civil Service Committee, an all-party committee, has clearly said:

"We therefore recommend that the government should make clear its intention of using its veto against any proposal to raise the VAT ceiling, and of declining to support any further substitutes in the form of Inter Governmental Agreements."

I very much hope that the Government will give a clear undertaking on that because I think that it would meet the point that my hon. Friend the Member for Eastbourne made in his intervention.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Does the right hon. Gentleman agree with my recollection that the veto has never yet been used in the Council of Finance Ministers and that, if we did use it, we would set a new precedent? Does he not further agree that, if that is

[Sir Russell Johnston]

the approach to majority decision making with which we start off, there is little hope of the internal market being achieved?

Mr. Higgins: Majority decision making is a matter that no doubt the House may well have occasion to debate later, as it has on occasions recently.

In all events, with regard to financial matters and increasing the 1·4 per cent., it seems clear to me that we should have the right of veto, otherwise the power of taxation is taken from the House, and I do not think that that is something to which hon. Members ought to agree.

None the less — and I stress the point — there is a fundamental problem in regard to the treaty on expenditure, on revenue and on borrowing. The Chancellor of the Exchequer is fond of saying—I might almost say ad nauseam — that revenue must determine expenditure, not the other way about. The problem that arises in the EEC at present is that the spending goes on and on because the budgetary discipline is not effective and one comes up against restraint on revenue only when one hits the VAT ceiling. There is clearly a conflict there, not least because, as my right hon. Friend the Prime Minister has pointed out from time to time, it is contrary to the treaty for there to be borrowing by the Community to cover the difference between revenue and expenditure. We know that devices have been used to get round that —something that I believe is deplorable.

There is a fundamental problem here, and we have to get the matter under control. I believe that that control ought to be exercised on the expenditure side, but particularly in regard to giving cash to the Community. We must consider whether some amendment of the treaty is needed to bring that about. Failing that, whenever we hit the VAT ceiling, I believe that we are in a position to exercise authority, and that is very important. If it runs the Community into a problem, no doubt we will have an opportunity to reappraise the situation. The situation tonight is one in which, because the budget has been declared illegal, we ought to have a real opportunity to get a grip on the matter. There will be bitter disappointment and resentment if the Government miss that opportunity when they come to the House to give a statement on what has been going on in Europe this week and in the course of the conclusions of the budget.

Mr. Spearing: Can the right hon. Gentleman confirm the position as I understand it? He said that, if and when it is desired to raise the VAT ceiling, the House and the Government have to agree because it requires a unanimous decision of the EEC. Am I not right in thinking that if expenditure within or up to that limit is to be raised —and we understand informally that this has been done — it requires not unanimity but a majority, maybe against United Kingdom Ministers, in the Council of Ministers and in the Assembly, and it need not even be debated in this House or intimated to this House? If that is so, has not this House therefore already lost control of taxation up to those limits?

Mr. Higgins: No doubt my hon. Friend the Economic Secretary will clarify the point that the hon. Gentleman has raised, which I believe is right, but of course we run into the situation in which, when we hit the limit, we can effectively exercise a veto. We were told anyway that there was no question of this until 1988, yet here we are in the middle of 1986 where, in respect of budgetary discipline and the recent increase to 1·4 per cent., the ink is scarcely dry on the agreement — that is, if it was indeed signed, and it is difficult with some of these documents to know whether that is so.

This is a profoundly important amendment. Given the uncertainties about the budget, I think that the case for supporting the amendment is even greater. As I have said, it is unfortunate that the House is not more crowded so that other hon. Members might appreciate the grave situation that is developing. Given the uncertainties of the situation, I hope that the Economic Secretary either will not wish to proceed with the motion or will accept the amendment. We must consider this against the background of public expenditure priorities generally. At a time when many of our constituents are being asked to suffer severely as a result of restraint on public expenditure, of which I approve, it is proposed that money should go off in this way and the Government make an interest-free loan of £667 million, but I can think of a great many other people who might better benefit and who better deserve an interest-free loan of £667 million than those to whom the money will go if the motion is approved.

4.57 pm

Mr. George Robertson (Hamilton): We have had an incredible start to the debate. The Minister may have thought that it would be an uncontroversial, technical debate on what are fairly fundamental recommendations by the Select Committee, but it has turned out to be something very different. These incredible exchanges reflect the fact that, by coincidence, there is today the meeting of the European Parliament that will endorse or otherwise the decisions of Finance Ministers. As hon. Members on both sides of the House have said, the Government have an obligation to inform the House, and they should be doing so now, not waiting until later to tell us precisely what is going on in Europe.

The reply by the Government to the Select Committee report makes it clear that the court action that has just been concluded in the matter of the European Parliament was designed precisely to make sure that the European Council of Ministers was the arena in which decisions about the budget were to be made. The Treasury memorandum in reply to the observations of the Select Committee makes it clear that the Government would certainly think it necessary for the Council to examine the relevant treaty articles with a view to reinstating an acceptable balance of budgetary powers between the Council and the Parliament.

The European Parliament will today be in possession of the information about the new 1986 budget, and will have all the details about the excesses over and above the budget discipline levels. It will make a decision before the House of Commons knows what is the outline agreement decided upon by British Ministers and other Ministers. That is outrageous and unacceptable to the House.

The Economic Secretary no doubt hoped that he was well away from these debates. European budget debates must be one of those things that one hopes one is promoted out of, can resign out of or, if necessary and one can get away with it, can be sacked out of it. Unfortunately, the Economic Secretary is here having to defend a deplorable state of affairs.

This Estimate is nothing new. We have been here before. One has almost a sense of deja vu and loses track of which debate we are in because they are all so similar. We have the same speeches made by the same hon. Members on the same subjects, but nothing is done. We are told that things will improve and will be fundamentally changed. The Economic Secretary wrote an article last December for *The Times*, which appeared on the leader page, and for which no doubt he got a fee. In it, he said that everything would change permanently and things would never be the same again. We have budget discipline, and the Fontainebleau agreement will last until the end of time. That was it. Everything had been done and it was all due to the Prime Minister and the Economic Secretary. They took the credit for it. However, the debates continue, the same issues come up and the same sad commentary is made.

Supplementary budgets, intergovernmental agreements, non-reimbursable payments, reimbursable payments, reimbursable payments that are never repaid — they all happen, but this debate takes place in the context of an even more spectacular shot in the foot. Not only are we being asked to vote vast sums of money to the EEC in advance of the time of the due payment, but we are being asked to do so in the wake of the incredible judgment by the European Court of Justice.

The other part of the Treasury double act came to the House of Commons recently to tell us that we had to make extra supplementary payments to the European Community because of an illegal budget declared by the European Parliament. Although it was illegal and the Government would take the European Parliament to court, we were asked, and the huge 140 majority of the Government got it through, to authorise supplementary payments in lieu of the illegal amounts of money that the Government said that they would bring back to the country.

The final judgment was delivered a week ago, and the Government had won their case, but the result has been not to bring more money back but to pay more to the European Community, because that is what the Financial Secretary is busily engaged on today. He is not saving money for the country or getting a better deal for the taxpayer, or telling the European Parliament that it must hand all that money back so that the British taxpayer will be better off. Instead, he will tell the Parliament that he agrees with the illegal budget, but that he thinks that it is too modest. What was wrong with the illegal budget was that it did not ask for enough. We shall now give more for the 1986 budget, and goodness knows what we shall give for the 1987 budget.

In our last debate on this subject, we were told of the illegality of the European Parliament's action. We were told that it was iniquitous and impertinent of it to overrule the Council of Ministers and that it had no right to levy this outrageous amount on the British taxpayer. Like Liverpool and Lambeth councillors, European Members of Parliament would be pursued until they coughed up all the cash of which they were robbing us.

We were told that an illegal bill of 160 million ecu was being foisted on the British taxpayer. The lawyer for the British Government in the European Court of Justice said that that was the equivalent to the cost of four large hospitals and 150 new primary schools. That is not Opposition qualification, but a Government description of the amount of money of which the country had been robbed by the illegal, outrageous action of the European Parliament.

The hapless Minister was torn apart after he had told us that, but now we know that it was all sanctimonious humbug. The Government have won the court action that we are told is a great triumph. Some triumph. First, the judgment did not devastate the European Parliament. The *Financial Times* said:

"The judgment amounted to an implicit reprimand for both institutions."

The Advocate-General of the European Court of Justice, Mr. Frederico Mancini, said that the budget Ministers of the member states were also guilty of "unlawful conduct" when they failed to provide enough money in the budget for all the commitments.

Now, we have a lasting triumph before us, or we would do if the Government had the decency to tell us what figure was agreed in Brussels yesterday and was being put forward in Strasbourg today. The House of Commons Library — I do not know whether its sources are any better than those for the information given to hon. Members — says that the total size of the new budget is about 2 billion ecu more than the Council's second reading, with agriculture accounting for 1,100 million ecu and the increased structural funds for 750 million ecu. We are told that, because of technical reasons, the structural increase will be more than that.

This is the great triumph of the British Government over the impertinent European parliamentarians who dared to declare an illegal budget. More money will be paid than was challenged in the court action. The new budget is bigger than the first European budget, against which the British Government voted. The difference will be a donation from the Government and the House of Commons in place of four new hospitals and 150 primary schools. Not only is the new budget figure larger, rounder and more open-ended than the one that so outraged the Minister on the last occasion, but it blows a giant hole through the much-vaunted budget discipline which supposedly was the great achievement of the Fontainebleau summit.

The report of the Select Committee on the Treasury and Civil Service mentioned in the speech of the right hon. Member for Worthing (Mr. Higgins) amply illustrates the way in which the budget discipline about which we heard so much is virtually worthless. In the first year of its operation, the budget is well over the top, and the first draft supplementary figures suggest that the budget discipline minutes will be exceeded by at least 740 million ecu. Once we hear the details of the deal done yesterday in Brussels, that will pale into insignificance.

Although the Treasury apparently does not have any details to give the House of Commons, on the 8 o'clock BBC radio news this morning, the Financial Secretary to the Treasury described the new budget as a "victory of common sense". It will be well worth putting those resounding words to the House to see whether Members of Parliament agree with that verdict.

The budget will provide yet more funds, but even they might not be sufficient for the social and regional funds that the European Parliament so outrageously added, which the court overruled, and which the Government tried to veto when the first budget was decided.

Sir Russell Johnston: I am surprised that, in referring to the increase in agricultural spending, the hon.

[Sir Russell Johnston]

Gentleman has made no reference — nor did the right hon. Member for Worthing (Mr. Higgins) — to the change in the relationship between the dollar and the ecu, which it has been calculated has added 1·2 million ecu to the size of the budget. That is one of the central reasons why budget discipline has to be breached.

Mr. Robertson: Of course it is. That was always the way in which it was going to be breached and that was always the way in which we said that it would be breached. The trend that has broken budgetary discipline in the way described by the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) is precisely this gigantic bill for agriculture, which will increase yet further as inflation continues to go down in the European Community and as the dollar continues to weaken against the ecu. The bill will inexorably be increased. It will squeeze the very funds which I am sure the hon. Gentleman regards as being infinitely more valuable in the context of the European Community than the piling up of yet more and more food mountains in EEC countries.

Mr. Budgen: The hon. Gentleman will recognise that the Liberal party adopts a very progressive attitude towards this question. It says that the take from VAT ought to be increased to 2 per cent. as quickly as possible. I should have thought that the hon. Member for Inverness, Nairn and Lochaber would be delighted at the prospect of our climbing quickly towards 2 per cent. by these various methods of agricultural support, which he thinks is such a good way of spending money. But what does the Social Democratic party say?

Mr. Robertson: I am sure that the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) will be taking back all these commitments to those vast numbers of his colleagues who never attend these debates and who leave him here as their sole spokesman. No Social Democratic party Member has so far attended this debate. We shall look with eager interest to see whether any of them turn up for the vote at the end of it, or for the guillotined debate that is to take place after it. The Social Democratic party professes undying support for the European Community and a commitment to its objectives, but that does not run to turning up at debates when a matter of crucial importance — the future of the Community and the way in which it is organised — is being debated.

The new budget would be even worse were it not for the fact that we know, because we have already seen the preliminary draft budgets, that it involves an element of creative accounting, which will postpone spending from this year; it will be counted instead in next year's budget. As the hon. Member for Inverness, Nairn and Lochaber told us, there will be much more bad news. As inflation goes down in the European Community, as the VAT take therefore decreases and as the dollar continues to weaken, the cost of the ruinous farm policy will explode upwards and upwards.

In the context of European budgets, I was intrigued to read recently what was said by the president of the European Court of Auditors, Mr. Marcel Mart, when he appeared before the Council of Finance Ministers. The court audits the accounts at least two years after these outrages. Of the 1984 EEC accounts he said that, were these the accounts of a private company, he would be unable to approve them. Even within the context of this great business-managing Government, the accounts do not square up.

We can see precisely in front of us today what the Court of Auditors really meant. We know now what the court action in Luxembourg meant. It was a time-wasting, hypocritical smokescreen that postponed and disguised the incompetence and even the deceit of the Finance Ministers, who deliberately left out of the 1986 budget items which they knew were necessary and which had been committed in advance. It is small wonder that the Advocate-General accused the Council of Ministers of a "violation of the rules" in placing the European Parliament in that position.

I underlined in our last debate—when the Economic Secretary's colleague came here with his begging bowl and bullet-proof string vest — that he was engaged in a confidence trick. He knew that the Ministers, not the European Parliament, had created the crisis. He knew that they had clipped the budget too tight for the accession of Spain and Portugal, for the burden of the past and for the inevitable, inexorable, inexcusable and insatiable demands of the common agricultural policy. He simply deflected the malicious incompetence of the Ministers on to the heads of the European parliamentarians. However, he is exposed now in the light of the judgment of the European Court, not just by the Advocate-General but also by this truly remarkable and bizarrely inflated budget, which was agreed last night by the Finance Ministers.

Mr. Forth: Will the hon. Gentleman give way?

Mr. Robertson: No. I am already exceeding my time limit. It is a very brief debate and it would be unfair to other hon. Members if I gave way, however appreciative I might be of the point that the hon. Gentleman would make.

It was almost three years ago, in December 1984, that this House endorsed the Fontainebleau agreement. It did so because it was told by the right hon. and learned Member for Edinburgh, Pentlands (Mr. Rifkind), who is now a member of the Cabinet, and by the Financial Secretary to the Treasury, who thought that he had escaped from all this, that we had a guarantee of budget discipline, especially on farm spending. We remember how the Economic Secretary argued so valiantly with his right hon. Friend the Member for Worthing (Mr. Higgins) about the vagueness of the assurances that had been given. He pointed out how sensible and straightforward they all were and said that there was no escape from them. We were told that the increase to a 1·4 per cent. VAT limit and that the 40 per cent. increase in European Community spending would be more than sufficient for at least two years, until 1988. And of course we were told by the Economic Secretary as well as by the hon. Member for Eastbourne (Mr. Gow) that we need not expect any other supplementary budgets. However, each of these undertakings has been broken. Even the luckless, hapless Financial Secretary, who was not even around when these fine promises were made and who has had to carry the can for the Prime Minister, knows that each of these promises has been punctured.

Budget discipline is worthless. Six months into the first year of its operation it is at least 740 million ecu over the top; and it is only that because the figures have been

fiddled and because the damage has merely been postponed. Effectively we are within a whisker of, and probably in real terms we are over, the 1·4 per cent. VAT ceiling. The President of the Commission, Jacques Delors, said in February of this year:

"I would be failing in my duty if I did not point out to Parliament"—

that is, the European Parliament—

"and our 12 governments that VAT own resources must break through the 1·4 per cent. barrier if the Community is to achieve the objectives solemnly adopted in Luxembourg last December."

That is what will face us in the future.

The assurances on the intergovernmental agreements and supplementary budgets were no more than, to quote the Paymaster-General, "piffle." The assurances that the hon. Member for Eastbourne gave us in the debate last October have been adequately dealt with by him. No doubt, if he catches your eye, Mr. Deputy Speaker, there will be even more disclosures.

This budget, if we are allowed to know about it, will be like so many of the old ones. There will be more spending on agriculture. It will automatically eat up more and more money in order to produce less and less food for eating and more and more food for storing and destroying. The Foreign Secretary had the cheek to go to the European Parliament this week and tell it:

"We cannot expect our citizens to see the Community as a force for good in their own lives when they see and hear regular reports of thousands of tonnes of butter ageing in the stores or being disposed of at a fraction of its earlier value."

Sanctimonious criticism is there by the bucketful, but action is pitifully absent.

Whenever it may be that we find out about it, the budget will show yet again that even more is to be spent on agriculture and that the cash mountain is to become even larger. The amounts that will be spent by this job-starved European Community on the social fund and the regional fund will go up by tiny amounts, but by less than the rate of inflation, and down will go spending on research and on energy, and down also will go the trivial amounts that we spend on overseas aid — presumably only on the principle that we should leave all that to Bob Geldof.

Tonight — and it is only one of far too many occasions—is a humiliation for this Government and a punishment for this country. The Government see that their priorities have been devastated. They see their court action exposed as a charade and as a contrived pantomime for which the taxpayer has to pick up a substantial tab. Instead of the four new hospitals and 150 new primary schools which were tantalisingly offered to us as the price of this great legal victory, there are bigger butter mountains and more grain stores. The debates are becoming simply an exercise in futility, with Ministers of the Crown queuing up to unload their prepared scripts of excuses and then relying on a 140-strong majority to get the supplementary budgets through.

This debate is a vivid proof of those words. Fontainebleau, budget discipline, controlled agricultural budgets, sensible spending plans, a long-term financial future for the Community are all dead—as dead as the Minister's explanations and as dead as the Government's reputation. I hope that the entire House will vote for the amendment.

5.20 pm

Sir Edward du Cann (Taunton): As the hon. Member for Hamilton (Mr. Robertson) said, there were some remarkable exchanges at the outset of the debate. That puts the point most mildly. To anyone who loves our Parliament, and believes that a proper surveillance of the expenditure of taxpayers' funds is a primary duty of hon. Members, the people's representatives — to whom else can the people look? — to those of us who regard ourselves as trustees for the public good, and believe that we abdicate responsibility if we are careless in those respects, the arrangement of the debate, whereby we are invited to vote on expenditure before we know the shape and total of the budget of which it will be part, is not merely profoundly disturbing; it is a scandal. I want none of it. My hon. Friend the Member for Eastbourne (Mr. Gow) was entirely right to say how robust our Ministers are when their duties take them to Brussels and to the European Community. But it is high time for them to say to their colleagues there that we can no longer proceed in this careless way. It is time for us to back them and to refuse to put up with the procedures any longer.

I endorse most warmly the views of the Treasury and Civil Service Select Committee which were expressed so well by its Chairman, my right hon. Friend the Member for Worthing (Mr. Higgins). In a wholly admirable speech, he quoted a little from the Committee's fifth report. It should be compulsory reading in the House, if not outside it. I wish to underline some of the report's statements. The first paragraph makes it clear that the report is the third of its kind that the Committee has recently made available to the House. Paragraph 1 states:

"One underlying theme connects all these exchanges: the need for effective Budgetary Discipline in the EC."

Paragraph 2 mentions

"the seriousness of the threats under which Budgetary Discipline now lies."

Paragraph 5 mentions

"the lack of authority behind the Budgetary Discipline Agreement."

Paragraph 8 states:

"The Budgetary Discipline Agreement has not worked as intended."

The report makes the further suggestion that

"it will be for the UK as president in office of the Council to put together a viable political initiative to see that matters improve and do not deteriorate further."

Paragraph 10 implies that budget discipline is very much at risk.

Paragraph 14 states:

"We cannot avoid the conclusion that the Community will be fortunate to avoid a very serious crisis."

In paragraph 18, the report mentions the "upward drift in expenditure".

Paragraph 20 mentions,

"'a well-known fact' that certain states are in favour of larger budgets."

Paragraph 19 states:

"It is only prudent to recall how strongly the tide of events has begun to run in the direction of a 1·6 per cent. ceiling."

Paragraph 21 mentions

"pressure of expenditure. . . and the expansionist view of a significant portion of the Council."

The report then mentions the need to exercise the veto.

I endorse all those conclusions. The report is a most serious and important document. I repeat that it is not the first time that my right hon. Friend the Member for

[Sir Edward du Cann]

Worthing and his colleagues, on behalf of the House, have told us and told the Government plainly what the position is.

It is a devastating report. What sort of response did it elicit from the Government? I have the Government's response in my hand. It is a mere couple of pages of cyclostyled material. I regard the Government's response to that significant report as profoundly disappointing for two main reasons. With the exception of the use of the phrase "budgetary discipline" in its headline, it is silent about the matter. Right hon. and hon. Members may think it incomprehensible that a senior Select Committee of the House makes important observations and recommendations about budgetary discipline and that the considered response of the Government does not contain a word about budgetary discipline.

Mr. Spearing: I hesitate to make the position worse, but does the right hon. Gentleman recall that the Select Committee on European Legislation, which considered the proposals made after Stuttgart for alleged budgetary discipline, made it amply clear in its reports to the House that the budgetary discipline procedure had no treaty force whatsoever? Nevertheless, the House accepted the upward breaking of the 1 per cent. limit despite the fact that that Committee made it amply clear that budgetary discipline was not enforceable by treaty commitment.

Sir Edward du Cann: The hon. Gentleman does the House a service in reminding it of that point. His intention was, no doubt, to emphasise my point that it is astounding that the Government are silent on the subject.

The other reason why I believe the Government's response to my right hon. Friend the Member for Worthing and his colleagues to be so disappointing can best be put by quoting from the third paragraph of the three Government observations. It states:

"The Government has stated that it sees no case for increasing the resources available to the Community."

That is what is said, but that is precisely what the House is now invited to do through the mechanism of payment in advance. I do not understand how on earth that squares with those observations. If the payment were conditional on better discipline, effective supervision and a tighter control of Community expenditure, one might acquiesce. As it is not, it is impossible to do so. Frankly, it is an insult to the House to be invited to do so.

I go further by saying that the entire matter is, in effect, an insult to every hon. Member who has tried to play a part in bringing about a better and more effective supervision of domestic expenditure by the Government, whether we speak of the work done by the Public Accounts Committee, the departmental Select Committees or other hon. Members who attend to these matters in what they believe to be the proper public interest.

As the hon. Member for Hamilton and my right hon. Friend the Member for Worthing said, when the increase in own resources was agreed it was done on specific and clear conditions. The first was that there would be strict budgetary controls. The second was that the rate of increase in farm spending would be curbed. I would have thought that a reasonable proposition. The third was that the additional cash from increasing the VAT provision from the lower level to 1·4 per cent. would last for several years.

As my hon. Friend the Member for Eastbourne (Mr. Gow) so modestly reminded us, at the time Ministers were entirely clear on that point. It was honourable of him to make those points. He quoted the Minister who said that it was unthinkable that the Government would come back to the House for more cash. As my right hon. Friend the Member for Worthing said, the unthinkable has become fact in less than a year. We are only six months into the first year of the strict budgetary control regime that we were promised. It is almost unbelievable that we have received no account whatsoever from the Government as to the reasons for the extra expenditure. Funds are already exhausted and various countries and, as we have noticed, the European Assembly clamour for further expenditure.

There is little effective scrutiny over expenditure. As the hon. Member for Hamilton said, agriculture is the most obvious example of that. Despite the public interest aroused in the matter, there is even a proposal to cut overseas aid to give the farmers on the continent more money. That is an incomprehensible proposal. The European Community is, in effect, in a crisis which is the equivalent in private industry of continuing to trade while insolvent.

Many hon. Members like myself were sceptical of the wisdom of Britain signing the treaty of Rome, but we have nevertheless worked and argued since then in an attempt to turn the European Community into a practical reality of the dreams of its founders. However, it is now time to voice a solemn warning. Those who connive at the present state of affairs risk massive public disenchantment with Britain's membership of the European Community. Our people will not tolerate higher taxes or, for example, the imposition of VAT on food, books and newsprint, as would come about with the ending of the zero rate, which is being challenged in the courts, to finance wasteful policies. Parliament should not tolerate such a state of affairs and the Government should not invite it to do so.

As my right hon. Friend the Member for Worthing said, it is essential that we retain the power of veto over taxation. I hope that my hon. Friend the Economic Secretary to the Treasury, in whom many of us have great faith and whom we admire, can give the House a clear assurance on that issue this evening.

To be perfectly plain, there is a major risk that the European Community will not survive a worsening or even the continuance of the present careless financial situation. The most constructive action that the United Kingdom could take to support the European Community would be to demonstrate that we will no longer tolerate mismanagement on this grand scale. Sometimes one must be a little cruel in the short term to be kind in the long run. Sometimes it is right to protest. Action now could possibly prevent disaster later. The House should make no mistake about it. Disaster is inevitable if things continue as they are. It is for that reason that I shall vote for the amendments, and in particular that standing in the name of my right hon. Friend the Member for Worthing and other members of the Treasury Select Committee. I hope that a majority of hon. Members on both sides of the House will do the same.

5.34 pm

Sir Russell Johnston (Inverness, Nairn and Lochaber): Before I comment on the amendment tabled by the right hon. Member for Worthing (Mr. Higgins) and before I

consider the report of the Treasury and Civil Service Select Committee, which he chairs, I should like to make three preliminary points.

First, the hon. Member for Hamilton (Mr. Robertson) was correct to say that alliance Members have long argued in favour of a larger budget for the European Community. In 1978, the right hon. Member for Glasgow, Hillhead (Mr. Jenkins), then President of the European Commission, argued for a 2·5 per cent. ceiling on VAT. I remind the hon. Member for Wolverhampton, South-West (Mr. Budgen), who has temporarily left the Chamber, that when his political colleague, Mr. Tugendhat, succeeded to the Commission early in this decade, he argued for a 2 per cent. ceiling.

The ceiling is now 1·4 per cent., although until now no country has paid more than 1·25 per cent. The United Kingdom pays 0·72 per cent. because of the budgetary agreement achieved by the Government. Although it is true that the budget will reach the 1·4 per cent. ceiling, the United Kingdom will not pay that. Even if the ceiling rises to 1·6 per cent., as forecast by the right hon. Member for Worthing, it is doubtful whether the United Kingdom will pay more than 0·82 per cent.

The hon. Member for Hamilton was correct to say that we have argued in this way as we wish to see an expansion in the structural funds—for example, the regional fund and the social fund. Without effective contributions to the regional fund, I do not see how economic development can be achieved in the poorer parts of the Community. I refer especially to Portugal. Hon. Members applauded loudly when the dictatorships of Salazar and Caetano ended, and Portugal joined the European Community. It is all very well to give political applause, but if economic encouragement cannot also be offered to them as a consequence of their joining the Community, similar political dangers might recur.

There is no doubt that the capacity of the social fund to assist the older industries in the north is important, as is research and development. Hon. Members have often commented that the European Community can, but does not, compete effectively with the United States and Japan. We shall be unable to do so unless we get our act together, and we cannot do that on the projected expenditure on research and development within the Community which I have seen, as I am sure has the Minister, in the forward projection of the budget to 1990.

Secondly, alliance Members have pressed strongly for the containment of the common agricultural policy. The failure to achieve this is as much due to our Government, although they have recently improved in this respect, as to the Governments of other member states.

My hon. Friend the Member for Truro (Mr. Penhaligon) never tires of reminding the House that when the Secretary of State for Energy was Minister of Agriculture, Fisheries and Food, he told dairy farmers that they could improve their income by expanding. That was just three months before the introduction of milk quotas. Responsibility can always be shared, but we now have the introduction of milk quotas, and of the co-responsibility levy for wheat, although admittedly at a low level. A clear, if slow, beginning has been made, but anyone who thinks it is possible to change the CAP overnight is a fool, because it cannot be done.

Incidentally, I understand that the Commission is coming to the United Kingdom en bloc next week, mainly to attend one of Her Majesty's garden parties. However, I understand that the Commission's President, Jacques Delors, who is a workaholic, has decreed that the Commission will spend a whole day at Lancaster house contemplating the CAP. I hope that that will produce some action, because there is no doubt about the urgency of the problem. However, at the end of the day the decision will rest with the Council of Ministers. The Council of Agriculture Ministers is in many respects more important than that of the Finance Ministers.

Thirdly, the right hon. Member for Worthing defined what has happened or what is in the process of happening to the budgetary discipline agreement of Fontainebleau. He said this was not worth the paper that it was written on and his report also says that. He might also argue, and I would not be prepared to disagree with him, that the Fontainebleau agreement on budgetary discipline was very moderate. It was not what one might call draconian, but simply said that farm spending increases should not exceed growth in new resources.

I still hold to what I said when I intervened during the speech by the hon. Member for Hamilton, that it would have been proper for the right hon. Member for Worthing to speak about the change in the rate between the ecu and the dollar. When one considers that that change has cost 1·2 million ecus, which is equivalent to 3 per cent. of the total Community budget, one can see that it certainly falls under the definition of aberrant circumstances, to use the clumsy phrase that has been criticised before, and justifies some special action.

I shall now turn to the amendment and the report. Towards the end of his speech the right hon. Member for Worthing spoke about "reality," and about

"getting a grip on the whole matter."

Reality necessitates embarking on a settled programme of adjustment of the CAP to reduce surpluses and cut expenditure. That is the reality. One of the things that I find unacceptable in the report is contained in paragraph 11. It is printed in black type in case we might skim over it, because sometimes hon. Members skim over reports. The paragraph says that the Government should come to

"the House at the earliest possible opportunity for support in a proposal to amend the Treaty or take any other necessary steps to vest budgetary control securely and finally"—

I should like to repeat that—

"and finally in the Council."

That is an unreality because when the treaty of Rome was established in 1957 it gave the European Parliament a built-in part of the budgetary decision. It is not a very large part because it is equivalent to only about 12 per cent. of the budget and the budget itself—let us get this in proportion—is only 1 per cent. of the European Community's gross national product, or approximately 2 per cent. of the total public expenditure that goes on in the European Community. That is the budget that we are talking about in such apocalyptic terms. It is not possible to contemplate doing what paragraph 11 suggests.

If the right hon. Member for Worthing is interested in reality and in achieving a constructive approach to a difficult and serious problem—and I think the Minister would agree—he should not be involved in making the sort of statements that are contained in paragraph 15 of the report which says:

"These escape clauses,"

—presumably those are the aberrant circumstances that I mentioned earlier:

[Sir Russell Johnston]

"together with the fact that Budgetary Discipline is subject to political and not judical interpretation, render the Agreement vulnerable to the vagaries of the qualified-majority procedure."

After 7 o'clock we will debate the Single European Act, which is about improving and extending the qualified majority procedure. If we want out of the European Community, we must cut out the whole thing, but if we wish to continue as members of the EEC we must face the reality, which is that all the other members of the EEC are agreed that there should be a slow build-up of qualified majority voting in the Council of Ministers. Paragraph 18 says:

"Should an unacceptable proposal be made in the Council, one contrary vote would be enough to stop it in mid-career. A further weapon will be available to help defend the embattled veto."

If the business is to defend the embattled veto, and if that is the concept of the right hon. Member for Worthing of the way in which decision-making in the Community in future is to proceed, I have to say to him that it is not my concept.

Mr. Higgins: It would be helpful to the House and to people outside to be clear about the position of the Liberal party on majority voting on the provision of financial resources. Quite clearly, if we do not have a continuing right of veto in that area, then by a majority vote the other members of the Community could impose taxation on our constituents whether this Parliament wanted it or not. If that is the position of the Liberal party on financial issues, leaving on one side majority voting on other issues, the House and the electorate at the next general election will be interested to hear about it.

Sir Russell Johnston: With great respect, I say again to the right hon. Member for Worthing that he must distinguish between theory and reality. So far in the Council of Financial Ministers we have not seen the exercise of a veto. I think that is right and I said that in an intervention, but perhaps the Minister would confirm it. Throughout, decisions agreeable to everybody were reached through compromise. No veto has formally been cast. The right hon. Member for Worthing may say that there was a possibility that the veto could be cast, and that that was an influence on the subsequent debate or discussion. That may be so, but my next point is also a matter of reality. In the words of the right hon. Member for Old Bexley and Sidcup (Mr. Heath), the former Prime Minister, or, as somebody said the other night, Old Bexley and Old Sidcup, if any member state of the European Community finds itself in an impossible situation, some solution will have to be found. That is reality, that is politics. The right hon. Gentleman seems to be asking me to make some sort of formalised statement, but things do not work that way. They work in a political fashion through negotiation, compromise, bargaining and by what unkind people would describe as haggling.

Mr. Higgins: I am interested in the hon. Member's response to my intervention. Does he think that the House should have a veto about the financial allocation of resources to the Community?

Sir Russell Johnston: The financial allocation of resources within the Community?

Mr. Higgins: To the Community.

Sir Russell Johnston: We do have that veto. We have already agreed to the 1·4 per cent. ceiling which cannot be increased unless the Government bring forward a request to the House and that request is passed. I accept that fact. We are the suppliers of the money, but that is not what we are talking about in this case.

I should like to say why I shall not recommend to my hon. Friends that we support the amendment. Instead, I shall recommend that we support the Government motion. In any event, there is an existing agreement under which it is possible for the Commission to ask for these payments a month in advance. I am subject to correction on that, but the right hon. Member for Worthing is in a corrective frame of mind and no doubt he will correct me if I am wrong. That existing agreement was part of the package settlement that included the British rebate. That is how I understand the position. As far as I know — and the Minister will correct me if I am wrong—we are already committed to doing it. The money is there already and it is not a matter of getting new money.

Mr. Budgen: 1·6 per cent.

Sir Russell Johnston: It has nothing to do with 1·6 per cent. The hon. Member for Wolverhampton, South-West is sitting like a pixie muttering 1·6 per cent. We are not discussing 1·6 per cent., nor are we discussing 1·4 per cent. We are discussing the fact that the Government have brought forward a request to fulfil an agreement they have already made with the European Community during the negotiations which produced the British rebate.

Secondly, the money is already available. We collect own resources — the agricultural levy and Customs duties—two months before we hand them over. It is a matter of handing over existing money that is lying in the vaults and not of finding new money.

Mr. Teddy Taylor: Does the hon. Gentleman accept that article 10(2) of the treaty of Rome is precise when it states that the Commission has the right to ask for additional payments in advance and that Governments can say no? Surely he will accept that that basic point is set out and cast clear in the treaty.

Sir Russell Johnston: Governments, like ladies, can always say no. I do not deny that. I am saying that this Government, and this lady, have already given a forward sign that they would say yes, and they cannot really change their minds in mid-course.

Mr. Ian Stewart: I intended to contain myself and to reply to all the issues raised at the end of the debate. As a factual dispute appears to be developing, perhaps I should explain that article 10(2), to which my hon. Friend the Member for Southend, East (Mr. Taylor) has referred, is in the 1977 regulations. It empowers the Commission to invite member states to make contributions a few weeks earlier than they would otherwise do, but it does not oblige them to do so. Nothing in the Fontainebleau agreement referred to that power or changed it.

Sir Russell Johnston: I stand corrected. I apologise for not being entirely accurate. That, however, does not deflect me from my view of what we should do.

Those who have contributed to the debate — for example, the right hon. Members for Worthing and for Taunton (Sir E. du Cann) and the hon. Member for Hamilton — have tended to use rather apocalyptic language. They have spoken of deep concern and have said

that we are discussing a matter of profound importance. They have used words such as "astounding", "incredible", "unbelievable" and "insulting". One of the realities is that the green Benches in the Chamber are fairly empty. If the issue before us were really appalling, astounding and dreadful——

Mrs. Elaine Kellett-Bowman (Lancaster): The hon. Gentleman should speak for himself. No SDP Members are present.

Sir Russell Johnston: I am not excluding SDP Members. It is evident that there are bare green Benches on both sides of the House. If the matter were of such apocalyptic importance as has been described, the House would be black with bustle.

5.53 pm

Mr. John Townend (Bridlington): I rise as a member of the Select Committee on the Treasury and Civil Service to support the amendment of my right hon. Friend the Member for Worthing (Mr. Higgins). He made an outstanding speech and his arguments were unanswerable.

I found the speech of the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) most illuminating. Perhaps the absence of his colleagues is due to the fact that they do not agree with the views that he has advanced. The hon. Gentleman has criticised a number of paragraphs of the Select Committee's report, and the press and the public might be interested to know that it was a unanimous report which was supported by the hon. Member for Colne Valley (Mr. Wainwright), who is a Liberal Member. What is even more interesting is that the hon. Member for Colne Valley has signed the amendment of my right hon. Friend the Member for Worthing. It is clear that even on this rather technical issue there is disagreement not only between the Liberal party and the SDP but also between Liberal Members.

Despite the fact that the hon. Member for Inverness, Nairn and Lochaber was pressed by my right hon. Friend the Member for Worthing, the hon. Gentleman implied that an alliance Government would not be prepared to use the veto to prevent an increase in VAT own resources. Indeed, the hon. Gentleman said that he supported increasing the own resources of the Community. The alliance should make it clear to the British people that it feels that the Community can spend their money rather better than the Government, which is controlled by the House. I find that unacceptable, and I am sure that the British people do. If we are to help the depressed areas, it is far better to do so under the control of the Government than by increasing finance to the EEC social fund.

To bring these proposals before the House must make this a sad day for the Government. The bringing forward of payments by one month does not seem a matter of great importance on the face of it, but I suggest that we are being presented with the tip of the iceberg. Indeed, the Supplementary Estimates warn that other requests for advance payments are expected to be made. This is not merely a cash flow problem; we are faced with a major financial problem. Despite repeated promises that there would be adequate budgetary discipline and control, the Community's finances are in a state of chaos and the Community faces a major financial crisis. The discipline agreement that was negotiated at Fontainebleau has turned out to be worthless. Many of us who voted against increasing own resources to 1·4 per cent. thought that this would be the result, and it gives me no pleasure to say that tonight.

The current financial crisis must be set against the background of an enormous increase in the resources of the Community, which was provided by a 40 per cent. increase in VAT contributions. My right hon. Friend the Member for Taunton (Sir E. du Cann) has said that the agreement was reached subject to three assurances, which were that the cash would last for at least several years, that strict budgetary control would operate and that the rate of increase in farm spending would be curbed. We are only six months through the first year and we are running out of money already. Farm spending is clearly out of control and there has been no budgetary discipline. This must come as a great shock and disappointment to the Government.

It is clear from *Hansard* quotations made earlier in the debate that at the time when my hon. Friend the Member for Eastbourne (Mr. Gow) was at the Treasury the Government expected that they would not have to return to the House in this way. Many of my right hon. and hon. Friends feel—I am sure that the Government do as well — that the EEC should follow a policy of resources determining expenditure rather than expenditure determining income. It must adopt that policy because there is a ceiling on VAT contributions. This has not happened despite all the negotiations and understanding on budgetary control which were explicit in the Fontainebleau agreement.

It is clear that time and time again the Community undertakes commitments for future years which it must appreciate it will not be able to meet because of lack of resources. It then resorts to financial manipulation, intergovernmental agreements and delays in payments, and now the bringing forward of contributions. If public companies ran their finances like the EEC has run its, they would be brought before the courts and the directors would end up in gaol. Even at this moment negotiations are taking place between the European Parliament, which wants to increase expenditure to the very limit of the 1·4 per cent. ceiling, and the Council of Ministers. I understand that the Council has already compromised and is suggesting that the budget could be increased. As spending on agriculture is open-ended, it is clear that the 1·4 per cent. threshold will be reached quickly.

There are good grounds for thinking that this is part of a sustained policy. It could be described as a plot by the bureaucrats and Euro-fanatics to put pressure on member Governments, especially the Government of the United Kingdom, to agree to a further increase in the VAT ceiling. That is unacceptable to many Conservative Members. We do not want to see European expenditure rising inexorably year after year when it is part of our policy to gain greater control of public spending, so that we can fulfil our commitment to reduce taxation, especially on the low paid.

The EEC now needs to cut its coat according to its cloth. The hon. Member for Inverness, Nairn and Lochaber talked about the change in the value of the dollar and the ecu, which is exactly the case where it should take effect. The United Kingdom has had to face an enormous fall in oil revenues, but, because of the ability and financial rectitude of my right hon. Friend the Chancellor of the Exchequer, we have absorbed it. The

[Mr. John Townend]

EEC should have the same financial rectitude. I suggest that the Government accept the final paragraph of the Select Committee report, which states:

"We therefore recommend that the Government should make clear its intention of using its veto against any proposal to raise VAT ceiling, of declining to support any further substitutes in the form of Inter Governmental Agreements."

As a shot across the bows of the EEC, the Government should accept the amendment tabled by my right hon. Friend the Member for Worthing.

6.1 pm

Mr. Eric Deakins (Walthamstow): I apologise to the right hon. Member for Worthing (Mr. Higgins) and to my Front Bench for not having been present for the opening speeches. As I am an ardent advocate of certain views on the Common Market, the House will take it from me that I would have been present if it had been humanly possible. I shall be present for the rest of the evening and possibly until the small hours of the morning.

I agree with my hon. Friend the Member for Hamilton (Mr. Robertson) and the hon. Member for Bridlington (Mr. Townend) that the Government's response to the Select Committee's report was unworthy of them. I echo the words of the right hon. Member for Taunton (Sir E. du Cann) that it is an insult to the House to give such a pathetic answer to a well worked out report on matters which affect the House and the country. It is not a party political matter and it would be wrong for us to treat it in that way. That is why I have found some of the comments in the debate a little disappointing.

We are the guardians of the public purse, regardless of what our views are about particular items of expenditure or about the policies behind that expenditure. When, some considerable time ago, we debated the agreement I thought that it was bad, although I did not say so in the House. I said, "Let us give events, member states and the Commission a chance to show those of us who are sceptical, if not cynical, about the procedure that we are wrong." My attitude could be summarised as, "Give them enough rope and they will hang themselves."

During the past year the EEC has had enough rope on the operation of the budgetary discipline procedure for all of us, other than the most dedicated, fanatical supporters of what the Common Market does, whether right or wrong —there are a few of them in the House—to realise that the budgetary discipline procedure has not worked and will not work. There is no conceivable way in which it could work. We made that point at the time of the budgetary discipline agreement.

It is not a legal agreement and, when challenged at the time, the Prime Minister said that she might well have liked to make it a legal agreement but that other member states did not want that. One can well understand that because member states were going through a charade to obtain, as part of a bargaining package, our agreement to the increase to the 1·4 per cent. VAT ceiling, which the British Government would not have accepted had they not been able to assure the House that they had a workable agreement on budget discipline.

Sir Russell Johnston: The same theme is coming into the hon. Gentleman's speech as came into the speech of the hon. Member for Bridlington (Mr. Townend), which is that somehow only the British are capable of financial rectitude, and that the Germans and Dutch are wholly incapable of any such thing. That is nonsense.

Mr. Deakins: I am not denying that some other member states are capable of financial rectitude. My point is that the majority of member states, although capable of it, have no intention of achieving the degree of financial rectitude on which our history and Parliament have been based.

Mr. John Townend: Is it not the case that, although member states may have the ability or the desire for financial rectitude, in most cases financial rectitude is not in their interests because the major contributors are still the British and German Governments? Although the French Government are becoming a contributor, they are a relatively small one. The vast majority of member states have a vested interest in increasing the size of the budget because they will receive a larger amount.

Mr. Deakins: I am not sure that I would go along with all that the hon. Gentleman said, but I shall develop the point later.

One of the troubles with the guidelines on the budgetary discipline agreement is that they have set a rate of increase for agricultural expenditure. In a written answer the Economic Secretary said:

"The guideline for agricultural expenditure states that its rate of increase must be less than the rate of growth of the own resources base."—[*Official Report*, 20 December 1984; Vol. 70, c. 327.]

That presupposes that there will always be an increase. Nothing was said about a decrease, and I invite the Minister to comment on that. Indeed, the whole trend in Community expenditure, especially on the common agricultural policy, has been upwards. We cannot rely on the guidelines, budgetary discipline and the financial reference framework to set an arrangement in which in any one year expenditure is reduced below the outturn or below that budgeted in the previous year. I challenge the Minister to tell me that I am wrong.

When I asked about the financial guidelines for agricultural expenditure and about how overspending in one year may somehow be got back the following year, the Minister said:

"Article 5 of the budgetary discipline agreement states that in clawing back additional agricultural expenditure the Council shall concentrate its activity primarily on the production sectors responsible for the failure to adhere to the guideline. Price reductions would be one means of securing the necessary savings."—[*Official Report*, 30 January 1985; Vol. 72, c. 219.]

Is it conceivable that in any one year Agriculture and Finance Ministers, meeting either separately or, finally, jointly, would agree to reduce agriculture prices below what would otherwise have been agreed simply to cut the overspending in the previous year? One can conceive of that in our financial terms and we have done that in previous years, but one cannot conceive of it in European Community terms. Therefore, that answer does not provide a safeguard.

Hon. Members have pointed out that the VAT ceiling of 1·4 per cent. will be reached soon. That is because CAP costs are continuing to rise. Hon. Members on all sides of the House must accept—one day I hope to persuade my Front Bench of this—that no fundamental reform of the CAP is possible. There is no point in my right hon. and hon. Friends or right hon. and hon. Gentlemen either now or in future saying, "We shall reform radically the CAP to

reduce the amount of expenditure." That has been tried by Governments of all parties in the past decade and without exception they have all signally failed.

CAP expenditure—I challenge the Minister to prove me wrong—has increased every year since Britain joined the EEC. It has increased and decreased as a percentage of the total budget, but expenditure has increased inexorably. It is partly because of the vested interests in it — the member Governments and the farming vote, which tends to get more powerful as its size is reduced. We have seen that in the United Kingdom, but I do not understand why it is. It is also getting more powerful with the increasing Mediterranean influence in the Community with more and more southern European states coming in who will depend much more on the guidance and guarantee fund for changes in agricultural structures. I am not objecting to them wanting those things but they all involve more expenditure than is the case at the present.

There is a certain amount of false optimism around. There is a feeling that if we could only get the common agricultural policy under control we would then have resolved, or at least gone a long way to resolving, the problem of total EEC spending. I hate to disagree with many right hon. and hon. Gentlemen from both sides of the House, but I must point out that they are making an assumption which is unwarranted. The assumption is that if we can reduce CAP expenditure we shall, since it is about three quarters of the Community budget, reduce total EEC expenditure. If ever we succeed in reducing CAP expenditure, the pressures to spend on the social fund and the regional fund the money that is saved will increase proportionately and total expenditure will go on rising even though the balance between the CAP and the other structural funds will be rather different from in the past.

There is also the constant pressure from the Assembly to increase spending. If anybody doubts my word let him read the debate, which I have available, of Assembly proceedings on 10 December 1985 when it was querying the Budget approved by the Council. The Assembly rejected that budget and passed its own illegal budget. Every speech made by Assembly Members from all over Europe of all different political parties, from extreme Left to extreme Right, was on the same theme. They said that the Community needed to spend more money than the Council was willing to allow in its own budget—which is why the budget was rejected—partly because of the increasing costs of the common agricultural policy and partly because of the wonderful phrase "the cost of the past". That phrase is simply a euphemism for the fact that up to now there has been no mechanism in the Community for bringing expenditure commitments into balance with anticipated income resources, such as we have in this country.

As we all know, the Community has to have a balanced budget each year. It cannot borrow money but in the past it has entered into more and more commitments, which have been agreed by national Governments as well as by members of the European Assembly. Those commitments have increased over the years and have had to be taken into account increasingly in the following year's budgets and there has not been the income to meet those commitments.

We are now being told by the Assembly that if we give a big slice of money in one year to the Community to resolve all the costs of the past we could get back on an even keel. I beg to differ. We shall not get back on to an even keel until we have in the EEC budgetary discipline and proper financial procedures such as we have in the House of Commons. I believe that as long as there is the device of intergovernmental agreements to let the Community off the hook when it spends more money than is available, and the device of raising the VAT ceiling every two or three years, we shall never get Community spending under control.

The Government and some civil servants believe that this is the sort of debate that can be ignored and swept to one side. They believe it involves just a few rebellious Conservative Members, a few people on the Labour Benches and the alliance backing the Government. I believe that this is the sort of debate and vote that we will increasingly have in the House, under any conceivable Government. Those who believe that the Community can get whatever it asks for from this country without proper financial procedures and discipline will be making a very big mistake. Eventually, when the British people wake up to what is not being done in their name—the House is not exercising proper financial control over what goes on in the EEC as regards Britain's contribution—they will turn to their politicians and say, "Enough is enough".

I believe that the House ought to give a message to the British people, even if we lose the vote tonight, to say that we are not prepared to go on being treated, basically as the Treasury and Civil Service Select Committee has been by the Government, as children who do not really know what we are talking about. The Government feel that, in any case, it is not really important and that there are wider political implications. There are no wider political implications than financial considerations. The House was built up over the centuries on the basis of financial control. If we lose financial control, I believe that we are well on the way to losing democratic control as well.

6.15 pm

Mr. Eric Cockeram (Ludlow): All those who have taken part in this debate, from whatever side of the House, fall into one of two groups. One group, for shorthand terms, is sometimes referred to as the anti-EEC brigade and the other group is in favour of the Common Market. It is interesting that there has been virtual unanimity from speakers on both sides of the House, to whichever of the groups they belong, that the EEC is failing to control its expenditure. That is the subject of this debate. It is not about whether we are for or against the Common Market but about whether we are for or against financial control.

When the House voted to join the Common Market in 1972, I was one of those who enthusiastically voted to join. I thought that I was voting in favour of European co-operation on defence, research and development — the European airbus is an obvious example—harmonisation of customs duties, increased Community trade and a sensible co-ordinated agricultural policy. I stand by all those things. However, I did not vote, have never voted and will never vote for the lack of financial control which is being shown by those in control of our taxpayers' money in Brussels and Strasbourg.

Nine hundred and thirty million pounds is one heck of a sum of money. It is only some 18 months since the House agreed a 40 per cent. increase in own resources for the Common Market when the VAT duties payable to the Common Market went up from 1 per cent. to 1·4 per cent. We were promised at that time that a new system of strict

[Mr. Eric Cockeram]

budgetary control would be instituted. That was to start in the current calendar year, six months ago. Here we are, six months into the new regime of strict budgetary control, and the House, despite assurances from the Treasury Bench in earlier times, is now faced wih a further demand for an extra £930 million. Commissioner Christophersen, Vice-President of the Commission, admitted in a recent article that the 1·4 per cent. of own resources is already inadequate.

About 70 per cent. of EEC expenditure is spent on the common agricultural policy and over half of that is spent on the storage and disposal of surplus food. In the grain sector, much of that is unfit for human consumption. However, we are being asked to pay for the storage and disposal of it. It would be cheaper to burn it in the fields, since some of it is not fit for human consumption, than store it and then sell it at knockdown prices—beef at 15p a pound and butter at 10p a pound—to people such as the Russians and the Libyans, which is what has been happening. We are spending £150 million a week on storage and disposal of the surpluses. That is the kind of sum that the House is being asked to approve. I cannot approve of that expenditure, nor can my constituents, when at the same time we have very strict cash controls of important expenditure in this country, such as in the National Health Service. Even my local authority is not being permitted to spend its own capital receipts, yet we are being asked to pass this sum for the EEC when, manifestly, there is a lack of financial control.

Anyone who wants the facts can refer to a recent Public Accounts Committee report. The hon. Member for Walthamstow (Mr. Deakins) and I are both members of that Committee. The Committee examined the cost of storing and disposing of the surplus. It is a revealing report. I do not intend to go through it. But no one could approve of that form of expenditure. No one could come to the House, representing his constituents and taxpayers generally, and approve of the continuous and increasing financing of such expenditure. It is one of the fundamental principles of this ancient House that Back Benchers come to represent not merely their own constituents but constituents at large, to exercise control over supply—that is, the expenditure of money by the Executive. I suggest to the House that we are not fulfilling that function if we pass this expenditure. I, for one, cannot do so.

6.21 pm

Mr. Teddy Taylor (Southend, East): Most of the points that I should like to make have been made in the superb speeches from Conservative Benches, particularly by my hon. Friend the Member for Bridlington (Mr. Townend) and my right hon. Friend the Member for Taunton (Sir E. du Cann). Therefore, I should like to make just two basic points.

I hope that in his reply the Economic Secretary will give us some explanation of why he and the other Ministers, in view of all the assurances that were given to the House and all the pledges, agreed to such massive extra expenditure at the meeting of the Council of Finance Ministers on Monday. I can recall hearing cheers on 11 March this year when, at Question Time, our Prime Minister said that she was going to fight very hard against the supplementary estimate put forward by the Commission of £1 billion, but, as we know, on Monday the Minister and his colleagues agreed within a few hours to a revised supplementary budget that was much more than that figure. We also received the assurance that agricultural spending would be contained, but we know from all the reports that most of the extra cash will be spent simply on dumping surplus agricultural produce on the world markets.

The Minister also gave the clearest of assurances that, if there were overspending, it would be clawed back. In fact, the present Secretary of State for Scotland said on 11 December 1984:

"Within the conclusions that have been adopted, although exceptional circumstances may result in increased expenditure, the provisions also require that that additional expenditure should be clawed back in the following years. Therefore, the overall requirement to control expenditure is safeguarded."

The Minister must tell us why the strict budgetary controls have been abandoned and have broken down. Why is agricultural spending totally out of control? Is it still the case, as said by Ministers in December last year, that the extra spending will be clawed back? I am sure that it will not. I am sure that it cannot be. I believe that either Britain was wholly misled in the meetings of the EEC, or else the House was wholly misled.

I hope that the Economic Secretary in particular will look back on the debate of 11 December 1984, when he responded angrily, which was out of character, when I suggested that the strict budgetary controls might be a worthless piece of paper. He said:

"I take the strongest possible issue with my hon. Friend over that view. We undertook to arrange that measures necessary to guarantee the effective application of budgetary discipline would be put in place. The component parts of those measures are an overall reference framework covering all expenditure, separate provisions for an agricultural guideline and a maximum rate of expenditure covering non-obligatory expenditure."—[*Official Report*, 11 December 1984; Vol. 69, c. 951-999.]

We were told that that would be not just a recommendation, but binding on the Council. Of course, Ministers say things from time to time. Sometimes they can laugh them off and say that things have changed. But the Minister must remember that, if the House has any influence on controlling spending, that assurance was given to persuade all of us to give 40 per cent. more on VAT, which is the equivalent of a 25 per cent. rise in real terms in the total spending of the Common Market. Conservative Members, and I am sure Liberal and Social Democratic party Members, went round the country saying, "We know that we shall give a lot more money to the Common Market, but don't worry because it is under control. We have budgetary controls that are legally binding." Therefore, we must have an explanation from the Minister not only of what went wrong but of why on Monday he agreed to the huge additional sum, taking us right up to the control that we were told would last for several years, without the fight that the Prime Minister promised us.

Secondly, we know the excuses that will be trotted out. We always hear them in advance from the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston). Then we usually hear them about a month later from members of the Government. First, we are told that the reason is that the dollar has been falling, and if the dollar falls food prices are bound to go down, too. What absolute reckless economic nonsense. For example, if sterling goes down in value, we are told that it costs us more to buy things from abroad because they cost more. It is normal,

natural economics. Somehow the Common Market is trying to get across a crazy economic fallacy that the only thing to which normal disciplines do not apply is agriculture: if the dollar goes down in value, the price of all foodstuffs will adjust themselves automatically and go down. If the Minister tries to trot out that excuse—I hope that he will not—and if the hon. Member for Inverness, Nairn and Lochaber thinks of doing so again, let them look at what has been happening to other food prices that are not covered by the Common Market. Have they been going down with the dollar?

Let us look at the figures in the monthly commodity price bulletin issued by the United Nations Organisation. For example, when the dollar has been plunging in the past 12 months, the price of coffee has gone up from 1·44 cents to 2·44 cents a pound. Why has the price gone up? Simply because there is a shortage of coffee. The price of tea has gone down from 1·76p to 1·34p because, whereas there was a shortage last year, there is now a glut of tea. What has happened to bananas? We are going fast towards creating a banana republic in the Common Market. The price of bananas has gone up from 21p to 29p over the past year. What about our old friend pepper? The price has gone up from 846 cents to 1,203 cents per kilo.

I am only trying to show the Minister—I hope that he will accept it—that prices of food do not go up or down depending on the rate of the dollar. They go up or down depending on whether there is an excess of supply or demand. We all know why Common Market food prices have been going down. It is because there is a horrendous glut, which we are making worse. What is so criminal about it, and what no one seems to care about, apart from those who attend these debates, is what it is doing to the Third world. Misery, starvation and deprivation are being created through the dumping of all that food on the world markets, which are being depressed. That is causing devastation to the Third world and real poverty.

Is the currency level the reason? No, it is not. My hon. Friend the Minister knows that it is not. Everyone in the House, including, I am sure, the hon. Member for Inverness, Nairn and Lochaber, knows that it is a bogus piece of nonsense to say that if currency goes down, food prices go down by the same or a similar amount. The reason why they go down is that there is a surplus of supply.

The second excuse that is trotted out is that we did not make provision for Spain and Portugal joining the Common Market. The Minister must know that that is not so. On 14 November 1985 the then Minister of State, Treasury made it abundantly clear that full provision had been made not only for the admission of Spain and Portugal but for refunds of own resources under the transitional arrangements. That had been fully covered, according to the Government. We can assume only that the Government were telling us the truth.

We must pay the money because of the budget rebate. Britain will not get its money unless we pay the extra cash. The Government must answer why the present Minister of State, in answer to a parliamentary question on 3 July 1986, said that there was full provision and that the EEC was obliged to allow us to deduct the money. As has been said by many Conservative Members, sadly and tragically Common Market spending is wholly out of control. There is no justification for the interest-free loan of £900 million.

We heard today that two wards in a hospital in Southend will continue to be closed for a further six months. We need £800,000 to keep those wards open. This morning, I received a telephone call that the Sacred Heart primary school's heating is not working. It will cost a lot of money to repair it, and the money is not available. All hon. Members could tell similar stories and could draw attention to local problems. Ministers must ask themselves how they can go back to their constituencies and say that we cannot afford to spend modest sums of money when the Common Market spends £150 million every week on dumping, destroying and storing food. The Common Market is asking for an extra interest-free loan of £900 million from the Government without any pledge that things will get better.

6.31 pm

Mr. John Watts (Slough): I joined the Treasury and Civil Service Select Committee halfway through the inquiry. I approached the question with a mind unclouded by any excessive knowledge of the subject. I listened to the evidence presented to us with growing incredulity. Despite the honeyed words of the Treasury officials and the persuasive tones of my hon. Friend the Minister of State, Treasury, I formed a clear impression that the emperor had no clothes. When I asked, in my perhaps naive way:

"on the basis of the evidence of actions, which Member States and which parties to these financial arrangements now appear to have commitment to budget discipline at all?",

I was told:

"the point to have in mind is that no Member State has repudiated the Budget Discipline conclusions. They all stand. They have not been superseded by anything else".

That was the strongest answer that could be given to me. I have no doubt about the commitment of my right hon. Friend the Prime Minister or the Government to achieving effective budgetary discipline. However, as our report shows, the stark fact is that no other member state shares that commitment. For example, only five of the 12 member states would join us in taking action in the European Court of Justice against what has been shown to be an illegal budget. The verdict in that case was a great victory. Although the establishment of the principle is of intrinsic value and importance, the benefit will be dissipated if the House approves the motion.

I am no anti-Marketeer or Europhobe. It is precisely because I wish to see the European Community succeed, and because the health of the Community requires that budgetary discipline should be imposed, that I believe it is necessary for the House to signal that there is at least one sovereign Parliament among the member states that will not continue to supply limitless funds to an organisation suffering from financial incontinence. We should not be seduced by the argument that no more than advance payment is at stake.

If I found it difficult to manage my own financial affairs, would it be any solution for me to try to persuade the Fees Office that it should pay me my August salary on 31 July, my September salary on 5 August, and continue to advance the payments of salary to me to fund my cash deficiency? Where would it end? It would not be long before it would be necessary for our total contribution for the financial year to be paid to the Commission by the end of June, and for advance payments on account of the contributions for the following year to be paid from July onwards. So it continues.

[Mr. John Watts]

As the insatiable appetite for money grows, as more and more is provided in a never-ending attempt to satisfy that appetite, so the European Community's financial obesity will grow, until it collapses under the burden of its own weight.

Successive expedients to bail out the Community from the consequences of its lack of budgetary discipline provide no solution to the problems of a spendaholic. The time will come—I echo the words of the hon. Member for Walthamstow (Mr. Deakins)—when we must say, loudly and clearly, "Enough is enough." In my view, that time has come. That is why I shall support the amendment tabled by my right hon. Friend the Member for Worthing (Mr. Higgins).

6.35 pm

Dr. Oonagh McDonald (Thurrock): Hon. Members on both sides of the House have, quite rightly, condemned the lack of budgetary discipline exercised by the European Community. They have referred to the wasteful spending on agriculture, and especially intervention stocks. Hon. Members have referred to the Public Accounts Committee's report. I recommend the report to the House. It spells out what we have all long suspected and described as the case, that far too much is wasted and that food is kept in stores for too long. It is an utter disgrace, in a time of world food shortages, for that to happen.

I do not intend to detain the House for long, because it is vitally important that the Economic Secretary to the Treasury answers the debate. It seemed to me that he did not understand and appreciate the points of order that were made at the beginning of the debate—that advance payments to the European Commission were absurd when we have no notion of how much the budget will be, what its component elements are, and whether or not the 1·4 per cent. ceiling will be over-run this year, never mind in the next financial year.

It is quite wrong that such a debate should take place today before the European Parliament votes on the budget. That was true at the beginning of the debate. However, during the debate, at 5 o'clock, I looked at the Press Association tapes to see what had happened. I discovered that the European Parliament had voted for a budget which I presume is the same budget as was agreed by the Council of Ministers. The fact that the Minister did not interrupt the proceedings, and the fact that no statement was made—it appears that no statement will be made, certainly not today—about what is in the budget show an utter contempt for the House on the part of the Government.

According to the Press Association tapes, agricultural spending has been increased by a further £700 million. It still represents at least two thirds of the total budget. After all that has been said about efforts to control farm spending, we find that this year farm spending has been increased. The Minister should have ensured that we were told that before the debate took place. That such a debate takes place without anything being said formally by the Government about the contents of this year's European budget shows arrogance and a contempt for the proceedings of the House.

It appears that the amount spent on the regional and social funds has been increased by 6 per cent. and 7 per cent. respectively. We do not know what such an increase means. My hon. Friend the Member for Walthamstow (Mr. Deakins) referred to the euphemism of past commitments. That is, quite simply, unpaid bills—bills that have been incurred by national Governments and are to be reimbursed by the European Community for regional and social spending, the kind of spending of which Labour Members entirely approve. Although it appears from the tapes that there is an increase in this spending, we do not know what it is for. Is it intended to fund new projects, designed to reduce the horrendous unemployment levels, or is it just intended to pay off debts incurred in the past years? The president of the Court of Auditors tells us that, at the end of 1984, more than £9 billion of such debts were outstanding, covering, to a large extent, past payments for the regional and social funds.

We do not know whether this year's European budget allows an increase in the regional and social funds merely to settle some of the unpaid bills. We have no idea, because the Government have not seen fit to tell us what they must have known before the debate. After all, telephone and other communications with Brussels exist and a Finance Minister was there during the night coming to an agreement on the budget's contents. Why was no statement made?

It appears that the Minister of State is proud of the settlement. According to the tapes, he says that "chaos" in the Community has been "averted" and that Britain is getting the credit. I am sure that the Minister of State will be eating those words in a few months' time. Of course chaos in Community spending will not have been averted. Apparently, the budget is right up at the 1·4 per cent. limit.

We do not know what this year's cereal crop will be. There may be estimates but the harvest has not yet been gathered in. We do not know what the intervention prices will be, how much cereal will have to be stored and how expensive that will be. Fluctuations in the dollar have already been well described by the hon. Member for Southend, East (Mr. Taylor). This is one of the gaping holes in the so-called "budgetary discipline". Fluctuations in the dollar are used as excuses for increasing spending through the budget. Such fluctuations may well occur during the rest of this year.

Mr. Deakins: I thank my hon. Friend for giving way. I know that she is pressed for time and that the Economic Secretary wishes to reply. Were the increases of 6 per cent. and 7 per cent., which were mentioned on the tapes, increases over the 1986 budget approved by the Council in December 1985 or increases over the 1985 budget as approved last year by the Council and the Assembly?

Dr. McDonald: My hon. Friend was right to make that point. As he well knows, that detail is not spelt out in the account we have been given. We have to rely on a statement from the Government for that, and it appears that no such statement is forthcoming. We believe, from rumour, that the Government would much prefer to hide behind a written statement made late on Friday afternoon and to hope that everyone has forgotten the whole thing by Monday morning. That will not happen. We shall press for a proper statement to be made tomorrow and we expect to hear tonight from the Economic Secretary more details of the budget.

I want the Economic Secretary to reply extensively to the debate, so I shall make only one more point. A further press report suggested that overseas aid had been cut by

£40 million. In an effort to spend more on expensively produced and often wasted food in this Community, we are prepared to cut aid to the Third world. A British Minister was in Brussels engaged on that matter on the very day *The Guardian* reported that the Prime Minister opposed sanctions agains South Africa. It reported the right hon. Lady as saying:

"I find nothing *moral* about them, sitting in comfortable circumstances, with good salaries, inflation-proof pensions, good jobs, saying that we . . . will put x hundred thousand black people out of work, knowing that this could lead to starvation".

Frankly, such a description could well apply to those who decided on that very day to cut the overseas aid budget by another £40 million. That action showed the charade of the Prime Minister's words.

We want the Economic Secretary to tell us the truth about the budget, which has apparently been agreed. We should like a firm assurance that the 1·4 per cent. ceiling will not be exceeded this year and that neither he nor his right hon. and hon. Friends on the Treasury Bench will have the cheek to ask us for more money to be squandered this year in Europe.

6.45 pm

The Economic Secretary to the Treasury (Mr. Ian Stewart): I must confess that it would have been convenient for me, as well as for other hon. Members, if my hon. Friend the Minister of State, who has been attending these meetings, had been able to get back sooner. I might then not have had to deal with this debate.

I did not speak at the beginning of the debate because I felt that it was right that it should be introduced by my right hon. Friend the Member for Worthing (Mr. Higgins) as Chairman of the Select Committee on Treasury and Civil Service. I pay tribute to him and the members of his Committee and to my hon. Friend the Member for Ludlow (Mr. Cockeram) and the other members of the Select Committee on Public Accounts for their vigilance and for the way in which they express, through their reports and debates on statements of this kind, their concerns about the financial matters for which Ministers are responsible, especially the European Community. The Community's financial affairs are always of keen interest to the House.

It is a year since I was responsible for these matters but I note without surprise that the concern has not diminished in any way. I should like to respond to the points made by the hon. Member for Thurrock (Dr. McDonald) and made in points of order before the debate about the relationship of the 1986 budget to the Estimates.

It would be impossible and impractical for me to respond to hon. Members on the details of a budget whose process is due to be completed today at a meeting at which my hon. Friend the Minister of State represents the United Kingdom. I shall certainly convey to him the wishes of right hon. and hon. Members to hear about these measures, especially their details. So far as I know, my hon. Friend has not yet returned to the United Kingdom.

The debate is about the earlier payment, not of VAT own resources, but of levies and duties which are collected by all member states each month and which are normally payable to the Commission after about seven weeks—on the 20th day of the second month following the month to which they relate. The hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) referred to a procedure which, as I pointed out in an intervention, is based on article 10(2) of the 1977 regulations—my hon. Friend the Member for Southend, East (Mr. Taylor) correctly made that point — which imposes no obligation on member states to meet those requests for early payment. These early payments therefore cannot be paid—and it would not be proper for them to be paid—directly out of the Consolidated Fund. That is why today's procedure is adopted.

The Consolidated Fund is required to defray charges which may be made in the interim out of the contingencies fund. The sum of £930 million on the Order Paper and contained in the Estimates is not an aggregate sum. It is simply the amount of £130 million a month multiplied by the number of months for which it is brought forward. It is not, therefore, a loan. Several of my hon. Friends refer to this sum as a loan for the period. It is not; it is the equivalent of bringing forward the normal monthly figure of some £130 million of levies and duties for several months. That is why provision is taken to reimburse the contingencies fund for the payments already made and to enable provision to be made in the coming months if it is necessary to make payments out of the Consolidated Fund under the authority of the Estimates. If we did not have that, it would not be possible to do that when Parliament is not sitting.

There is no certainty that these sums will be required or that they will even be invited. I have been asked to comment on this point. When the Government receive a request for such funds they consider the request carefully. Such a request was received in March this year and after careful consideration we were not satisfied that the Community needed the funds. We reported that back to the Commission and as a result the request was withdrawn.

This is not an automatic procedure. In recent years this procedure has been followed frequently because of the cash flow problems of the Community. I do not wish to disguise that fact in any way. There have been 21 occasions in the past three years when that has happened.

I would like to repeat the point that I made before this debate began.

Mr. Budgen: Will my hon. Friend explain these cash flow problems?

Mr. Stewart: Before the debate began, I said, within the context of the points of order about whether it was proper to debate this matter today, that the use of this procedure of earlier payment of own resources after three weeks instead of seven weeks does not involve any increase in public expenditure. Nor does it involve any extra payment to the European Community because every time the procedure is used or a payment is made, there is automatically a compensating reduction in the liability of the member state to the Community on what otherwise would have been the due date. There is no accumulation and no absolute increase in the amounts of public expenditure.

Mr. Budgen: My hon. Friend is simply explaining the mechanisms. We want to know why this cash flow shortage occurred. What is being done to put it right for the future?

Mr. Stewart: My hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen) is never too

[Mr. Stewart]

patient in debates on this subject. If I am given the chance to do so, I will cover the other matters as quickly as possible, including that raised by my hon. Friend.

The cash flow during the current year has been affected by the exchange market. My hon. Friend the Member for Southend, East claimed that the decline of the dollar does not increase the cost of the CAP. It certainly does not increase the cost of the CAP on a one-for-one basis, but a change in the major trading currency of the world does have an effect on food prices and therefore creates a difference between world food prices and the intervention prices of the EEC.

Mr. Teddy Taylor: How does it have an effect?

Mr. Stewart: It has an effect because food prices do not adjust immediately to reflect the change in any one currency. It takes time for the change to work through.

The original budget for this year was constructed on the basis of $1·2 to the ecu. That represented a considerable expected decline in the dollar exchange rate on the rate of $1·35 to the ecu which applied when the budget was first fixed. The dollar has now moved substantially lower and that has meant that there has been a need for further payments under the FEOGA guarantee scheme. That has been incorporated into the budget.

Several hon. Members asked me about budget discipline. Budget discipline is an important reinforcement to the restraints on Community expenditure. The increase due to the dollar change had to be agreed by all Finance Ministers as a special circumstance in this year's ECOFIN. No one has ever made a secret of the fact that such exceptional circumstances could arise. However, the fact that such exceptional circumstances may arise does not invalidate the agricultural guideline. The preliminary draft budget for 1987 has now been drawn up within the financial guideline. That undoubtedly has an effect on price fixing.

I do not claim that price fixing is sufficient to deal with all the problems of the CAP, which have been described so eloquently this evening. I believe, like my hon. Friends, that the CAP is in need of serious measures in terms of future price fixing and the structural arrangements for quotas and levies. Neither of these factors alone would be sufficient to deal with the seriousness of the problem of potential overspending in the CAP.

I was also asked about the implications of the budget for the United Kingdom. I remember occasions a year or so ago when I and some of my hon. Friends who are present today debated whether it would be right to agree to the Fontainebleau agreement. At that time some of my hon. Friends and others were sceptical when I assured them that, even if the 1 per cent. rate ceiling was raised to 1·4 per cent., the United Kingdom figure would still remain well below 1 per cent.—in fact, around 0·7 per cent. The 1986 budget—if it is concluded, as I imagine it will be, at or close to the 1·4 per cent. limit—would result in our contribution for this year being at a VAT rate of 0·68 per cent. That is lower than the figure that I quoted a year or so ago.

In answer to those who asked why my hon. Friend the Minister of State and I were prepared to contemplate a budget of this kind on Monday, I must stress that the illegal budget which the European Parliament passed last December would have involved this country in a VAT rate of 0·73 per cent. — substantially higher than the consequence of the budget before the Council this week. That justifies the Government's approach to the budgetary problems of 1986 and it bears out what we said to the House a year ago when we dealt with the Fontainebleau arrangements.

I believe that the 1·4 per cent. ceiling exerts an important control and restraint over Community expenditure.

Mr. Deakins: How does it do that?

Mr. Stewart: That has been the case this year. Even before I went to the Budget Council meeting this week, I saw no case for an increase in the 1·4 per cent. ceiling. Having attended the Council meeting, I am fortified in the belief that this represents a very important restraint on the Community's finances. We have no commitment to increase it, and there is no presumption that we would do so. My view, which is shared by many hon. Members, is that the CAP still poses a threat to the finances of the Community and needs to be controlled with all the measures available for that purpose.

I have been asked about the Community's budget for 1986. I have no doubt that my hon. Friend the Minister of State will feel it right to convey to the House——

It being Seven o'clock, MR. SPEAKER, *put the Questions necessary to dispose of proceedings on the Estimate, pursuant to the Order [4 July].*

Question put, That the amendment be made:—

The House divided: Ayes 175, Noes 253.

Division No. 249] **[7 pm**

AYES

Abse, Leo
Adams, Allen *(Paisley N)*
Aitken, Jonathan
Anderson, Donald
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Budgen, Nick
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cockeram, Eric
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Crowther, Stan
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Douglas, Dick
Dover, Den
Dubs, Alfred
du Cann, Rt Hon Sir Edward
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gould, Bryan
Gow, Ian
Hamilton, James *(M'well N)*
Hamilton, Neil *(Tatton)*
Hamilton, W. W. *(Fife Central)*
Hardy, Peter
Harman, Ms Harriet

Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Higgins, Rt Hon Terence L.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howarth, Gerald *(Cannock)*
Hughes, Dr Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
McWilliam, John
Madden, Max
Marek, Dr John
Marlow, Antony
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Moate, Roger
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Neillist, David
O'Brien, William
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Rt Hon J. E.
Powell, Raymond *(Ogmore)*
Randall, Stuart
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rost, Peter
Rowlands, Ted
Ryman, John
Sedgemore, Brian
Sheldon, Rt Hon R.
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Strang, Gavin
Straw, Jack
Taylor, Teddy *(S'end E)*
Thompson, J. *(Wansbeck)*
Torney, Tom
Townend, John *(Bridlington)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Williams, Rt Hon A.
Winnick, David
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Eric Forth and
Mr. John Watts.

NOES

Adley, Robert
Alton, David
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Ashdown, Paddy
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Browne, John
Bruinvels, Peter
Bryan, Sir Paul
Buck, Sir Antony
Burt, Alistair
Butler, Rt Hon Sir Adam
Butterfill, John
Carlile, Alexander *(Montg'y)*
Carttiss, Michael
Cash, William
Chalker, Mrs Lynda
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Eyre, Sir Reginald
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Freud, Clement
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Grist, Ian
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hancock, Michael
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(N'folk SW)*
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howell, Rt Hon D. *(G'ldford)*
Howell, Ralph *(Norfolk, N)*
Howells, Geraint
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kennedy, Charles
Kershaw, Sir Anthony
Key, Robert
King, Rt Hon Tom
Kirkwood, Archy
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Livsey, Richard
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
McCrindle, Robert
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McNair-Wilson, P. *(New F'st)*
Major, John
Malins, Humfrey
Maples, John
Marland, Paul
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Mawhinney, Dr Brian
Mellor, David
Meyer, Sir Anthony
Mills, Sir Peter *(West Devon)*
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Pawsey, James
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Price, Sir David
Raison, Rt Hon Timothy
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Robinson, P. *(Belfast E)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
St. John-Stevas, Rt Hon N.
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*

Spicer, Michael (S Worcs)
Stanbrook, Ivor
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stevens, Lewis (Nuneaton)
Stewart, Allan (Eastwood)
Stewart, Andrew (Sherwood)
Stewart, Ian (Hertf'dshire N)
Sumberg, David
Temple-Morris, Peter
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald (Calder V)
Thompson, Patrick (N'ich N)
Thurnham, Peter
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Wallace, James
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. (Bexhill)
Warren, Kenneth
Watson, John
Wells, Bowen (Hertford)
Wheeler, John
Whitfield, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Gerald Malone and
Mr. Francis Maude.

Question accordingly negatived.
Main Question put and agreed to.
Resolved.

That a supplementary sum, not exceeding £930,000,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1987 for expenditure by the Treasury in connection with payments to the Budget of the European Communities not covered by direct charges on the Consolidated Fund under section 2(3) of the European Communities Act 1972, as set out in House of Commons Paper No. 439.

Orders of the Day

European Communities (Amendment) Bill

Considered in Committee [Progress, 27 June].

Clause 1

EXTENDED MEANING OF "THE TREATIES" AND "THE COMMUNITY TREATIES"

Amendment moved [27 June]: No. 7, in page 1, line 13, after 'Communities)', insert
'but not Article 17 thereof'.—*[Sir E. du Cann.]*

7.13 pm

Sir Edward du Cann (Taunton): I believe it was wholly wrong to truncate the debate on 27 June on the subject of tax harmonisation. It is also wrong that the time for the debate this evening is so limited.

For most of our fellow citizens there is no more significant subject than tax levels. The amount of tax that they have to pay, direct or indirect, is of crucial importance. Taxation is a subject of universal interest. I believe that it would be right to say that there will be universal fury if the future cost of living increased as a result of increases in taxation which are outside the control of this Parliament.

It may be convenient for the Committee if I rehearse the points that I was endeavouring to make in the earlier part of our debate. First, there is a strong impetus in the European Community to harmonise taxation — that is undoubted. It follows therefore that a vote against this amendment tonight is a vote for harmonisation. Secondly, if taxes are harmonised it will inevitably mean that the discretion of a British Chancellor of the Exchequer to decide the level of taxation in our country will disappear. It follows therefore that a vote againt this amendment tonight will be a vote for the impotence of the Chancellor of the Exchequer.

Thirdly, if, at the option of the Council, future taxes are harmonised, the influence and command of this House will inevitably be reduced. The sovereignty of this Parliament will equally reduce. It follows therefore that a vote against this amendment tonight would be a breach, on the part of those who walk through these Lobbies, of the clear undertaking given at the time of the great debates in our nation about the appropriateness or otherwise of signing the treaty of Rome.

Mr. Tony Marlow (Northampton, North): Is there not an apt quotation from the Bible for those who will oppose this amendment tonight:

"Father, forgive them; for they know not what they do."

Sir Edward du Cann: I should not like to swap biblical quotations with my hon. Friend but I think there is a growing sense of impatience among the British electorate at the apparent indifference of some Members of Parliament to the consequences of the situation in which we now find ourselves.

The fourth point I was endeavouring to make in our earlier debate was to ask whether the House of Commons was content that, in future, a non-elected commission should decide British taxation levels rather than the elected representatives of Britain. If that is so, it therefore follows

that a vote against the amendment is tantamount to deciding that, in taxation matters at any rate, we no longer wish to be masters in our own nation. *[Interruption.]*

The Chairman of Ways and Means (Mr. Harold Walker): Order. I should remind the hon. Member for Bournemouth, West (Mr. Butterfill) that it is not in order to pass between the Chair and an hon. Member who is addressing the Committee.

Sir Edward du Cann: The fifth point I was endeavouring to make was that there are substantial pressures for more money to be spent by the Commission. Strong evidence of that was given in the fifth report of the Select Committee on the Treasury and Civil Service which we have been discussing. Such evidence can also be drawn from the decision of the European Court during the course of the week. Members of this British Parliament will need no reminding of the constant intention of Members of the European Assembly to make themselves responsible for the expenditure of greater and ever increasing amounts of taxpayers' money.

As there are such pressures for the Community to spend more, it inevitably follows that a greater amount of revenue will be needed. The figure of VAT participation is already—unduly early—up to 1·4 per cent., and it is openly discussed that it will not be long before the figure requires to be 1·6 per cent.

Mr. Ian Gow (Eastbourne): Is it the case that it is the policy of the Liberal and Social Democratic parties—there is no representative of either party here, which is why I must direct the question to my right hon. Friend—that the 1·4 per cent. limit on VAT should be raised to 2 per cent.?

Sir Edward du Cann: My hon. Friend does the electorate a service in emphasising that point. Let it be clearly understood that if at any time through some unfortunate mischance the Liberal and Social Democratic parties had any hand in government or influence over it, taxation would substantially rise, as my hon. Friend has pointed out, with an inevitable vicious twist to the rise in prices.

It follows that, if there are strong measures to spend more, and if more revenue will be needed, it is essential that our nation retains the right of veto over what non-elected people might propose in the Council. I hope that we shall have a clear undertaking from my hon. Friend the Minister that that will remain the case. It also follows from what I am saying that a vote against the amendment would be a vote for higher taxes.

Sixthly, I was endeavouring to make the point that it is essential that during the debate my hon. Friend the Minister should give us an assurance that the zero rate will remain. The zero rate is under challenge in the European Court, as right hon. Members already know. It is inevitable that if the zero rate goes, henceforward there will be VAT on such items as gas, electricity, water, food, books, and, I dare say, rents. We always set our face against taxation on certain commodities and services as a matter of social principle.

Mr. Jonathan Aitken (Thanet, South): Children's shoes.

Sir Edward du Cann: My hon. Friend reminds me of a subject that gave rise to great political controversey in Britain.

We need a clear and categoric assurance from my hon. Friend the Minister that the zero rate will remain. It is certain that a vote for harmonisation and against the amendment in my name and that of other right hon. and hon. Members must mean that the zero rate will disappear.

Finally, when the debate was terminated I was endeavouring to make the point that there is something immoral as well as foolish and away from the traditions of the House in voting money before we understand properly what the expenditures will be for and how they will be supervised and controlled.

It is a dereliction of duty on the part of the House if it is willing to vote money to be spent by the European Community irresponsibly and in ever-increasing amounts with no proper system of control. Therefore, for all those reasons, I urge right hon. and hon. Members on both sides of the House to support the amendment.

Mr. George Robertson (Hamilton): At the beginning of my remarks I should reiterate the violent objection that so many of us in the Chamber this evening have to the way in which the debate has been artificially and ludicrously truncated. These are massively important issues for this Parliament and for Britain and to try to concertina them all into one-hour debates is to undermine Parliament's credibility in the eyes of the public.

It is interesting that it should be this debate that follows upon the previous one. The Government were able to drive their Estimates through the House of Commons—they have a majority to do practically anything that they want—but the two tellers for the amendment in the name of the right hon. Member for Worthing (Mr. Higgins) were both Conservative Members. However, it is worth putting on the record that one of them—the hon. Member for Slough (Mr. Watts)—was earlier this week appointed by the Prime Minister to be the chief finance officer of the Conservative and Unionist party. If in the same week of that gigantic elevation for a fairly young Member of the House he finds it impossible to support his Government, it tells us and the country something quite clearly about the trouble that the Government are in.

Why should we vote for the amendment this evening which on the face of it would eliminate from the Single European Act the new article 17? On the face of it, the new article 17 substitutes in the treaty of Rome a provision which would make voting on tax harmonisation unanimous and not subject to the majority rules that apply to the rest of the items which the Government make part of their drive towards the internal market. I say that that is what it says on the surface, but, as the right hon. Member for Taunton (Sir E. du Cann) has ably pointed out, that is a superficial analysis. Those hon. Members who listened to the previous debate, never mind the numerous other debates, simply do not believe the Government.

The previous debate this afternoon was on the European budget. Even the hon. Member for Eastbourne (Mr. Gow), who came to the House last October and assured us that the financial commitments of the Government would be obeyed, felt obliged to vote with the Opposition against the Government. All the promises and assurances that were given have been clearly shown to have little or no foundation, so why should the House believe the Minister and the Foreign Secretary when they tell us that article 17 is the ultimate guarantee for the

[Mr. George Robertson]

United Kingdom that we shall not have foisted upon us the harmonisation of our VAT rates with the rest of the EC?

Last June the *Financial Times* wrote a remarkably glowing account of Lord Cockfield's role within the European Commission. He was a Minister and had attracted little or no attention from anybody, never mind the *Financial Times*. However, the internal market crusade on which he was hell-bent did attract attention. The *Financial Times* said:

"When it became clear that he was determined to press ahead with the idea of fiscal reform—bringing the indirect tax rates of member states roughly into line, so that frontier tax checks would prove superfluous — the idea caused consternation to the Treasury. Lord Cockfield was summoned back to Downing Street to explain himself".

We shall be told by the Minister that that is our great guarantee, because every time Lord Cockfield speaks out of turn the Prime Minister will drag him back to No. 10 and tell him that he is being naughty and that he is not allowed to do this part of what Lord Cockfield believes to be fundamental to the drive towards the internal market.

But Lord Cockfield is not alone. He is not the only one who believes that harmonisation of indirect tax is crucial to obtaining a proper and reasonable internal market in Europe. Sir Henry Plumb, the leader of the Conservative group in the European Parliament, and somebody who, I understand from the tapes—all that we have to rely on this evening — said that this afternoon's budget agreement in the European Parliament was a great triumph and something on which we should be congratulated. Sir Henry Plumb said on 11 December last year:

"It is hard to see how there could be an internal market without a measure of harmonisation in fiscal matters."

I think that it is scarcely being sceptical, pessimistic or disruptive for us on these Benches to say to the Government that we are not happy about the assurances that have been given that article 17 and the unanimity rule will protect the British taxpayer from harmonisation of VAT.

7.30 pm

Mr. Nigel Spearing (Newham, South): Can my hon. Friend confirm—the Minister might like to touch on this in reply—that existing directive No. 6 on VAT, which already requires a good degree of harmonisation, still applies irrespective of what is contained in this article? In other words, the Chancellor can still receive letters and be brought before the court in infraction proceedings if the existing VAT directives are not complied with.

Mr. Robertson: Absolutely. My hon. Friend, who is a great expert on the minutiae of these matters, makes a valid point, which I am sure the Minister will want to answer. The fact is that there is a body of evidence that can be deployed against the Government's assurances, although they are freely given and sound emphatic to many ears. That body of evidence would tend to raise doubts in the mind of anyone making an objective judgment.

An objective outside expert who wished to come to his or her own conclusion could also look at what was said by the House of Lords Select Committee on the European Communities in a voluminous report entitled "Indirect Taxation and the Internal Market". The Committee spent a large amount of time on this because its terms of reference allow it to examine these matters in more detail than is possible in a Select Committee of this House. The Committee said at paragraph 111:

"On the evidence before them, particularly on the basis of the experience of the Irish Republic and the United States of America, the Committee are convinced that the abolition of frontiers without first approximating indirect taxes would have unacceptable consequences".

The Committee said that from the basis of another belief that it has. It then said at paragraph 110:

"The Committee believes that there is a good case for approximation of indirect taxes as an end in itself, in the interests of fair competition."

This great Select Committee, which includes a wide variety of knowledgeable peers, went on to say:

"if it proved necessary to impose a low positive rate of tax on these items, the Committee consider that the disadvantages in the terms of cost of living would be compensated by the advantage of a broader tax base and perhaps a lower standard rate."

Their Lordships, of course, do not suffer the problems that those of us in the House of Commons have of being elected. One cannot imagine even the strongest federalists who may exist in the House of Commons going round advocating to people that we start levying VAT in its own right on food, children's clothes, books, gas and electricity — all areas that British Governments of whatever complexion since the introduction of VAT have chosen to exempt from that tax.

Mr. John Butterfill (Bournemouth, West): Does the hon. Gentleman imagine that, if harmonisation did take place, it would automatically mean that we would have to drop our practices rather than other countries adopting some of ours?

Mr. Robertson: I can only imagine that the hon. Gentleman is being disingenuous. He knows what the reality is. After all, he is a member of a party that came to power in 1979 and said that it was not going to increase VAT, yet managed in its first Budget virtually to double it. Therefore, I do not think that he should expect anyone in the House, and certainly not the British people outside it, to accept that if harmonisation took place it would necessarily all be at the lowest rate and that we would not go on to Denmark's 22 per cent. VAT, France's 18·5 per cent., or Italy's 18 per cent. One can bet one's last ecu that, when harmonisation takes place, it will take place at the highest rate that can be got away with.

Sir Anthony Meyer (Clwyd, North-West): I listened with some surprise to the hon. Gentleman holding up the House of Lords Select Committee to obloquy because their Lordships are not elected. As I recall, in previous debates he has quoted with enormous approval the conclusions of the House of Lords Select Committee that these measures involved some diminution of the national power of veto.

Mr. Robertson: On the contrary, I am holding up their Lordships' report to considerable approval because I think that it pricks the balloon of the nonsense already spoken on this subject. Their Lordships point out their view of the advantages and say that they believe that the internal market cannot be accomplished unless that harmonisation takes place.

Therefore, we should look with the greatest scepticism and distrust at the fresh assurances being given to us by the Government. I do not believe that there is anything to

suggest that the Government mean any part of what they say; nor, indeed, even if they did, that they would be capable of controlling the great moving mountain once they started it on its trail. I therefore ask hon. Members on both sides of the House to vote for the amendment after this all too brief debate.

Mr. Butterfill: It is extraordinary that the speeches we have heard so far have assumed, first, that the unanimity provisions now proposed are not a substantial increase in the safeguards that the House and the British public have against any future action under the treaties; and, secondly, that in any future negotiations on harmonisation we shall be the ones who will change absolutely while nobody else will change at all.

I would be the first to acknowledge that it is eminently desirable that those goods that are presently zero-rated should remain zero-rated. I believe that, although indirect taxation in the form of VAT has many advantages, it is also necessary to protect the least well-off people in society from the effects of this somewhat restrictive tax. That is why successive Governments have chosen to exclude from the incidence of VAT essential commodities such as heating fuels, children's clothing, shoes and food. I do not see that we shall be unable to persuade our partners in the Economic Community that that remains a desirable objective for them as well.

It is not true to say that all other European countries have higher rates of VAT on many of these items than we have. Indeed, I have had many representations from the hotel and tourism trade in my constituency complaining that on many comparable commodities in the Community the rates are lower than in the United Kingdom and there is, thus, unfair competition.

Sir Edward du Cann: While I understand my hon. Friend's point about VAT and his idea that maybe we shall not be pressured to abandon the zero rate, if that is so, why is it that over many years there has been that pressure, and why has the United Kingdom been taken to the European Court by the Commission complaining about our zero rate and demanding that it be abolished?

Mr. Butterfill: It is certainly true that the Commission's objective is to achieve harmonisation, as it always has been. It is true that it has put pressure on all Governments who operate different rates from those of other member Governments in the Community. Their objective is undoubtedly to achieve standardisation, but I believe that it ought to be possible to deploy arguments with our partners to adjust many of the anomalies. There is no doubt that many of the anomalies and some of the high rates in other European countries are there as a hidden deterrent to some of our exports, and exist to the detriment of our own exporters.

France has been clever at arranging its rates of VAT to favour some of its products but to disadvantage some British products. There will undoubtedly be many ways in which harmonisation will be to the benefit of all of us. Therefore, we should not proceed with the pessimism that has been expressed in some parts of the House that automatically harmonisation will mean that all the things that we value, treasure and rightly seek to uphold will disappear, and we shall automatically go to everybody else's higher rate. That is not likely to be the case. It would not be necessary in terms of the revenue objectives of the member Governments, so we should look at this much more constructively.

Under this article, we have much more control because, for the first time, it is spelt out unequivocably that any change must be unanimous. That is a great protection for the House and for any future Government.

Mr. Michael Foot (Blaenau Gwent): It is monstrous that the debate on these important questions should be compressed, and the speech made by the hon. Member for Bournemouth, West (Mr. Butterfill) underlines the effect of that.

Because of the falling of the guillotine, I shall summarise the important arguments made by the right hon. Member for Taunton (Sir E. du Cann), and ask that the Minister give a specific answer to certain questions. Is it the case that, with the passage of the Bill and the rejection of the amendment, the capacity of the British Government or the British Parliament to reject the imposition of VAT on books will be in any way weakened? I hope that the Minister will give a clear answer. If the answer is honest, it must be yes, and the House would not pass that proposition if it knew what it was doing.

Only a few months ago there was a huge outcry among the public when it was thought that the Chancellor of the Exchequer would impose VAT on books. Eventually, he rightly bowed to the protests and did not do so. Perhaps he had never intended to. However, I want to know from the Minister whether our power over such impositions is in any way diminished by the passage of the Bill.

The right hon. Member for Taunton mentioned other commodities and I want to know how the Bill will apply to them, and to the imposition of VAT on newspapers. Perhaps if the newspapers were to have VAT imposed on them without the British Parliament having a final say in the matter, they might start to awaken and understand what is happening in the House and what has been and will be done. It will not be much good British newpapers protesting in the future about the imposition of VAT on newspapers if they do not print the reports of the debates on these matters. I hope that the Minister will give us direct answers to those questions.

Mr. Eric Forth (Mid-Worcestershire): Great and unbounded though my respect for my hon. Friend the Minister is, I am disappointed that this evening we do not have with us a Treasury Minister to give the Treasury view on this most vital matter. It must be self-evident to the Committee that the ability of any one member state to manage its affairs could be greatly affected and impeded by the proposals in this part of the Bill. I would have thought that the Treasury would have wanted to be represented this evening to reassure us that it is behind what is being proposed. I can only draw my own conclusions from the fact that my hon. Friend has been left, no doubt admirably and robustly, to defend the position. I am in some doubt as to why the Treasury has not seen fit to send a representative this evening.

Two aspects of this part of the Bill concern me. The first is a more superficial political one, although it surprises me that advocates of the Community and its development are prepared to take the political risk in the short to medium-term that may go with the imposition of harmonised VAT rates on such sensitive articles as children's shoes, food,

[Mr. Eric Forth]

clothing or books. Those who wish the Community to develop rapidly would be disappointed, and would find their campaign set back considerably, were this to happen.

My hon. Friend the Member for Bournemouth, West (Mr. Butterfill) spoke about the protection of the unanimity rule. We all know that the way in which the Community works is that any harmonisation will be done as part of a package. There will be a quid pro quo, or a trade-off, with other member Governments. They will say to our Government that if they all want to do this and the British Government particularly want to do that, part of the deal will be the imposition of VAT on food, children's shoes or whatever. That is why the apparent protection of the unanimity rule would not be as complete, total or reassuring as my hon. Friend asks us to believe.

7.45 pm

Mr. Butterfill: My hon. Friend knows very well, because he has been a Member of the European Parliament, that the negotiations may involve a trade-off, but the trade-off might be a higher rate for goods that are already subject to VAT, so that we might go to a French or Danish rate on certain high value goods, but that would mean that we would then keep zero rating on food and other essential commodities. We would not necessarily have to sacrifice our exemptions.

Mr. Forth: My hon. Friend is right, but, as my right hon. Friend the Member for Taunton (Sir E. du Cann) said, the pressure has consistently been the other way. The evidence suggests that if there were to be a movement towards harmonisation it would be away from zero rating on items that we regard as sensitive.

There is a fundamental inconsistency between the stated demands of the Community for what is called in the jargon convergence, and the demands of tax harmonisation as an instrument of fiscal policy. Those who have a passionate belief in the Community believe that it is in its interests that we bring together the levels and rates of development and social and economic growth of all the member states. Instruments of policy have been devised in the Community to try to bring this about. One of the most notorious is the regional policy, which has misguidedly tried for several years to apply subsidies and taxpayers' funds to reduce what I believe are the natural differentials between the economies of the Community.

However, to bring about a convergence of economies as disparate and different as those of Denmark and Greece, or Luxembourg and Ireland in terms of gross national product per capita one must accept that for a long time to come the tax, fiscal and other domestic policies of these countries must be quite different, distinguished and differentiated. If one attempts to move towards tax harmonisation based on the argument of the internal market and the freedom of movement and the uniformity of policy one will endanger one of the other stated objectives of the Community—convergence.

Those who want the Community to progress and who adhere to and support convergence must come clean. They must tell us what they think it means, what they believe in and, more importantly, how they believe they will achieve that policy objective against a background of harmonisation of tax. It is not likely or possible to bring about the convergence of the economies of Luxembourg and Ireland if we impose on them from the centre identical rates of tax for harmonisation.

Therefore, one of the reasons why I am opposed to the Bill and wish to support the amendment is that I fear that there is a lack of clear thinking from those who have framed the legislation. As is so often the case in discussions on the European Community, those who support it have submitted themselves to the warm and comforting sound of the words. We like the words "harmonisation" and "convergence". People feel comfortable with them. They like the idea that, some time in the future, Greece will be as wealthy as Denmark, or Ireland as wealthy as Luxembourg.

However, the great danger is that in allowing ourselves to be massaged by these words and to be made to feel comfortable by them we are allowing at the same time a continuing deception to be perpetrated whereby the policy objectives are quite different and, indeed, quite incompatible. Until I am much more satisfied that these objectives can be squared and, if I may use the term, can themselves converge, I am quite unable to support this part of the Bill.

Mr. J. Enoch Powell (South Down): When the right hon. Member for Taunton (Sir E. du Cann) said that a vote against this amendment was a vote in favour of harmonisation of taxes, he spoke nothing less than the literal truth. We are putting a new article into the treaty, and that article is mandatory. It says:

"The Council shall . . . adopt provisions for the harmonisation of legislation"

concerning taxation.

Reference was made at an earlier stage in the proceedings to the word "shall", and I am grateful to the Minister of State for having written to me since then on the subject. She is quite plain about it. She says that the meaning of the word "shall" is mandatory, as one would naturally assume it to be. She said:

"The Council has a duty to act. That is the meaning of the word 'shall'."

So we are deliberately writing into our law and into a new treaty an obligation which we are imposing upon the Council as a matter fo duty: to act in such a way as to bring about the harmonisation of indirect taxation. That view is reinforced, if one compares the wording of the old article which is being displaced. The old article said:

"The Commission shall submit proposals to the Council."

It then went on to say:

"and the latter"—

that is, the Council—

"shall decide upon the matter."

So what we are doing is perfectly clear. We are substituting for an obligation to decide upon a proposal from the Commission an obligation to pass proposals which carry with them the harmonisation of taxes.

What is quite certain about the harmonisation of taxes, whether it is up or whether it is down, is that the resultant system of taxation will not be one which this country has chosen. It will be a system of taxation which has been proposed to this House or which has been legislated for by this House. It cannot be harmonious and it cannot converge, if that is the case. There is no respect more than this in which the will to political power, by membership of the EEC and the EEC structure, is evident.

The alleged purpose here is the completion of the internal market. If the internal market means freedom of

exchange and freedom for the movement of goods, it is quite untrue to say that such freedom is dependent upon the approximation of the various tax systems in the different countries of the Community. All taxes have an economic effect. Therefore, if we want to harmonise the economies of two or more countries, we must enforce harmonised taxation in those countries, but there is no necessary connection between the harmonisation of taxation and the freedom of trade, other than that freedom of trade is a pretext and a cover for the will to power and the will to political unification.

This is a mandatory provision which will bring that scope nearer by enforcing upon the Council, and by committing this House to enforce upon the Council, that harmonisation of taxation which is necessary for the creation of political unity but which is not necessary for the completion of an internal common market or a market for the free exchange of goods.

Mr. Richard Shepherd (Aldridge-Brownhills): I echo the words of the right hon. Member for South Down (Mr. Powell). I am not at all sure that there is any economic basis for this measure, in terms of the benefits that it will bring to the Community. In fact, it will be contrary to the interests of the Community, as it is trying, obviously, to edge its way towards a federal state.

I take up the right hon. Gentleman's argument by contrasting the measures that are implicit in this Bill with the states of the United States where there is a federal economy which has never insisted upon the constituent states harmonising their taxation. The very vigour of a much more vigorous economy than any economy in Europe is such that the flow of economic values from area to area reflects the exigencies or needs of each state and its tax policy. One gets more vigour from a wide economy by allowing flexibility of tax rates than one gets from imposing any other system.

We shall probably end up by levelling down the economic vigour and interests of the Community instead of raising them. This is very much against Britain's interests. Each nation should determine what is the most appropriate level for its tax rates. If we were to insist upon local authorities levying the same rates bills, it would mean suicide for some authorities. That is what we are trying to do by means of this absurd proposal. In economic terms, it has not been thought through convincingly.

Many people feel very strongly about the primary financial role of this House. The long march of every man towards a democracy in which people are free was due to the determination of this House to set its own rates of taxation. That is fundamental and it touches on the spirit of our people.

This is an abnegation of a very important principle. It is extraordinary that the Government feel that they can edge us towards something which will contradict our history, interests and outlook. If they really wanted to build up the Community, they would stand up against these preposterous announcements. Many people are in favour of free and open trade but that does not require harmonisation. Harmonisation would lead to shackles being placed upon individual nation states that can work well together and trade well together without this particular part of the Bill.

Mr. Ron Leighton (Newham, North-East): Our objection to this part of the Bill is the loss of fiscal sovereignty. The right hon. Member for Taunton (Sir E. du Cann) was quite right. In the 1971 White Paper we were told that we should keep control over our indirect taxation, but the completion of the so-called internal market means that that will go. We were conned then and we are being cheated now.

If the proposal in the Commission's document 7674 were implemented, alien institutions outside this country, not elected by us, would decide upon the taxation of the British people. This House would give up its competence to vote Supply, the historic source of its powers. In the past the House wrested these powers from the king in the name of parliamentary government. Are we to surrender them now to those who would be unaccountable to the voters?

We are told that the completed internal market is to comprise an area without frontiers. Fiscal barriers are to be dismantled. To achieve this, indirect taxes are to be approximated throughout the area of the internal market. The most important of these indirect taxes are value added tax and excise duties. VAT occupies a special position in the EEC. Member states are required to adopt it as their principal indirect tax and are required to pay a proportion of the VAT receipts to the EEC as part of its own resources. We now pay about 11·5 per cent. of our VAT yield to the EEC.

Excise duties are levied on the consumption of such goods as wine, beer, spirits, tobacco and hydrocarbon oils. At the moment, VAT and excise duties vary considerably between the member states. Italy, for example, has VAT rates that go up to 38 per cent. Italy relies more on VAT because it finds that it is difficult to collect income tax. The Commission's white paper makes it clear that these duties will have to be approximated.

What would this mean, in particular, for the United Kingdom? If we take cigarettes, with the exception of Denmark, we have the highest rates of duty. On beer, with the exception of Ireland, we have the highest duty. On wine, again with the exception of Ireland, we have by far the highest duty, while Italy and Germany have none at all, and France virtually none. The main effect of approximation on the United Kingdom would be to lower excise duties, to increase VAT and to end zero rating. It would revolutionise our system of indirect taxation, and in the opposite way to that which most of us would want. It would shift taxation from alchohol and tobacco and load it on to everything else, including, for the first time, food and children's clothing. To come into line with the weighted average of the other member states we would have to increase the burden of VAT as a fraction of gross domestic product by two fifths while reducing the duties on alcohol and tobacco by about a quarter. So £4 billion would be taken off excise duties and placed on VAT. The total of VAT plus excise duties as a fraction of GDP would have to be increased by 10 per cent. The total indirect taxation on the British people would be increased, and by methods we would deplore.

No other state in the EEC, apart from Ireland, currently applies such broad relief from VAT as a result of exemption and zero rating. Fuel, transport and most foodstuffs are currently zero-rated in Britain. All that would go. Is that what we want to have foisted on us by bodies not elected by us and not responsible to the British people? It is a monstrous proposition that we should even consider it. The Chancellor could throw away his Budget box, because he would not be allowed to use it any more.

[Mr. Ron Leighton]

What is supposed to be the purpose of this? It is allegedly to abolish border controls, the physical barriers between member states, to end the distortion of competition caused by zero rating and to save money on bureaucracy. But investigation shows that little of this is likely to happen. Would frontiers disappear? Would those delays and checks at, for example, Dover end? They would not, because border controls would still remain for immigration, drugs, counterfeit goods and public security. Also, the United Kingdom's only land frontier is with the Irish Republic and perhaps, in the future, with the Channel tunnel. So all travellers would have to be stopped once to establish whether they had come from the EEC. Let us be clear that the physical barriers will remain.

Will we save much money by approximation? Again, the answer is no. The Commission proposes that exports between member states should cease to be zero-rated and that importers, provided that they will sell the goods on, could reclaim from their Governments VAT levied on imports by the country of export. That would increase the tax revenue in the country of export and reduce it in the country of import. Here is the rub—to deal with this, a "clearing house" procedure would be established for transferring the revenue raised on exports in the country of export to the tax authorities in the country of import, exactly offsetting the repayment claimed from them by the importer. An entire new bureaucracy is to be set up. Traders would have to supply more information under that arrangement than they do at present, increasing the cost of record-keeping. The Dutch Government have already said that they would not trust a system which did not involve communication between tax authorities on each individual transaction. Such a clearing house would raise serious questions on the compatability of data processing systems of the member states.

Spain and Portugal have only just introduced VAT and Greece has not done so. Yet the clearing house would require much improved procedures for mutual administrative assistance between tax authorities to prevent abuse — indeed, for it to work at all. It will be a bureaucratic nightmare. As it will not remove frontiers or border controls, as it will not be cheaper to administer, as it will remove decisions on taxation of the British people from their elected representatives and increase indirect taxation in the United Kingdom, including placing VAT on food, fuel, books, newspapers, transport and children's clothes, why on earth should we even consider this gross interference in our domestic affairs? We should not. We should reject it with contempt by passing the amendments. All that the internal market has done so far is to lead to the export of British capital and employment. We should vote against it tonight.

Sir Anthony Meyer: We have had a far better debate tonight because of the timetable motion than any debate we have had up to now. Hon. Members who spoke stuck to the point. I shall vote against the amendment and I shall do so with far more conviction than when I voted against the amendment which was proposed in the previous debate by my right hon. Friend the Member for Worthing (Mr. Higgins), because I cannot rid myself of the sneaking suspicion that the Community must be put under some sort of pressure to limit the growth in its budget, if only because so much of the budget is spent on things on which the Community should not spend money, such as the inexorable growth in surpluses.

The amendment goes against what the Community should be doing because it is designed to make it more difficult for the Community to move towards the completion of the internal market. If the Community completes its internal market, it can do the things which it is especially well qualified to do. It can sustain a technologically advanced European industry and provide more jobs for the workers of Europe.

During the debate we have heard much from hon. Members on both sides of the House who oppose British membership of the European Community. I make it plain that my hon. Friend the Minister will come under every bit as much pressure from those Conservative Members who believe that we should go further as she will from those who do not wish to go as far as this. Those of us who wish to go further are much more representative of the Conservative party.

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): Tonight we heard a slight horror story from the hon. Member for Newham, North-East (Mr. Leighton). If he were correct, it would be a horror story, but I am glad to say that he is not.

I shall concentrate on some of the facts because they should help to put hon. Members' minds at rest. First, the amendment seeks to delete from the scope of the Bill the new article 99 on the harmonisation of indirect taxation. Article 99 is not a commitment to tax harmonisation. Harmonisation is provided for only to the extent necessary for completing the internal market by 1992. It is more restrictive than the former article 99 because that provided for tax harmonisation,

"in the *interest* of the common market."

It follows, therefore, that there is no diminution of sovereignty involved in the amendments to the treaty.

I understand the anxieties of my right hon. Friend the Member for Taunton (Sir E. du Cann), but they are much overplayed. Of course, there must be discussion on how far, if at all, the current differences in tax rates between member states must be reduced to complete the internal market, but no one can force the United Kingdom to increase its tax rates nor to reduce them because such decisions remain with our Chancellor of the Exchequer. Any change to the rules would require unanimity, and that is in no way changed by the Single European Act. Nor are hon. Members' powers to oppose the imposition of VAT on some items in any way diminished.

The rules that we already have—I am thinking here of the VAT directives — primarily establish, as far as possible, a common basis for the assessment of VAT from which most of the Community's resources derive. If everyone chose to operate the system under different rules, we should soon discover that some countries were paying more than was properly due and others were paying less.

Mr. Teddy Taylor (Southend, East): Is it the Government's policy that the internal market can be completed within the timetable laid down, by 1992, without the removal of the zero rate of VAT?

Mrs. Chalker: I am sure that it is possible to complete the internal market by 1992 without the removal of zero rate VAT. My hon. Friend has, on previous occasions in the debates on the Bill, suggested that if the Council failed

to agree on future harmonisation legislation and the Commission took the view that the United Kingdom was blocking progress it could take us to the European Court of Justice. I must put that misconception right. Article 99 lays down no obligation on individual member states. Under the article, it is for Council to adopt legislation to the extent necessary for the stated purposes. Once such legislation has been adopted by unanimity, a member state which, in the view of the Commission or that of other member states is not complying with that legislation, may then be taken to the court. No member state can be taken to court for refusing to agree on harmonising legislation. In that respect, too, the new article 99 is no different from the previous one.

Zero rating has been the substance of many hon. Members' contributions on 27 June and tonight. Zero rating in the United Kingdom is unaffected by the changes to article 99 which we are debating. Zero rates are expressly provided for under an existing directive which could be changed only with this country's agreement.

In his Budget speech in 1985, the Chancellor of the Exchequer said that the Government did not intend to propose extensions to the VAT base during the lifetime of this Parliament. I think that will answer the point of my right hon. Friend the Member for Taunton. We had further debate about zero rating because of the Commission's current challenge to the United Kingdom's interpretation of article 17 of the second VAT directive, which permits zero rating for,

"clearly defined social reasons and for the benefit of the final consumer".

The Commission is challenging our zero rates only to the extent that they do not fall clearly into that category. Most items which are zero-rated in the United Kingdom, for example, food, children's clothes and the supply of gas and electricity to the final consumer, are not affected. We are, in any case, fighting the case vigorously in the European Court. However, I must stress again that that challenge predates new article 99 and will not, in any way, be affected by it.

In earlier debates on the Bill, the hon. Member for Walthamstow (Mr. Deakins) asked about the Council's ad hoc group on the removal of fiscal barriers. The group made its final report to the Economic and Finance Council on 16 June. The Council has now asked the Commission to present, by 1 April 1987 and without prejudice to the Council's position or that of individual member states, detailed proposals on the rate structures, and on the accompanying systems which the Commission regards as necessary for the completion of the internal market. This will help member states to assess the Commission's approach regarding especially its wider budgetary, economic, social and industrial implications. It does not, however, imply that we shall necessarily do that. That matter must be discussed and will ultimately be resolved by unanimity.

It has also been suggested that we shall come under pressure from other member states to harmonise duties or VAT rates——

Mr. Spearing: We have.

Mrs. Chalker: It has been suggested specifically in the context of article 99. However, there is no suggestion that there should be complete harmonisation of either VAT or duty rates. My hon. Friend the Member for Bournemouth, West (Mr. Butterfill) said that it is hardly likely that other member states will want the harmonisation which was suggested by some hon. Members because it could require France to increase wine duty by more than 200 per cent., Germany beer duty by more than 200 per cent. and Greece its duty on spirits by more than 2,000 per cent. Those threats are wholly unlikely and unrealistic.

The right hon. Member for South Down (Mr. Powell) referred to the letter which I wrote to him on 7 July in response to earlier debates on this matter in Committee. He referred to the word "shall" and the meaning of that word. He was right in everything that he said, but he did not go on to say that the Council has a duty to act, but only within the terms and discretion provided by the article. He should have added——

It being one hour after the House resolved itself into a Committee on the Bill, THE CHAIRMAN *put the Question already proposed from the Chair, pursuant to the Order [1 July].*

Question put, That the amendment be made:—

The Committee divided: Ayes 149, Noes 212.

Division No. 250] **[8.15 pm**

AYES

Adams, Allen *(Paisley N)*
Anderson, Donald
Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boyes, Roland
Bray, Dr Jeremy
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Budgen, Nick
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Clark, Dr David *(S Shields)*
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Crowther, Stan
Davies, Rt Hon Denzil *(L'lli)*
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Dubs, Alfred
du Cann, Rt Hon Sir Edward
Duffy, A. E. P.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Ewing, Harry
Fatchett, Derek
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Forth, Eric
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gould, Bryan
Hamilton, W. W. *(Fife Central)*
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Haynes, Frank
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howarth, Gerald *(Cannock)*
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lofthouse, Geoffrey
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
Madden, Max
Marek, Dr John
Marlow, Antony
Martin, Michael
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*

Morris, Rt Hon J. *(Aberavon)*
Nellist, David
O'Brien, William
Park, George
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Rt Hon J. E.
Powell, Raymond *(Ogmore)*
Prescott, John
Proctor, K. Harvey
Randall, Stuart
Redmond, Martin
Rees, Rt Hon M. *(Leeds S)*
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Rowlands, Ted
Ryman, John
Sheldon, Rt Hon R.
Shepherd, Richard *(Aldridge)*
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Soley, Clive
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Strang, Gavin
Straw, Jack
Taylor, Teddy *(S'end E)*
Thompson, J. *(Wansbeck)*
Torney, Tom
Walker, Bill *(T'side N)*
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
White, James
Williams, Rt Hon A.
Winnick, David
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. James Hamilton and
Mr. John McWilliam.

NOES

Adley, Robert
Alexander, Richard
Alton, David
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Ashdown, Paddy
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bendall, Vivian
Benyon, William
Best, Keith
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Bright, Graham
Brinton, Tim
Browne, John
Bryan, Sir Paul
Burt, Alistair
Butler, Rt Hon Sir Adam
Butterfill, John
Carlile, Alexander *(Montg'y)*
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Colvin, Michael
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Eyre, Sir Reginald
Favell, Anthony
Fenner, Mrs Peggy
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodlad, Alastair
Grant, Sir Anthony
Greenway, Harry
Griffiths, Sir Eldon
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hancock, Michael
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hickmet, Richard
Hicks, Robert
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howell, Ralph *(Norfolk, N)*
Howells, Geraint
Hunt, David *(Wirral W)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jackson, Robert
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Kennedy, Charles
Kershaw, Sir Anthony
Key, Robert
Kirkwood, Archy
Knowles, Michael
Knox, David
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Livsey, Richard
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
McCurley, Mrs Anna
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McNair-Wilson, P. *(New F'st)*
Malone, Gerald
Maples, John
Maude, Hon Francis
Mawhinney, Dr Brian
Meyer, Sir Anthony
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Norris, Steven
Oppenheim, Phillip
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Pawsey, James
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Renton, Tim
Rhodes James, Robert
Ridsdale, Sir Julian
Rippon, Rt Hon Geoffrey
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Taylor, John *(Solihull)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thurnham, Peter
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Wallace, James
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Wilkinson, John
Wolfson, Mark
Yeo, Tim

Tellers for the Noes:
Mr. Tim Sainsbury and
Mr. Michael Neubert.

Question accordingly negatived.

Mr. Alan Williams (Swansea West): On a point of order, Mr. Walker. I understand that within the last few minutes the Government have been defeated by 18 votes in the House of Lords on the Dockyard Services Bill. You will recollect, Mr. Walker, that in today's business statement that Bill was listed for consideration by the House on Friday 18 July. I ask you to use your good offices on behalf of the Opposition to ask the Leader of the House if he will come here tomorrow at 11 o'clock to make another business statement to the effect that the Dockyard Services Bill, in view of its now prime importance, will be accorded prime time on a normal day.

The Chairman: The right hon. Gentleman knows that we are in Committee and that the point he has raised is not a matter for the Committee or for me. No doubt what he has said will be communicated to the Leader of the House.

Mr. John McWilliam (Blaydon): Further to that point of order. The Committee is aware of the importance of the Dockyard Services Bill and the effect that the resultant Act would have on our strategic ability to defend ourselves in time of war. May I ask you to prevail upon Mr. Speaker to consider today's business statement and to ask Mr. Speaker why a vital Bill like this that affects our strategic capabilities——

The Chairman: Order. I remind the hon. Gentleman that we are on a tight timetable and that a large number of hon. Members wish to speak on the business before the Committee. I cannot usefully add to what I have already said.

Mr. Teddy Taylor: I beg to move, in page 1, line 13, after 'Communities)', insert
'but not Article 20 thereof'.

The Chairman: With this it will be convenient to consider amendments Nos. 23, 24 and 25.

Mr. Taylor: Article 20 refers to economic and monetary union. The purpose of the amendment is essentially to find out what article 20 is about and precisely to what it committed the Government. More important, we wanted to get the advice of the Minister clearly on the record. Our experience of getting European matters on the record is not a good one. Earlier today we had a discussion about the European Budget and we said that only a few months ago we had the clearest of assurances that budgetary control was now applied and that expenditure on agriculture would be contained and that the 1·4 per cent. VAT rate would last for several years. Those assurances have been proved to be utterly worthless, and budgetary control has not been practised. This issue is rather less emotive than expenditure and I ask my hon. Friend the Minister of State to say exactly what Great Britain is committing itself to under article 20. It could be argued that we are confronted with nonsensical verbiage which means nothing, or that we are committing ourselves to the convergence of monitary policies within the EEC. If we are committing ourselves to such policies, we are taking a big step. It is something that we should discuss and think about extremely clearly. As these matters have been set out in a treaty and are being set out in law, it is possible for the European Court, on an approach to the Commission, to interpret policies that are applied by the Council or member states.

8.30 pm

Is it a good thing for Britain to have harmonised our convergent economic policies with other members of the Common Market? We have a number of international relationships with OECD countries and we have commitments through the GATT to reduce tariffs. Is it good for Britain to enter an economic union that would be part of a political union? Is it in our interests to do so? I can well remember those who said when we joined the EEC that our entry would prove to be a recipe for more jobs, more prosperity and better trade with EEC countries. We have found, to the disappointment of many and the surprise of some, that far from achieving those goals we have entered a period of economic decline and mass unemployment. We have a horrific deficit with the EEC in our manufacturing trade of no less than £10,000 million. Is it in Britain's interests economically to join up more with a part of the world which is clearly in structural decline? Our trade figures show that we have a horrific deficit in manufacturing trade with the Common Market and a substantial surplus in manufacturing trade with the rest of the world, and the gap is growing. Unemployment figures throughout the world show that the areas of growth and job creation are far away from the EEC.

The second factor which should make us wonder whether it is a good thing to tie ourselves up in economic terms with the EEC and to harmonise economic policies is the structural decline of the area. Do we wish to become a peripheral part of it? I am probably more aware of these issues than most because I have spent most of my life as a politician in Scotland. For years the English have put vast sums into Scotland and Northern Ireland to try to equalise the ability to create jobs, welfare and prosperity. Despite all the endeavours of the English, Scotland has not enjoyed the same prosperity as that which has been present south of the border. That is not the result of a nasty plot on behalf of the English. The answer is that there is a natural economic movement and tendency for jobs, decision making and investment to move towards the centre of the market.

I find myself now in a prosperous part of the United Kingdom, but Southend does not have the grants, allowances and bonuses in terms of public expenditure that are received in the north. If we harmonise economic policies and make ourselves a greater part of economic and monitary union, I fear that Britain will become a peripheral part of an area of the world which is clearly in structural decline. It is an area that is suffering from mass unemployment, and it faces serious problems in competing with the growth areas of the world.

To what are we committing ourselves in the convergence of economic policies? We must bear in mind that the United Kingdom, especially under my right hon. Friend the Prime Minister, has a particular attitude to economic affairs. Will we not be removing our freedom and the liberty of the House to determine Britain's economic policies if we agree to the harmonisation of economic policies within the EEC? We know that most of the countries of Europe have Governments that are far to the left of that of the United Kingdom. Other European countries are more interventionist in their ideas. We know that most European countries believe in the expansion of public expenditure. I ask the House seriously to consider whether the clause commits us, however gradually, to the cohesion, harmonisation or convergence of economic policies. Does it not remove a huge amount of the ability and freedom of the British Government to determine their own economic policies?

Another factor is the commitment to harmonise monetary policies. It might be helpful if the Government were to say at this stage exactly what their attitude is to the European monetary system and why they think that it is a good thing. I have been heartened by many of the things which the Prime Minister has said from time to time on the Common Market. I was delighted on 11 March to hear her say that we would fight against the supplementary budget of £1 billion that had been put forward by the Commission. I was disheartened today to learn that, instead of fighting hard, we had caved in within six hours and had agreed to another supplementary budget, and one which is larger by £1 billion than its predecessor. I was heartened, however, by what the Prime Minister said on the EMS on 10 June. She said:

[Mr. Taylor]

"At present there is no intention of joining the European monetary system. To do so would deny us an option that we have at present . . . We would be denied the option of taking the strain on the exchange rate. I do not think it right to deny us that option at present."—[*Official Report*, 10 June 1986; Vol. 99, c. 171.]

In other words, my right hon. Friend the Prime Minister thought that joining the EMS would remove the option of taking the strain of economic pressure on the exchange rate instead of on interest rates, fiscal policy or other forms of restriction. My right hon. Friend has always taken the view that we believe in a free exchange rate. On the other hand, other Ministers have said, especially Foreign Office Ministers, who appear not to have the same convergence as the Prime Minister and as the Government are hoping that we shall have with other Common Market countries, that Britain wants to join the EMS when the time is right. It would be helpful if we could have some indication from the Foreign Office, whose policies seem to be partially at variance with those of the Prime Minister, of the circumstances that it would deem to be appropriate for joining the EMS. Secondly, is it the Government's clear intention and desire to join the EMS when they think that the circumstances are right? If this is the position, perhaps the Foreign Office will explain the advantage to Britain of joining the EMS when the time is right.

If we were to join the EMS, the Government would be restricted severely in protecting the pound at times when it came under attack. If there were pressure on the pound, we would have to use the nasty devices that we employed when Britain had a fixed exchange rate. The choice of joining the EMS or not is rather similar to the choice of opting for a fixed or varied exchange rate. Like everything else, money has its market price. It helps our economy if we let the exchange rate take the strain instead of declaring an artificial rate for our currency. If we opt for an artificial rate, nasty things have to be done, such as taking unpleasant decisions on fiscal policy and interest rates. Freedom for our exchange rates, in so far as it is reasonably possible, assists in securing the freedom of our economy. I believe that most Conservatives believe that it is helpful.

There are a number of people—especially our friends in the CBI—who seem to regard the Common Market with a great deal of delight. The CBI has said that it would be good for Britain if we were to join the EMS as our entry would assist trade, but in a way that I cannot understand. It says that a fixed exchange rate with the rest of Europe would help us to export goods to Europe in a way that would not help other Europeans to export their goods into Britain. I cannot understand the logic of that argument. If we were to join the EMS, we would restrict severely the freedom of the Chancellor of the Exchequer. The freedom that we have had since opting for a free exchange rate would be denied to us, which would present problems for a country which depends considerably on income from oil and oil resources.

I hope that the Government will explain exactly what we commit ourselves to in article 20. Is it nothing, just a general sentiment? Or is it the Government's clear intention to harmonise our economic and military policies with the EEC, as opposed to maintaining our alliance with the rest of the world?

I hope that the Government will bear in mind the possible danger to us in a harmonised economic and monetary policy of further problems with our relationship with the United States of America. I have been extremely worried at the way in which the crazy CAP is driving a wedge between Europe and the United States. Contact between Britain, Europe and the United States is absolutely vital and helps us towards an internationalist position, instead of being part of a narrow protectionist group surrounded by a high tariff wall.

All the signs are that the EEC is becoming more protectionist, not merely through tariffs, but through some of its non-tariff measures, voluntary restraint agreements and so on. A move towards economic and military union would be a step towards removing a great deal of freedom and liberty which we enjoy in economic policy, and towards protectionism in Europe which is, I believe, where we are going and what the intention is. I hope that the Government will say what is involved and that they will clarify their view on economic and military union.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): One of the most discomfiting things about these debates is that we in the Labour party often find ourselves agreeing with the hon. Member for Southend, East (Mr. Taylor). Having disagreed with him on many occasions in the past, I am glad to have found one statement in his speech to disagree with. He talked about the huge sums being pumped into Scotland. That happened when he represented Glasgow, Cathcart because there was a Labour Government, but since he was, rightly, removed by the electorate the opposite has been happening and money is not being invested in areas such as Glasgow as it was under the Labour Government.

Mr. Teddy Taylor: I am sorry that things are not so good in Scotland now as when I left it. Will the hon. Gentleman at least accept that, whereas England has tried to invest money in Scotland, Britain is committed to pouring large sums into the continent of Europe?

Mr. Foulkes: Again I partly agree with the hon. Gentleman. It is not since he left Scotland but since the Labour Government left office that Scotland has been disadvantaged.

It is clear to the House that the whole tenor of the Single European Act from the preamble, with its talk of moves towards European union and economic integration, to the extra powers and the competencies of the Community institutions, is towards a united states of Europe or a federal Europe. It is clear that that is happening because the parents of the Single European Act, the people who were behind its genesis, such as Spinelli and Dooge, are passionate enthusiasts for European integration. I do not doubt their sincerity, but we in the Labour party disagree with what they are trying to do and with the way in which they are trying to move the United Kingdom within Europe.

Only a few years ago I was told by hon. Members on both sides of the House that Spinelli was a fanatic and a wild dreamer, and that old men were entitled to their dreams and not to worry. I am sure that those comments sound better in Italian. In reality, a great deal of what Spinelli has been pressing for is now becoming a reality. When one considers the Spinelli treaty passed by the European Parliament on 14 February 1984, of the four main parts, three are now incorporated in the Single European Act and will soon become law.

Mr. William Cash (Stafford): Does the hon. Gentleman recall that Spinelli is a Communist and always has been? What influence does he attach to that?

Mr. Foulkes: I would attach no importance whatever. Spinelli was an integrationist and was in favour——

Sir Anthony Meyer: Will the hon. Gentleman give way?

Mr. Deakins: On a point of order, Mr. Deputy Speaker. Would it be in order to remind hon. Members that they have no need to give way to hon. Members who sought to truncate the debate by voting for the guillotine?

8.45 pm

Mr. Foulkes: I am grateful to my hon. Friend.

The three Spinelli proposals incorporated in the Bill are important. They are for an institutional status for the European Council, greater majority voting and a central role for the European Parliament in the legislative process. Only the new system for appointing the Commission is not yet included, but no doubt we shall have pressure also to include that.

The Labour party argues that with the accession of Spain and Portugal there is in the EC a much wider disparity in wealth, income, interests and so on. Therefore, talk of tax convergence and economic integration is less relevant now than it has been at any time in the history of the Community. The original aims of the Community—to prevent a further war in western Europe, to integrate Germany after the destruction of the war, and to enable western Europe to deal on an equal basis with the superpowers—were laudable, but they have been lost in the detail of the specific, unnecessary harmonisation, whether it be of the size of eggs or the noise of lawnmowers, as it was so eloquently described earlier. As one of my hon. Friend's said, the move is no doubt so that lawnmowers can pass freely across borders in the EC. I am sure that many lawns cross borders, but when the noise levels of lawnmowers is harmonised it will undoubtedly be much easier for them to cross borders.

Mr. Butterfill *rose*——

Mr. Foulkes: The great ideals have been lost in detail and in the scandal of the cost of storage and of destruction of foodstuffs. Above all, with today's wider, looser Europe, joining the exchange rate mechanism of the European monetary system is also less relevant now than at any time previously. I certainly endorse the questions which the hon. Member for Southend, East asked the Minister, and I hope that we shall receive clear answers.

We in the Labour party support European co-operation, but European co-operation between independent nations and parliaments, not between parts of a united states of Europe. We support the use of a range of different mechanisms for co-operation. One forgets the good job being done, for example, by the Council of Europe and its Committees. We are aware that technical co-operation can take place beyond the framework of the Community—for example, the European airbus, which had nothing to do with Community institutions. Political co-operation takes place within the Community on issues which include other countries, and in some cases some Community countries reserve their position.

We support the amendment and reject the move towards closer economic integration and convergence in Europe. We unequivocally oppose the move towards a European super state or a united states of Europe.

Mr. Budgen: I so often and usually completely agree with my hon. Friend the Member for Southend, East (Mr. Taylor) that I want to make only one point and to explain where I disagree with what he said. In his opening remarks he asked whether Europe was good for Britain, and talked about Europe being an area in structural decline. He made what seemed to be an essentially materialistic argument.

I dislike the idea of economic convergence, because I believe that a nation is perfectly entitled to choose policies and laws which may exhort objectives which are not materialistic. For the sake of argument, a nation is perfectly entitled, if it wishes, to say that a quarter of its population may be Roman Catholic priests. Perhaps that was the position at one stage in Spain. A nation is perfectly entitled, if it wishes, to educate a large number of people in the classics. That may well not have an immediate effect upon its GNP. My hon. Friend the Member for Southend, East (Mr. Taylor) was arguing as if there were some obviously agreed priorities in every nation state that they would subvert all other objectives to the improvement of their wealth and riches.

I object to the idea of economic convergence because of the second argument that my hon. Friend put forward. The British people are perfectly entitled to have the sort of economy that suits their character. In my opinion, they should be able to have that sort of economy without the disadvantage of being constantly barracked and harassed by their politicians telling them to work harder or being exhorted by the Europeans to become more European minded. Of course, it is for the politicians to explain to them that if they happen to like striking, for example, or if they happen to like sleeping in hay fields during the summer they are unlikely, at the same time, to be producing consumer goods. We do not want to suggest at any time that the sole purpose of a modern state is to increase wealth, more especially to increase taxable wealth. The people of any state always have a diversity of objectives and they show it in a variety of inconsistent but none the less important ways. One of the great vulgarities of modern thought and the distorted idealism of the European concept is the belief that we are all exclusively materialistic beings.

Mr. J. Enoch Powell: In this debate we are arguing and eventually voting for or against the principle of monetary union. If I am asked how I know that, my answer is because it says so. By article 20 we are writing into the law and the treaty

> "Chapter I,
> Co-operation in Economic and Monetary policy (Economic and Monetary Union)"

Note the brackets. It begins:

> "In order to ensure the convergence of economic and monetary policies which is necessary".

There is nothing which comes nearer to sovereignty, self-government or what politics is about than control of money. From the beginning of time it has been the attribute of sovereigns that they made or declared money. Their image and superscription was found upon it. That is what made it money. In our day, supremely the subject in politics about which we dispute, debate and vote between elections is about how the control of money shall be exercised and how the state to which we belong shall use the power of the modern state to make, or sometimes to unmake, money.

There are signs that a general election has been discerned on the horizon by the parties in the House. One

[Mr. J. Enoch Powell]

of the principal issues, if not the principal issue, between the parties which will be put to the electorate is alternative ways in which the British state ought to use the money-making power. If there is to be monetary union, that decision is to be taken away from the British people. It is no longer to be a subject of politics in this country. It is a subject which will be decided by the general and common authorities of a monetary union. Consequently, there is nothing more directly and clearly inimical to the political process in this country than the professed intention to enter into a monetary union. We are professing that intention by what we do in this article and by an extraordinary procedure. It was your decision, Mr. Walker, that amendment Nos. 23 and 25 should be debated with amendment 9 by the extraordinary procedure of writing a preamble into the law of this country. The preamble uses important words. It states:

"Moved by the will . . . to transform relations . . . into a European Union."

It goes on:

"Whereas at their Conference . . . the heads of State . . . approved the objective of a progressive realisation of Economic and Monetary Union."

It is all very well, and it will no doubt happen, for the Minister to tell us from the Dispatch Box to take no notice. She will say that it is not binding, that it is the preamble and that it is just words and has no effect. However, that is not what we will be told when it becomes an Act. That is not what we shall be told when steps are taken and enforced upon us, possibly by a guillotine in due course, towards economic and monetary union. We shall be told "In 1986 the House of Commons said so. The House of Commons embodied those words in an Act of Parliament." That is not nothing. After all, this Government make agreements with foreign powers about the government of the United Kingdom under which they undertake to make determined efforts to come to agreement with those foreign Governments on the internal affairs of the United Kingdom. Are we to be told that those words will never be quoted against us in future and that we shall never be told that we approved those objectives solemnly and put them on the statute book of this country by writing the words of a preamble into an Act of Parliament?

Mr. Cash *rose*——

Mr. Powell: I shall give way to the hon. Gentleman, because he voted against the guillotine.

Mr. Cash: Would the right hon. Gentleman agree that it is not simply a question of how that matter will be interpreted in our own court but, by virtue of the European Communities Act 1972, it is also a question of it being interpreted by the European Court of Justice and its methods of interpretation take us into a completely new dimension? The question that the right hon. Gentleman is putting to the House will be interpreted by the court further and toward the notion of European union which could invoke federalism in due course.

Mr. Powell: I am wholly in agreement with the hon. Gentleman. He has performed a service to the debate by emphasising that point. We are not doing nothing by this legislation. We are doing something which is significant. It is something which will be quoted against us in future and to which we will be held, if not by future Governments of this country, by authorities external to this country with which we are making a new compact. It is a renunciation of the rights, the sovereignty and the political entity of the people of this country, and we ought not to be engaged in it.

Mr. Spearing: I reiterate precisely what the right hon. Member for South Down (Mr. Powell) has said. In respect of the authority of other courts I shall quote the memorandum from the Foreign Office in appendix A to the report of the Select Committee on Foreign Affairs. It talks about the preamble to the treaty and says:

"It typically recites the purposes of the Treaty and the background against which agreement was reached. Its principal significance is as part of the context of the Treaty for the purposes of its interpretation."

That is what the European Court will rest on if the British Government and this Parliament is taken to court for not moving towards economic and monetary union which is clearly spelt out in the preamble to the treaty and in article 20, which we now wish to delete. I shall take it further than the right hon. Member for South Down. I am sure that he will agree that economic and monetary union requires an authority to exercise the policy in respect of money and economics throughout the area of the union. At the moment, that is exercised, alternately perhaps, by the Bank of England, the Treasury and the House—a sort of internal triangle of economic and monetary policy. What would it be if that policy and the authority were transferred to European institutions? Article 20 spells it out clearly in paragraph 2, which states:

"Insofar as further development in the field of economic and monetary policy necessitates institutional changes, the provisions of Article 236 shall be applicable."

9 pm

That means that any member Government can propose amendments to the treaty. The paragraph goes on:

"The Monetary Committee and the Committee of Governors of the Central Banks shall also be consulted regarding institutional changes in the monetary area."

I repeat:

"the Committee of Governors of the Central Banks".

Whether this country joins the European monetary system, which is connected to, but separate from, European monetary union, the latter implies not only a central monetary authority, but one that decides or influences such matters as the interest rate and exchange rate policy. In respect of exchange rates, article 20, or another article, changes article 70 of the treaty of Rome, paragraph 1 of which states:

"The Commission shall propose to the Council measures for the progressive co-ordination of the exchange policies of Member States in respect of the movement of capital between those States and third countries. For this purpose the Council shall issue directives, acting unanimously. It shall endeavour to obtain the highest possible degree of liberalisation."

That is how article 70 stands, but the Single European Act changes the unanimous provision to one of qualified majority. In other words, it means that the control of our own exchange policies — I know that the present Government do not have a policy in that direction, but future Governments might — will no longer be in the hands of the British Government and of Her Majesty's Treasury should the House so wish and should the majority of the electorate so wish. It will be in the hands of authorities elsewhere. I leave hon. Members to suspect or guess who will be the most influential member of the Committee of Governors of the Central Banks. Of course,

it will be the most influential currency at the time when decisions have to be made. I do not have to tell hon. Members that the most stable and strongest international currency inside the EEC is the deutschmark. I think that is generally agreed.

The proposals implicit in the so-called European common Act will impel this country into an economic and monetary union where central authority is basic to its thesis, and where a new economic imperialism will depend upon this country in just as sure a way as a new economic imperialism made itself felt across the border, as evinced in the exchanges between my hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) and the hon. Member for Southend, East (Mr. Taylor). I believe that Conservative Members who are not in the Chamber do not know what the amendment is about. If they did, they would not vote against it.

Mrs. Chalker: Several hon. Members have suggested during the debate that the Single European Act embodies new commitments to economic and monetary union, and to European union. The first thing that I must say is that it does not. The term "economic and monetary union" is not a new concept, yet tonight anybody would have thought that it was. Let me remind the Committee that it has been accepted by every British Government since we joined the Community. For instance, it was a Labour Government who subscribed to the European Council's statement in November 1976 that

"the achievement of economic and monetary union is basic to the consolidation of Community solidarity and the establishment of European Union."

Those may not have been words that a Conservative Government would have used, but they were used by a Labour Government, with the support of many Opposition Members, some of whom may not be here tonight.

Some of my hon. Friends said that monetary co-operation between member states was a new concept, a new idea. Member states already have an obligation to co-ordinate their economic policies under article 105 of the treaty of Rome. That has been with us since 1972. The references to monetary co-operation in the Single European Act are defined as being

"in accordance with the objectives of Article 104."

No new obligations are involved.

Mr. Eric Deakins (Walthamstow): Then why have it?

Mrs. Chalker: It is there for a good reason. It brings together all the parts that, in the past, we wanted to be brought together. It is nothing new. The way in which it is drafted carries no new implication—for instance, that all member states, including the United Kingdom, should participate fully in the exchange rate mechanism. That is not contained in the article. The point is that the new articles merely formalise the existing position.

Mr. Spearing: What about the preamble?

Mrs. Chalker: I shall turn to the preamble in a moment. The other thing that the article does not do is to open the door to any new proposals that we would be forced to accept against our better judgment. I know that many of my hon. Friends have been concerned about that. However, they seem to have forgotten that the Commission already has the right, under article 235, to make proposals in the monetary sphere. For instance, the regulations setting up the ecu were adopted under article 235. In such cases, a unanimous Council decision has been required and will continue to be required.

Moreover, the Single European Act stipulates that any further institutional developments in the field of economic and monetary policy will be governed by article 236. That means that they must be agreed by all member states and approved by their national Parliaments. In other words, they must be brought forward in a treaty form and have the approval of the Parliament concerned as well as the other 11 national Parliaments.

Mr. Spearing: The Europeans as well?

Mrs. Chalker: The hon. Gentleman, who spoke at considerable length in our earlier debates, tempts me to go over old ground. For the sake of those who asked questions tonight, and because only a short time is available, I shall not do so.

I turn to the broader question of European union that a couple of my hon. Friends and the hon. Member for Newham, South (Mr. Spearing) raised. As is customary, the preamble recalls existing commitments, such as the treaty of Rome, which lays the foundations of an ever closer union among the peoples of Europe. The Stuttgart solemn declaration identifies union as being achieved by

"deepening and broadening the scope of European activities so that they coherently cover, albeit on a variety of legal bases, a growing proportion of member states' mutual relations and of their external relations."

That means practical steps, not vague constitutional concepts. That is why article 1 of the Single European Act, which has been debated previously, refers to

"making concrete progress towards European unity."

Mr. Marlow *rose*——

Mrs. Chalker: If my hon. Friend is quick——

Mr. Marlow: I shall not even thank my hon. Friend for giving way. Can my hon. Friend tell us what significance the preamble will have in the eyes and the judgments of the European Court of Justice?

Mrs. Chalker: We are to have a debate on that subject later tonight. My hon. Friend already knows that the preamble to the treaty is an integral part of it. It does not confer rights or obligations.

Mr. Spearing: Oh yes, it does.

Mrs. Chalker: It does not. The legal status of the preamble is as I have already defined it. No doubt I shall do so again. The Single European Act does not represent what the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) suggested — a step towards a united states of Europe. My right hon. and learned Friend the Foreign Secretary told the House quite clearly on 23 April that we are not talking about the declaration or proclamation of a united states of Europe, or about vague political or legal goals. We are talking about practical steps towards the unity that is essential if Europe is to maintain and enhance its economic and political position in a harshly competitive world. I should have thought that some hon. Members would be pleased that, instead of the ill-defined notion of European union which had been discussed in the past, we now have a clear statement of what we are talking about. It is practical co-operation of the kind that we and our predecessors have always advocated. As far back as 1961, the then Prime Minister, now Lord Stockton, told the House:

[Mrs. Chalker]

"In this modern world the tendency towards larger groups of nations acting together in the common interest leads to greater unity and thus adds to our strength in the struggle for freedom.

I believe that it is both our duty and our interest to contribute towards that strength by securing the closest possible unity within Europe."—[*Official Report*, 31 July 1961; Vol. 645, c. 928.]

Those words were fully accepted by the House. They were backed up in 1966 by the then Prime Minister, now Lord Wilson, when he said:

"We are talking about Britain's joining the Community and joining in the great drive towards European unity which I am now convinced more than ever is possible and within our grasp."—[*Official Report*, 8 May 1967; Vol. 746, c. 1093.]

Mr. Deakins: He did not tell the British people that.

Mrs. Chalker: That is what he said in the House, which is well reported. If that is not telling the British people——

Mr. Nicholas Budgen (Wolverhampton, South-West): It does not follow that, because someone has a certain job, his words are accepted.

Mrs. Chalker: It may not be accepted by my hon. Friend—I fully accept that—but it has been by hon. Members in debate after debate under Governments of both complexions.

A number of hon. Members have suggested that the new treaty text would oblige sterling to join the exchange rate mechanism of the EMS. That, too, is a misconception. Although the exchange rate mechanism has played a valuable role in helping participating countries with anti-inflationary policies, the United Kingdom has substantially reduced inflation while remaining outside the system. The Government have repeatedly made it clear that the question of membership is kept under review but the balance of economic arguments is not a simple one. No doubt, the decision will be taken by my right hon. Friend the Chancellor of the Exchequer. But that is not a matter for the moment. As my right hon. Friend the Prime Minister has said, at present there is no intention of joining. She did not rule it out. It may, at some stage in the future, be right that we should join that system.

My hon. Friend the Member for Southend, East (Mr. Taylor) was concerned about article 20 and what it meant. The article brings together the existing position in a formalised way. Any institutional change would require treaty amendment and the approval of this and every other national Parliament. My hon. Friend went on to ask about the proposed treaty amendments. They merely refer to existing arrangements and previous statements. They do no more than that. I genuinely do not believe that my hon. Friend's concerns are well founded. He wants to change provisions that the House of Commons decided many years gone by, in 1972 and in our debates since. My hon. Friend is simply seeking to turn back the clock on this decision made long ago.

We actively participate in the EMS and we have discussions on its future development. We deposit 20 per cent. of our gold and dollar reserves in the European monetary co-operation fund. That will not suddenly change. We support efforts to strengthen the EMS further, but we will not take the decisions about which my hon. Friend the Member for Southend, East is concerned without a full and rigorous analysis of what is required for the best for this country. That is——

It being two hours after the House resolved itself into a Committee on the Bill, THE CHAIRMAN *put the Question already proposed from the Chair.*

Question put, That the amendment be made:

The Committee divided: Ayes 60, Noes 168.

Division No. 251] **[9.14 pm**

AYES

Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Brown, Ron *(E'burgh, Leith)*
Budgen, Nick
Callaghan, Jim *(Heyw'd & M)*
Canavan, Dennis
Clay, Robert
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Cook, Robin F. *(Livingston)*
Davis, Terry *(B'ham, H'ge H'l)*
Dixon, Donald
Dubs, Alfred
du Cann, Rt Hon Sir Edward
Eastham, Ken
Ewing, Harry
Field, Frank *(Birkenhead)*
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
George, Bruce
Hamilton, James *(M'well N)*
Harrison, Rt Hon Walter
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
Kaufman, Rt Hon Gerald
Leighton, Ronald
Lewis, Terence *(Worsley)*
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McKelvey, William
McWilliam, John
Marlow, Antony
Martin, Michael
Maxton, John
Maynard, Miss Joan
Michie, William
Miller, Hal *(B'grove)*
Nellist, David
Patchett, Terry
Pendry, Tom
Pike, Peter
Powell, Rt Hon J. E.
Powell, Raymond *(Ogmore)*
Prescott, John
Raynsford, Nick
Redmond, Martin
Robertson, George
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Skinner, Dennis
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Taylor, Teddy *(S'end E)*
Walker, Bill *(T'side N)*
Wareing, Robert
Welsh, Michael

Tellers for the Ayes:
Mr. Max Madden and
Mr. Eric Deakins.

NOES

Adley, Robert
Alexander, Richard
Amess, David
Ancram, Michael
Ashby, David
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Benyon, William
Biggs-Davison, Sir John
Blackburn, John
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Bright, Graham
Brinton, Tim
Bryan, Sir Paul
Burt, Alistair
Butler, Rt Hon Sir Adam
Butterfill, John
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Coombs, Simon
Cope, John
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Eyre, Sir Reginald
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Glyn, Dr Alan
Griffiths, Sir Eldon
Grist, Ian
Grylls, Michael
Gummer, Rt Hon John S

Hamilton, Hon A. *(Epsom)*
Hanley, Jeremy
Hannam, John
Harris, David
Harvey, Robert
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hayes, J.
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hickmet, Richard
Hicks, Robert
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Howell, Ralph *(Norfolk, N)*
Howells, Geraint
Hunt, David *(Wirral W)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kennedy, Charles
Key, Robert
Kirkwood, Archy
Knowles, Michael
Knox, David
Latham, Michael
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Livsey, Richard
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
McNair-Wilson, P. *(New F'st)*
Major, John
Malone, Gerald
Maples, John
Mawhinney, Dr Brian
Meyer, Sir Anthony
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Norris, Steven
Oppenheim, Phillip
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, William *(Corby)*
Rhodes James, Robert
Rippon, Rt Hon Geoffrey
Robinson, P. *(Belfast E)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Ian *(Hertf'dshire N)*
Taylor, John *(Solihull)*
Temple-Morris, Peter
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thurnham, Peter
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Wallace, James
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Watts, John
Whitfield, John
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Michael Neubert and
Mr. Francis Maude.

Question accordingly negatived.

Mr. Teddy Taylor: I beg to move amendment No. 11 in page 1, line 13, after 'Communities)', insert
'but not paragraph 2 of revised Article 130R in Article 25 thereof'.

The Temporary Chairman (Mr. James Lamond): With this it will be convenient to take amendment No. 21 in page 1, line 13, after 'Communities)', insert
'but not Article 25 thereof'.

Mr. Taylor: The Minister, when replying to the last group of amendments, gave the impression, perhaps inadvertently, that she was replying to the speech that she thought I would make rather than the speech I actually made. For that reason I want to be absolutely precise about what I say on amendment No. 11.

This amendment relates to article 25 of the Single European Act which extends the competence of the Common Market to issues affecting the environment. Article 25 states what action would be taken and in which areas, and certain principles are established as being acceptable for all member states. It further states when the Community would take action which it considers would be better administered at Community level than by individual member states.

Paragraph 2 of the article states:

"Action by the Community relating to the environment shall be based on the principles that preventive action should be taken, that environmental damage should as a priority be rectified at source, and that the polluter should pay."

My first question to the Minister is whether it is now the policy of Her Majesty's Government that the polluter should pay. That is a simple and precise question. As the Government have agreed to this treaty, do they now take the view, as stated in the Act, that the polluter should pay?

I should like to know the answer because I am worried about my area of Essex and the enormous problems created for health and the environment by nitrate pollution of the public water supplies. We are all aware of the great concern that has been expressed both in the World Health Organisation and in the European Community about the possible dangers to health posed by nitrate pollution. The World Health Organisation has decided that a level of 50 ml per litre in the public water supplies is the maximum acceptable level. The Common Market has now made that a statutory level and states that all member states should insist on a 50 ml maximum in water supplies.

My understanding is that, until now, the Government have adopted the clear policy that the water consumer rather than the polluter should pay for the pollution. Various water authorities, including Anglian Water, have announced enormous capital programmes which are necessary to bring nitrate pollution down to the acceptable level. The Government have given exemptions on various grounds to some authorities for not bringing the nitrates down to the acceptable level. The fact is that water boards are spending a great deal of money simply to reduce the nitrate level in public water supplies.

We all know who causes the pollution. There is a great deal of natural pollution, but in the areas where there is a special problem the nitrate pollution comes directly from the activities of firms such as ICI which buy large expensive advertisements in the national press to tell us that nitrate fertilisers are good for the country. They are good in the sense that they greatly increase cereal production, but that is not particularly good when the Common Market is already having to spend £150 million every week for dumping surplus foods, largely cereals.

9.30 pm

Until now, my understanding has always been that while farmers create the pollution by putting nitrates into the public water supplies, it is the water consumer who pays to take them out. That has always seemed to be rather unjust but it is interesting that that was the Government's clear policy and, naturally, as a Conservative Member of Parliament I feel a general obligation at least to give some support to the views of my party. On the other hand, the Government now seem to be changing their policy because they have accepted the Single European Act which clearly states that the polluter should pay. I simply want to know whether the Government have changed their policy, and, if so, shall we now insist that the polluters should pay for the pollution that they create?

Secondly, as this is now legislation which can be interpreted by the European Court of Justice, once the

[Mr. Taylor]

public water supplies have been privatised, which my right hon. Friend the Secretary of State for the Environment tells us will take place after the next election — presumably if there is a Conservative Government, although I am far from clear whether a Social Democrat controlled Government would support the privatisation of public water supplies—could a privatised water board now go to the European Court to demand that the cost of reducing nitrate pollution should be borne by the polluters?

So long as that is simply a policy, there is not much that one can do in relation to the European Court, but as this is now part of a treaty which can be interpreted by the European Court, would it be open to the privatised water boards, or, indeed, to aggrieved water ratepayers, to go to the European Court to insist that that policy as set out in paragraph 2 should be applied?

Finally, will my hon. Friend the Minister give us some idea of the latest estimate of the cost in capital and revenue to the water boards of reducing nitrate levels in accordance with the EEC directive? That is not one of those silly questions which people bring up because they want to make a fuss. We all know that nitrate pollution is serious. It has been identified by the World Health Organisation as a serious potential health hazard. We know that even in Britain our medical officers of health have to be advised if pollution goes above 50 ml per litre. We know that in Britain if nitrate pollution goes above 100 ml medical officers of health have to supply bottled water to babies to avoid their possible death. Therefore, it is a serious matter. Under this article there could be a complete change and I want to know how it will come about.

Paragraph 4 states that the Community shall take action where the objectives can be better attained at Community level than by individual member states. The EEC has already passed a nitrate regulation which says that no member state can permit, unless there is a special exemption, more than 50 ml. Therefore, it seems that the decision has already been taken by the EEC that this matter is better dealt with at Community level than by individual member states.

But for other issues, who decides what is better dealt with at Community level? Is it done by majority vote or by unanimity? I hope that the Minister can give me answers to those questions. They are important and could be significant not only for the Treasury and for water boards, but also for the water ratepayers and all those concerned with public health in our nation.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I will not go into the detail that the hon. Member for Southend, East (Mr. Taylor) did, but I will talk about the general principle of whether new competences and powers should be given to the European Community and written into the powers of the Community. We believe that there should not be new competences and powers because in our view the existing competences and powers are not fully used by the Community. Because in some cases the powers are exercised de facto by the Community, it is suggested that they should be written in, but we do not understand why that is necessary. In certain areas, such as research and development and technology, co-operation does not need to be constrained by the institutional framework that the Community has. One notable example that I gave earlier, to which I am sure the hon. Member for Tayside, North (Mr. Walker) will be referring, is the European airbus. We think that that kind of voluntary co-operation is better than forcing every country of the 12 to co-operate.

We are also concerned that, as de facto competences become legalised, there will be pressure for more competences, and this will lead to an escalation of the powers of the Community. In our view, further discussion is needed about the levels at which powers should be exercised, as the hon. Member for Southend, East said. One of the new levels at which certain powers will be exercised soon after the general election is the Scottish assembly.

Finally, we are concerned that one of the areas where it is proposed that these extra competences should be legalised is research and development, and here the British Government have been instrumental in making cuts in the budget. With regard to suggestions that there should be greater co-operation in research and development, for example, EUREKA and ESPRIT — I can never pronounce these acronyms properly because they do not really have a proper pronounciation, and I think that we should agree to have a free market in the pronounciation of acronyms—the Government have been instrumental in cutting the money available. Budget cuts have taken place to make way for the burgeoning expenditure in agriculture.

For all those reasons, we are against the extension of powers and competences and the legalisation of competences currently undertaken by the European Community.

Mr. Bill Walker: Article 25 is an important and serious one. As you will be aware, Mr. Lamond, the water authorities of Scotland are controlled by the regional councils. My hon. Friend the Member for Southend, East (Mr. Taylor) has properly asked the Minister how the polluter will be made to pay, and who will go to the trouble of finding out who the polluters are. When nitrates get into the public water supply, the source is usually farmers. As farmers, we are aware — I represent a very large agricultural constituency — that farmers using nitrates have been encouraged by the Government to introduce a voluntary code.

What happens when scares arise as a result of measurements laid down by Europeans was shown by what happened with the lambs. Problems, scaremongering, a lack of confidence and difficulties in agricultural communities were all created. Outside the areas affected directly, a lack of confidence was felt. When an area is judged to have problems, finding out who the polluters are presents enormous problems.

If we were leaving this even to some ghastly assembly that we shall never have in Edinburgh——

Mr. John Home Robertson (East Lothian): The hon. Gentleman will not be there.

Mr. Walker: I have no wish ever to be there, and I doubt whether either the hon. Gentleman or I will see it in our lifetimes. However, if we want to dwell on these flights of fancy, it is important to examine them. The important thing is, as I understod it, that under article 25, the European Community will be given powers. As a result, the new assembly, if it ever comes to pass, will not be able to do anything anyway. This is just a diversion.

This is a fundamental change to the way in which we have handled such problems, certainly in Scotland. I have never known farmers being harassed or brought before any European court on this matter. There was a problem of pollution in the local water supplies, and this has duly been resolved by a voluntary agreement. I do not have to remind my hon. Friend the Minister that water is an important ingredient of our most famous export, and without the water we would not have the famous export.

Mr. Foulkes: Haggis.

Mr. Walker: Haggis may be a famous export for Ayrshire, but that is not the case in the highlands of Scotland. The hon. Gentleman knows that my constituency is in the highlands of Scotland; therefore, I am talking about whisky.

There is an interest in matters affecting pollution and what it may do, but the important thing is whether we are prepared to give these extra powers to the Community, which will be further away from the source of pollution, which it may fail to understand. There is a worry, based on the recent experience of what happened with lambs, that we may be agreeing to a measure that will give us enormous confidence problems, and which would be better dealt with locally.

Sir Anthony Meyer: The hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) had a terrible nightmare. He dreamt that he was addressing the House as a Socialist, arguing that matters of international co-operation are things with which Governments should not concern themselves, but should be left entirely to private enterprise, and that pollution was something best dealt with by national Governments. He woke up in the middle and found that he was making that speech.

It is a pleasure for once to find myself in complete agreement with my hon. Friend the Member for Southend, East (Mr. Taylor), and the powerful speech that he made arguing that article 25 of the treaty is essential if we are to have effective anti-pollution measures. It is legitimate to argue, as many hon. Members have, that there are a great many matters with which the European Community concerns itself that could be equally well dealt with by national Governments. However, one cannot possibly argue that about environmental pollution, which knows no frontiers.

Mr. Foulkes: Does that not equally apply to co-operation with countries in Scandinavia or eastern Europe, or with other non-member states of the Economic Community? I was talking about co-operation between countries on this issue and not necessarily restricting it to only 12 countries dealing with the problem. I am sure the hon. Gentleman agrees that environmental pollution does not stop at the boundaries of the European Community. The Norwegians and the Swedes are just as concerned as we are about acid rain and other pollutants.

Sir Anthony Meyer: I do not disagree for one minute with the hon. Gentleman, but if we say that we cannot co-operate effectively within the European Community, a fortiori we shall be unable to co-operate with countries outside it. The Community provides a basis for effective co-operation. If there is any field in which co-operation has to be made effective, it is precisely in the area of environmental pollution. Acid rain pollution of rivers and seas knows no national barriers and makes a mockery of our claim to absolute national sovereignty and of all the piffle about being able to control everything completely from this Chamber. If there is any argument that is unanswerable, it is that which is based on this article. I do not see how anybody can possibly accept this amendment.

9.45 pm

Mrs. Chalker: We have had an unusually speedy debate on this article and amendment No. 11, and I shall try to answer the concerns that rightly were expressed by my hon. Friend the Member for Southend, East (Mr. Taylor). I understand his anxieties. On 14 May 1986 he asked the Parliamentary Under-Secretary of State for the Environment, my hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold), a question about nitrates. She said:

> The polluter pays principle is not formally incorporated into United Kingdom law, although it is an aim of Government policy that the principle should be observed. This is reflected, for example, in parts of the Control of Pollution Act 1974. The Government also support the 1972 OECD and 1975 EC recommendations on the PPP,"—

the polluter pays principle—

> "but these are not legally binding; nor do they require payment where discharges are within the level acceptable to the control authority."

My hon. Friend went on to say in her answer that

> "nitrate enters public water supplies from a variety of sources".—[*Official Report*, 14 May 1986; Vol. 97, c. 490.]

That is true. It is also true that nitrate builds up over a number of years. For that reason, we have not made the polluter pays principle an aim of Government policy and it is not formally included in United Kingdom law. The Bill will not change that policy.

Paragraph 2 of the proposed new article 130(R) refers to "action by the Community", not by individual member states.

My hon. Friend asked about the latest estimate of capital and revenue costs to the water boards of reducing nitrate levels in accordance with the EEC drinking water directive. We should want to do this, anyway, but this worthy item of public expenditure amounts to a capital cost of £50 million and a revenue cost of £5 million. However, the drinking water directive allows a derogation if there is no threat to public health. Such derogations would be issued only if they were based on medical advice.

Mr. J. Enoch Powell: Would it be convenient for the hon. Lady to deal at this point with a difficulty that exercises me and certain other right hon. and hon. Members? Effectively we are dealing with section 2(1) of the European Communities Act 1972. We are extending the treaties that are referred to in that section, which deals with the

> "rights, powers, liabilities, obligations and restrictions from time to time created or arising by or under the Treaties".

What are the rights, etcetera, which will be added to those provisions by the inclusion of this provision which is the subject of the amendment? There must be some effect from the inclusion of this article in the new treaty which is being written into section 2 of the 1972 Act.

Mrs. Chalker: I have written down most carefully the point made by the right hon. Member for South Down (Mr. Powell), and I shall come to it in a moment. These general questions form the background to exactly the problems about which the right hon. Gentleman is anxious. There are principles enshrined in article 25, but they are no more than guidelines for the Council of

[Mrs. Chalker]

Ministers and they are included in the environmental action programmes which have so far guided Community action on the environment.

My hon. Friend the Member for Southend, East sought to find out if there was anything more than the guidelines to which we already adhere. It is quite clear that Community action on the environment is well established. As my hon. Friend the Member for Clwyd, North-West (Sir A. Meyer) said, pollution knows no boundaries. We have adopted numerous instruments, especially on water quality and atmospheric pollution, and we have used article 235 of the treaty of Rome to do that.

The new treaty articles, about which the right hon. Member for South Down spoke, bring the treaty of Rome up to date with practice and give a firm basis for the new Community measures. The right hon. Gentleman asked what rights would be added to the existing provisions. The principles that have been laid down are those which we already have in our domestic legislation. Preventive action is better than retrospective action, and action by the Community has to take account of the differing environmental conditions in the various regions. We may not all be equally affected by the way in which pollution travels.

We go further on pollution measures because we say that the potential costs as well as the benefits must be weighed up before action is taken. The Community should act only to the extent to which environmental objectives can be better attained at Community level than at the level of individual member states. That is exactly the policy we seek to follow.

Mr. Marlow: Does that mean that at no stage will the Community have any impact as to the quality of drinking water that comes out of taps in the United Kingdom?

Mrs. Chalker: It cannot. We have never tried to force on another country the principles that I have outlined. Unanimity applies here, and in that connection my hon. Friend the Member for Southend, East asked a question about paragraph 4 of article 130(R). Unanimity applies and if there were to be a proposition to set a certain figure with which Britain did not agree we would not have to accept it. I hope that answers the question asked by my hon. Friend the Member for Northampton, North (Mr. Marlow).

Mr. Marlow: In terms of article 130(R), would it be proper for the Commission to put such a proposal forward anyway?

Mrs. Chalker: Under the treaty, the Commission could put forward a proposal, but we are protected by the unanimity rule. The Commission is unlikely to do anything like that because we have worked in tandem with it as partners and it would not put forward something that other partners as well as ourselves were not prepared to have. If we were not prepared to have it, we would not accept it and our partners could do likewise and it would fall.

Mr. Teddy Taylor: The Minister is being helpful in giving us the answers to our questions. Is she saying that, apart from setting out some general principles, there is nothing in this at all? Does it mean that there is no way that a water board could use this if it thought that the Government were not applying the polluter pays policy? Is this just a set of general principles which do not really help anyone in particular?

Mrs. Chalker: I shall come to my hon. Friend's point about the water boards in a moment. We have sought to make sure that we have sound principles for Community environmental action, if that is what is needed, because pollution knows no boundaries. We are after the best possible means of tackling the environmental problems. The acceptance of amendment No. 11 would change things, and I hope that hon. Members will realise that that is not necessary in following through the policy that has been adopted by the Government. Having listened to the speeches of hon. Members, I have concluded that they support our policy. Community action will be taken only when it is more appropriate than action at state level. The cost-benefit analysis has to be taken into account as well as scientific evidence and regional differences.

I am well aware that my hon. Friend the Member for Southend, East is anxious about the future of water boards. His anxiety is shared by many hon. Members and by many outside the House. My hon. Friend is anxious to know whether a water board will be prevented from improving its quality of supply. There is nothing in the article to prevent a board doing that. If my hon. Friend is anxious also, as I believe him to be, that a water board will feel that it is being asked to do too much, I remind him of the answer which my hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold), the Under-Secretary of State for the Environment, gave him on 14 May. She spelt out clearly the principles that are applied. In general terms, the water board problem, if that is the appropriate term, relates to farmers.

My hon. Friend the Member for Tayside, North (Mr. Walker) has talked about farmers, and the principle that the polluter pays is being observed by farmers, who incur costs or lose revenue. They follow the requirements of the code of good agricultural practice so as to reduce the risk of nitrate pollution, which is one of the issues that is considered by the nitrate co-ordination group. That is something that will continue irrespective of article 130(R).

The hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) asked about new competences. We are continuing with the principles that we have been following, but putting them together in a way which makes sense. The Community is involved only if a policy can be pursued more effectively at a Community level than by the individual state.

Mr. Foulkes: Will the Minister confirm which body will decide whether a policy is better pursued by the Community than by the individual country?

Mrs. Chalker: The Council of Ministers will decide, and by unanimity.

My hon. Friend the Member for Southend, East asked about privatised water boards and wanted to know specifically whether an aggrieved privatised water board or an aggrieved water ratepayer could go to the European Court and demand that the cost of reducing the nitrate pollution be borne by the polluters. That is excluded by second paragraph of article 130(R) of the treaty of Rome, which states,

"Action by the Community relating to the environment shall"

be based on the principle

"that the polluter should pay."

Community action, therefore, should take account of this principle. If it does not, there will be the potential for a member state, or any of the institutions of the Community, to apply for judicial review by the European Court of Justice. The paragraph itself would not provide a basis for action by a national, meaning an individual, against the polluter. That was the essence of my hon. Friend's question.

Mr. Teddy Taylor: But I am disappointed.

Mrs. Chalker: I understand that my hon. Friend is disappointed, but perhaps we are talking about something that will apply in future. As an island, Britain is rather less affected than many of the mainland countries within Europe.

We would be ill advised to agree to the amendment. The polluter pays principle gives us a guideline. But because of time, as in the case of the filtration of nitrates through the soil, it may simply not be possible. Therefore, the principle is there, but the legal requirement is not in the Bill.

The hon. Member for Carrick, Cumnock and Doon Valley, strangely, got on to the subject of Community expenditure on research and development. I say "strangely", because it did not quite fit in with other comments that have been made. He would be the first to complain if we allowed Community expenditure to rise without constraint and due consideration.

10 pm

It is not a question of cutting Community expenditure on research and development. The European Council agreed to a gradual increase in expenditure on research and development which is what happens under the new framework programme, about which my hon. Friend the Minister for Information Technology spoke last week. That new framework programme is under discussion and it will apply to research and development which relates specifically to the implementation of ideas in a commercial manner. We want to ensure that we can get the best possible outcome in production and marketing terms from the resources put into research and development, even if they start off at a basic level.

Mr. Marlow: On a point of order, Sir Paul. I expect I am wholly wrong, but is it not normal for the debate to conclude at 10 o'clock unless some other measures are taken?

The Second Deputy Chairman (Sir Paul Dean): I remind the Committee that in this case the 10 o'clock business motion does not apply because we are working on a guillotine motion which the House agreed some days ago.

Mrs. Chalker: I shall finish quickly, as my hon. Friend the Member for Northampton, North (Mr. Marlow) is obviously anxious that I should. I was seeking to answer questions raised during the debate.

My hon. Friend the Member for Tayside, North seemed to think that there was a fundamental change in our approach. I hope that what I have said makes it clear that there is no fundamental change. I have already answered the questions about farmers being forced to pay.

It is important that we should work together to reduce pollution, as we are doing, and that we should take on at Community level only those matters which know no boundaries. We should certainly act, as indeed we are, to reduce pollution where it occurs within each member state. I ask the House to reject the amendment.

Mr. Teddy Taylor: As there is obviously nothing in this particular article and as it does not do any good to any-one but simply sets out a pile of general principles, if the House is agreeable, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

European Communities (Amendment) Bill

Mr. Deakins: I beg to move amendment No. 14, in clause 1, page 1, line 13, after 'Communities)', insert 'but not Article 10 thereof'.

The amendment deals with the increased powers to be conferred on the Commission by the Council. It deals with article 10 of the Single European Act and relates to an amendment to article 145 of the treaty of Rome. The important point about article 10 is that it imposes a duty on the Council to confer extra powers on the Commission which are not at present mentioned in article 145 of the basic treaty.

The Commission's powers are at present laid down in articles 155 to 162 of the treaty of Rome. I draw the Committee's attention particularly to articles 155 and 162 which make it perfectly clear that the Commission is basically a bureaucratic body — I do not say that pejoratively — which is the servant of the Council but nevertheless has rights and can take initiatives to put proposals to the Council on any matters arising from the treaties.

If that were all I knew about the Commission, perhaps I would not be moving the amendment tonight. In 1985 the Commission started getting rather big for its boots. The House will recall that at the time of the agricultural price review the West German Government imposed a veto under the Luxembourg compromise on a fall in cereal prices. The outcome—I use the words of the Minister's predecessor—was as follows:

"The Commission has said that in the absence of an agreement on cereal prices it is taking certain administrative actions on the basis of a 1·8 per cent. reduction in cereal prices. Those proposals could be changed if a decision is reached by the Council of Ministers on a different level of reduction." — [*Official Report*, 20 June 1985; Vol. 81, c. 467.]

The important point is that the Commission, the servant of the Council, was arrogating to itself, for the first time since 1957, the power to overrule a national veto in the Council of Ministers. It did overrule that veto and there was not a peep out of any of the national Governments, including our own. In my opinion, it exercised that power illegally and, had the British Government had the guts to take the Commission to the European Court, I am fairly certain that the European Court would have ruled against the Commission overturning that Council decision because, if the Council fails to reach a decision the previous year's prices should have applied.

There are those in the European Community—I refer especially to the Dooge committee — who wish to increase the powers of the Commission. That was one of the recommendations in the Dooge committee report last year. Reservation was, of course, expressed on behalf of the British Government, but I wish to prove to the Committee that there are moves in Europe and in the Commission to give the Commission a much more executive power than at present. The new article 10 in the Single European Act will be doing that very thing.

I call in aid the House of Lords. In its important report on European union, HL 149, which was the 12th report of 1985-86 from its Committee on the European Communities, it states in paragraph 10 under the heading "Delegation to the Commission":

"There is an express provision (Article 10) for delegating to the Commission powers to implement policies settled by the Council".

It goes on to say in paragraph 16:

"The powers of the Commission in relation to the drafting of legislation are already significant and will become more so."

It went on to explain why they would become "more so". The additional power under article 145 of the treaty of Rome, as amended by article 10 of the Single European Act, will confer more powers on the Commission. Should we not be concerned about that because the role and constitution of the Commission are already laid down in the treaty and, as I have already said and I hope proved to the Committee, it is already trying to exceed those powers? Here is the Council, and possibly the House, seeking to give extra powers to the Commission.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Does the hon. Gentleman not think that the fact that the Commission is of mixed nationality and of mixed political opinion and is extremely transparent in the examination of any proposals means that it is not a body to fear in these times and it is certainly to be feared much less than some of the bureacracies in our nation states?

Mr. Deakins: I do not think that the hon. Gentleman would expect me to agree with that. We are in total opposition on these matters. His view of the progress in the European Community differs from mine. I am not sure what his views are on federalism and a single European Government, which is the alternative to federalism. Additional power for the Commission is one of the mechanisms which will be used by the federalists in the Community.

Even our own Government have some doubts about what is involved, although they have agreed the Single European Act and are bringing this provision before us tonight. In the explanatory memorandum published by the Foreign Office earlier this year under the heading "Policy Implications" it states in paragraph 8:

"If the Commission's proposal were adopted as drafted it would mean that, where the Council confers implementing powers on the Commission, the Commission would be operating within a range of implementing rules"—

I emphasise the next words

"which would give it potentially greater responsibility than at present."

It is very important for the Committee to note that.

The Commission is a federal type body. It is federalist in everything that it seeks to do along with the other institutions of the European Community other than the Council of Ministers. We are giving it more power in other parts of the Single European Act to work with the Assembly to overturn or influence much more than in the past legislative decisions by the Council of Ministers under the new co-operation procedure. Therefore, it is ill-advised for the Committee, the House and the Government to agree to give it extra powers as suggested in the article.

Mr. Marlow: I shall be incredibly brief.

Article 10 says that the Council of Ministers can

"confer on the Commission . . . powers for the implementation of the rules which the Council lays down."

If the Council wished to at a later stage, would it be able to withdraw those powers from the Commission?

Mrs. Chalker: In this short debate, the hon. Member for Walthamstow (Mr. Deakins) has made several

interesting points, but he has misunderstood the management powers of the Commission, to which I shall refer. First, let me lay down the general principles.

In deciding Community legislation, the Council lays down a policy framework, and in most cases the manner in which the legislation is to be implemented by the Commission. What has always happened is that implementing powers are delegated to the Commission so that the Community functions under the guidance of the Council, but more efficiently. The Council could not possibly take every routine, day-to-day management decision or the very detailed decisions on technical matters. For that there must be technical advice.

Therefore, the Council has conferred implementing powers on the Commission in areas such as Customs administration, agriculture management, and the adaptation of standards to accommodate technical progress. In each case that is subject to the safeguard that the Commission has to consult a specialised committee of national experts on each of the measures that it wants to take, so that decisions of general importance and contentious issues are always referred back to the Council. That is where the hon. Member for Walthamstow became concerned about what he said had happened in 1985, regarding the Commission's management powers, in this case, in agriculture.

What happened was not that the Commission exercised an illegal power to overturn a Council decision. The Council was not able to agree on a price reduction for cereals. There was not a price reduction because it could not agree. The Commission made use of its management responsibilities—which it had already been given by the Council of Ministers — over its arrangements for intervention, so that the quantities of cereals being sold into intervention were controlled. Therefore, savings were achieved that I should have thought that the House would welcome. They counterbalanced the price reduction that had not been secured—or at least they did so in part.

The management powers that are conferred on the Commission by the Council of Ministers carry on as they were already under the treaty of Rome. I can assure the hon. Gentleman that the Commission's powers in that area are not changed by the Single European Act. What has happened up to now, and what will no doubt have been clear to some hon. Members——

It being one hour after commencement of proceedings on the motion, THE SECOND DEPUTY CHAIRMAN *proceeded, pursuant to the Order [1 July], to put forthwith the Question already proposed from the Chair.*

Amendment negatived.

Mr. Teddy Taylor: I beg to move amendment No. 47, in page 1, line 13, after 'Communities)', insert

'but not Article 130D in Article 23 thereof'

I appeal to the Minister to accept the amendment. I am sure that, on reflection, she would agree that it would improve the EEC. Article 130D calls on the Commission to produce comprehensive proposals to amend structurally the rules and operation of the agricultural funds, the social funds, the regional funds and the guarantee funds in such a way as to make them more conducive to helping the various disparities between regions and the backwardness of the least favoured regions.

10.15 pm

In short, under the article, we are telling the Commission to concentrate on changing all the rules of all the funds within one year and that the Council must agree. I hope that the Minister will accept that, instead of the Commission spending time doing that, it should concentrate on bringing forward reforms to the basic structure of the common agricultural policy. We all know that the common agricultural policy is undoubtedly the EEC's greatest failure. About 70 per cent. of total Common Market spending is devoted to agriculture. Over 50 per cent. of every penny spent by the Common Market is devoted to the storage and disposal of surpluses.

Last Thursday, I was told by the Minister of State, Ministry of Agriculture, Fisheries and Food, that over the past 12 months the Common Market has spent £7,300 million on the storage, dumping and destruction of food. That is a huge amount. There are clear signs that the figure will rise sharply as a result of the decisions made by the Council of Ministers and by the European Assembly today. It will rise because nothing has been done to reduce surpluses, except the milk quotas which simply gave cash to farmers to abandon milk so that they could produce other food already in surplus, such as beef.

Exports to the Soiet Union have soared by about 1,100 per cent. since the Conservative party came to office. Export prices have plunged, with beef at 15p a pound, butter at 10p a pound, and wine at 4·5p a litre. The surpluses have become so great that the Commission is bringing in crazy new plans such as its £200 million plan to subsidise the feeding of cows with butter.

That is the crisis and the problem of the Community. I do not think that even the EEC's greatest supporters would defend the CAP in its present form. I am in no doubt that the Commission and the Council will be deflected from their important task if we allow article 130D to remain.

Mr. George Robertson: This is an important amendment. However, that does not imply that the Opposition will vote for it. It will be interesting to hear the Minister's views on it. The hon. Member for Southend, East (Mr. Taylor) raised one element in the wide subject. The title of the article is "Economic and Social Cohesion". I do not know why the Economic Community must deal in such a strangulated vocabulary which is unintelligible to anybody who wishes to understand it. "Cohesion" means social and regional policy within the Community.

The Government have chosen to exclude certain parts of the Single European Act, most notably those relating to European foreign policy co-operation. However, they have chosen to introduce into the Bill that title and all that goes with it.

The amendment concerns article 130D. The objectives of article 130D are directed to article 130A, which states:

"In order to promote its overall harmonious development, the Community shall develop and pursue its actions leading to the strengthening of its economic and social cohesion."

Most importantly, the article continues:

"In particular the Community shall aim at reducing disparities between the various regions and the backwardness of the least-favoured regions"—

presumably, in the Community.

Article 130D, which is the concern of the amendment, states:

"Once the Single European Act enters into force, the Commission shall submit a comprehensive proposal to the Council, the purpose of which will be to make such amendments to the structure and operational rules of the existing structural Funds . . . as are necessary to clarify and

[Mr. George Robertson]

rationalize their tasks in order to contribute to the achievement of the objectives set out in Article 130A and Article 130C".

I am sorry if I am confusing hon. Members with this gobbledegook, but that is the way in which the Government have chosen to present this bizarre and Byzantine legislation. Article 130C states:

"The European Regional Development Fund is intended to help redress the principal regional imbalances in the Community through participating in the development and structural adjustment of regions whose development is lagging behind and in the conversion of declining industrial regions."

Those are the fine and grand objectives of title V of the Single European Act.

In stark contrast to those objectives, which presumably the Minister will defend with considerable vigour, is the fact that the Government do not believe in that aim. They do not want to. At every opportunity to vote in the European Council — at meetings of the Finance Ministers Council and of the Foreign Affairs Council— they voted against it. Earlier today, hon. Members debated the 1986 European Communities budget. Last November, when Finance Ministers fixed the budget for 1986, the United Kingdom Government voted against increases in the social and regional funds which would have made them slightly more effective than they are at present in the Community as a whole. At present, their effectiveness is tiny. That example showed how the Community and the Government could have lived up to the hopeful expectations of the rhetoric in title V of the Single European Act. Far from endorsing and supporting it, the British Government chose to vote against it.

I see no purpose in the Government endorsing these objectives if they are not willing to do anything about them. This country is being doubly penalised under the present regime. The Government's restructuring of regional policy means that fewer areas are even considered for help through the regional fund.

Sir Russell Johnston: I do not want to interrupt the flow of the hon. Gentleman's argument, but surely he will remember that, in the earlier debate the critics of the European Community said, "By gosh, we do all this regional stuff ourselves. We would do it far better under the present Conservative Government than any European organisation could."

Mr. Robertson: The hon. Gentleman should not believe that the critics of the Bill and of the European Communities' finances are ever at one in respect to most of the objectives. There is a clear-cut division between the critics on the two sides of the Chamber on the regional and social funds.

I want merely to point out the contradictions in the Government's thinking. They are amply illustrated by this part of the Single European Act. The Government have turned their backs on regional policy, at home and in the European Community. They have consistently voted against giving it proper and adequate funds to do the jobs that they say are necessary. But they now come forward and say to the House of Commons that it should endorse a section of the Single European Act that underlines the commitment towards social and economic cohesion. They now say that the Commission should come forward with new rules to make cohesion easier.

We know that today the Minister of State, Treasury will have been involved in decisions on the European budget which will cut to the very minimum possible the amounts of money available in the budget to do something about eliminating the disparities between the regions. At the same time, that same Minister will have ensured that the existing lunacies in the CAP, which eat up more and more of the funds and make less and less sense of regional policy, are increased, despite the fact that, on every other front, the Government say that they agree with the fight against this nonsense. I hope that the Minister will be able to persuade the House in her reply that there is some intelligence behind this proposal.

Perhaps, with the adoption of the Single European Act, we might see the Government starting to believe in those tiny elements within the Act which might make more sense for the Community and for this country. However, I have a feeling of despair borne of experience in other areas, that we are likely to see the rhetoric backed up by nothing more than cynical self-interest which the Government show for their own policies.

Mr. David Heathcoat-Amory (Wells): I rise for the first time during these Committee proceedings to support briefly the amendment proposed by my hon. Friend the Member for Southend, East (Mr. Taylor). The amendment seeks to leave out article 130D and I support it because I would hate to see such a vacuous and feeble clause pass into English law. As it stands, the clause seeks to clarify and rationalise the structural funds and in particular the agricultural fund.

The word "rationalise" does not mean very much. That is perhaps appropriate, because the Treaty is littered with phrases which are vague and imprecise and aims which are unquantified. If reform of the CAP is to be mentioned in the treaty and in the Act, stronger language is required about a fund which is gobbling up more than 70 per cent. of the European budget and which is still increasing.

The Committee does not know the final figures and we hope that a statement will be forthcoming soon. Newspaper reports state that the new budget, as agreed between the Council and the Assembly, might increase farm spending by £700 million. That is an increase over the Assembly budget which was declared illegal because it was an increase over the Council budget which in turn the British Government voted against last December because it threatened budget discipline.

These serious matters were debated earlier this evening. The only remedy suggested in article 130D is to clarify and rationalise. Article 130D contains a rather coy reference to money and that is almost the only reference to money in the Single European Act. Article 130D refers to the need for the funds to,

"increase their efficiency and to co-ordinate their activities between themselves and with the operations of the existing financial instruments."

I do not know what that means. Perhaps something was lost in the translation.

Mr. Teddy Taylor: I believe that the words "existing financial instruments" convey the impression—at least they do to me and I am sure that they do to others—that the structure should be left alone and untouched.

Mr. Heathcoat-Amory: I do not doubt that my hon. Friend is correct. We are not told what the existing financial instruments are. However, I would suggest to the

Committee that that might be an oblique reference to the 1984 Fontainebleau agreement. That agreement laid down specific procedures for financial discipline and for dealing with agricultural spending. If anything was to be included in the Bill, why are the specific procedures promised to the House at the time of the Fontainebleau agreement not included? The agreement states that it is,

"essential that the rigorous rules which at present govern budgetary policy in each Member State shall also apply to the budget of the Communities, and that the level of expenditure will be fixed on the basis of available revenue, and that budgetary discipline will apply to all budgetary expenditure."

Why were these words not included in the Bill? It was on the basis of these words and the agreement that the House agreed to raise our VAT contribution from 1 per cent. to 1·4 per cent.

Although budgetary discipline has turned out be a somewhat empty phrase as predicted, I believe that the agreement is still in force.

It is incredible that an Act which purports to suggest ways to reform the CAP should not refer to that pledge made two years ago not just to this House but to each member state.

10.30 pm

A list of declarations appears at the back of the Act. Made by member states and organisations in Europe, those declarations elaborate on various provisions in the Act. There appear declarations by Greece, Ireland, Portugal, Denmark and by the Commission. The Commission's declaration, the meaning of which I find it difficult to follow, says:

"the Commission consider that the provisions inserted in the EEC Treaty with reference to the Community's monetary capacity are without prejudice to the possibility of further developments within the framework of the existing powers."

I think that means that the political aims of the Commission should not be hampered by lack of money. If the Commission could insert its interpretation of the Single European Act, why were the British Government not able to include their declaration containing reservations about the provisions, at least drawing the attention of the European institutions to that solemn agreement into which we entered after the Fontainbleu summit?

Why did we allow the provisions to be drafted in such an opaque form, and why did we decide not to make a declaration? Had we done the latter, we should at least have kept alight the flame of budgetary and financial discipline that we took to be a fact when we agreed months ago to increase our VAT contribution.

Mr. Bill Walker: I, too, support the amendment, not only for the reasons that my hon. Friends have advanced but because I represent a constituency with a huge agricultural interest. If we approve the provision as drafted, we shall continue as at present, with all the uncertainties that exist in the system, including the horse trading that goes on every year on agricultural policies and farming support.

That produces a great deal of unnecessary aggravation, simply because we are unable properly to come to terms with the difficulties. My hon. Friends and I shall continue to get aggravation from NFU members and hear about their ever-increasing disenchantment with the system. *[Interruption.]* They are not disenchanted with me, because they know my position in these matters.

Sir Russell Johnston: Did the hon. Gentleman suffer no aggravation under the old annual price review system?

Mr. Walker: The hon. Gentleman is talking of a scheme under which support came from the United Kingdom Parliament. The aggravation then was considerably less than it has been in the last three years. Under the old scheme farmers were not faced with surpluses for which they were not compensated, with the cost of keeping surpluses in store and with anxieties about the ways in which those surpluses are disposed of. The farmers feel strongly about that; if the hon. Gentleman's farmers do not feel that way, they must differ from those in my constituency. My farmers feel strongly that they are blamed for what they did not create. They are the victims of what has been created by Europe. They were encouraged to do certain things. I would go further and say that they were bribed to do certain things, on a scale that brings them considerable odium today. That is my concern.

The farmers responded to requests to produce more and more and to get into cereals and produce them in vast quantities. They were encouraged to get into milk production and do what they could. They responded and they are being blamed for it now. The article will continue to bring blame upon the farmers for something that properly is the responsibility of the European Community.

Mr. Butterfill: I cannot really agree with my hon. Friend the Member for Wells (Mr. Heathcoat-Amory) that the article is opaque in any way. It seems clear in its objectives, and I am surprised that there should be muddle about that.

The article says that it will review the operation of all these farms so that they may contribute more effectively to the achievement of the objectives in articles 130A and 130C. To remind the House of those articles, they want to reduce the disparities between the regions and reduce the backwardness of the least favoured regions. The articles want to redress the regional imbalances in the Community and assist those areas that are lagging behind as well as assisting the industrial regions. I should have thought that hon. Members on all sides of the Committee would share those objectives.

Perhaps one of the great criticisms of the Community is that it has not achieved these objectives, and, indeed has signally failed to achieve them.

The different Community funds that are described in the article have been often pulling in opposing directions in their operation.

The article tells the Commission that it must come forward with proposals to rectify the problem and ensure that the funds will operate for the benefit of the Community in the way that is clearly spelled out in articles 130A and 130C. I cannot see any reason why all hon. Members should not support the inclusion of article 130D.

Mrs. Chalker: I shall say a few words about the 1986 budget at the beginning of my reply to this debate on amendment No. 37, as several hon. Members have mentioned that. The budget has been approved by the Budget Council and Committee, and by a final vote in the plenary session of the European Parliament this afternoon.

Let me say what this is, because it will help to explain to my hon. Friend the Member for Wells (Mr. Heathcoat-Amory) why we did not write in a declaration about

[Mrs. Chalker]

budgetary discipline or the Fontainebleau agreement. My hon. Friend was seeking to put that question, although he used slightly different words.

We have established the new 1986 budget within our resources ceiling. While the VAT rate for other member States will be 1·4 per cent. it will be lower for the United Kingdom at only 0·68 per cent. because of the increase in our abatement. The revisions to the budget will be of great financial benefit to the United Kingdom. There is extra provision for our abatement in addition to the £900 million that we are receiving in respect of 1985. That was the value of the Fontainebleau mechanism that I think my hon. Friend the Member for Bournemouth, West (Mr. Butterfill) was referring to earlier today.

The United Kingdom is a beneficiary of the extra provision of payments from the social fund. If I may now turn to something that has been said by other hon. Members in respect of the amendment I will then come back to the questions that were asked.

This debate is about cohesion, and that includes that part of the common agricultural policy which is part of the structural funds and thereby part of the Single European Act. That is known as FEOGA guidance, and it is the fund for agricultural restructuring. That is a very small proportion of the total CAP budget—around 5 per cent. It is in that sphere that the debate tonight should be concentrated, not on the 95 per cent. which is not part of the structural funds and, as my hon. Friend the Member for Southend, East (Mr. Taylor) said, that is where large amounts of the money go.

If I may deal with what the hon. Member for Hamilton (Mr. Robertson) said in his remarks—and he was quite wrong in what he said — the benefits to this country from the funds are not being cut in this budget; in fact, we are doing well. The position is that in regard to the regional and social funds — and particularly the social fund, from which we are major beneficiaries — there is an increase in the budget that has just been adopted for the benefit of this country. In total, since 1981 I estimate that we have had about £2·7 billion from the funds. Therefore, the budget to which I referred at the beginning is a success for the country. We will benefit from it, we are getting an increase in our abatement and we shall continue at a lower rate of VAT than before.

That is why I say, with regard to the remarks of the hon. Gentleman about the structural fund with which we are concerned tonight, and the articles before us in consideration of amendment No. 47, that the budget from that point of view is a good budget. I turn now to the clarification sought by my hon. Friend.

Mr. George Robertson: Will all the fairness that she is renowned for, does the Minister not accept that it is outrageous that we are having this debate, as we had the last debate, with the House of Commons not even knowing what is in the budget that she is now parading before us? Perhaps tomorrow — because we understand that tomorrow there might be a statement—we shall be in possession of the information to confirm or deny what the Minister said about these funds in that budget. Is there not something fundamentally wrong about that? If the hon. Lady were on the Opposition side of the House, or even on the Tory Back Benches, she would surely create an outcry about that. She knows what budget was agreed in the early hours of this morning, but the House of Commons of this country does not know.

Mrs. Chalker: The budget has been a matter of debate in the House over several months. A decision has to be reached by the Council of Ministers, and I agree that this happened in the early hours, although it was on Tuesday morning, and it has, indeed, been reported in the press. I know the point that the hon. Gentleman is making. It is that it has not yet been reported to the House.

I did not feel that it was right to discuss that part of the common agricultural policy, in other words, the structural fund part of the CAP, without mentioning what some of my hon. Friends had been asking for. I do not seek to pre-empt my right hon. Friend's statement to the House, if he is to make one tomorrow. What I seek to do is to put in context the amendment that we are debating tonight.

Mr. Budgen: With reference to the rebate, I have just obtained a copy of tomorrow's *Financial Times*. There is a very interesting article on the back page which says that underlying all the discussions about the budget was the resentment that was felt by many other states against Britain's rebate. It is suggested that in the 1987 budget it might well be that some renegotiation disadvantageous to this country will occur concerning the rebate. I hope that my hon. Friend will not suggest that the rebate is there set in concrete.

Mrs. Chalker: As my hon. Friend has been able to leave the Chamber to obtain a copy of the *Financial Times*, he obviously has an advantage over me. Whatever is speculated about the future in the *Financial Times* — an excellent newspaper — does not affect what has been decided and agreed today in the 1986 budget. That is what we are concerned with this year, and we shall be facing considerable discussions about the 1987 budget. It still remains the case that the agreement that we made in Fontainebleau in 1984 stands, as does our abatement.

10.45 pm

My hon. Friend the Member for Wells asked about the lack of a declaration about budgetary discipline at the back of the Single European Act. There is a short answer and a long answer. I shall give him the short answer because of lack of time. There was no need to do so. The Fontainebleau abatement mechanism is already enshrined in Community law, and the budget discipline is unaffected by the Single European Act. The declarations in the Act are about issues raised in the changes to the treaty. As these issues are not raised by changes to the treaty, there is no sense in writing them in.

Mr. Heathcoat-Amory: Is my hon. Friend saying that budgetary discipline and the procedures laid down in the Fontainebleau agreement have been adhered to in the latest budget, which will be presented to the House

Mrs. Chalker: Yes, I am saying that they have already been adhered to, because the Fontainebleau mechanism is already enshrined in Community law. The budget discipline is unaffected by the Single European Act, and as been taken into account by my hon. Friend the Minister of State, Treasury in deciding the 1986 budget.

My hon. Friend the Member for Wells asked a further question about amendment No. 47. Article 130D is in article 23 of the Single European Act to bring about a clarification and a rationalisation of the tasks of the

structural funds. If we are to use this money, we want to use it in the most effective and efficient way. We want to have a co-ordination of activities where that will be of benefit.

The size of the structural funds will be determined under existing rules. The Bill will cut down duplication of effort, and ensure that the European taxpayer get better value for money out of the operation of the funds. Some of what has been said in the debate has ranged wider than article 130 and its various parts. That is why I said that the guidance section of the CAP on which we should be focusing is part of the structural funds and that it promotes objectives such as farm modernisation.

The well-known problems have their roots in the guarantee section, which pays for the market support mechanisms under various commodity regimes. All of that is completely outside the scope of amendment No. 47. It may be interesting, but it is not what we have before us.

The Government put very high priority on the reform of the CAP. The problems of agricultural oversupply are growing, not just in Europe but worldwide. The Community needs to pursue reforms and not only within itself. The enormous oversupply internationally needs to be pursued through GATT, OECD, bilaterally with major producers, and internally through the continuing reform of the CAP to ensure

"that it is better adjusted to the market situation with the result that the share of public expenditure claimed by agriculture can be reduced."

Those are not my words. They are words taken from the European Council meeting at The Hague, upon which my right hon. Friend the Prime Minister reported only 10 days or so ago. There is no simple solution. It is a global problem. *[Interruption.]* The hon. Member for Hamilton laughs at this. The Community's cereals surplus of 17 million tonnes is very large, but it is dwarfed by the United States cereals surplus of 80 million tonnes. Equally, it is wrong to pretend that left to ourselves we could either avoid or solve the problem. It is a world problem.

My hon. Friend the Member for Southend, East is worried about trade discussions between the United States and the Community. He believes that the world must solve the problem of food surpluses because the money that is wasted on storing surpluses could be better used. That is exactly what this Government are trying to do. That is why this year's price fixing is a positive step in the right direction.

We have included measures to curb cereal production and we have agreed to reduce dairy quotas. We hope that there will be an agreement on beef before the end of our presidency, and before the end of this year the reform packages will be seen to be working. The Commission estimates that measures that have been in place since 1984, including milk quotas, saved 1 billion ecu in 1984 and almost 3 billion ecu in 1985 and that they will save 4 billion ecu this year. That is not to be sneezed at. We shall build upon those savings.

In 1979 the common agricultural policy accounted for 75 per cent. of the budget. Today it accounts for 65 per cent. of the budget. We are determined that this downward trend shall continue. It will allow us to use the structural funds more efficiently. That is exactly what is covered by article 130D in title V of the Single European Act.

The amendment would not assist. It would lead us in the other direction. It would not clarify the use to which the structural funds can be put and it would not mean that the European taxpayer, which means the British taxpayer, would enjoy better value for money from the operation of the funds. I ask the Committee to reject the amendment.

Mr. Teddy Taylor: I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Mr. J. Enoch Powell: I beg to move amendment No. 22, in page 1, line 15, leave out 'the preamble and '.

In the course of these proceedings, it is useful occasionally to remind ourselves why we have the Bill at all. We have the Bill at all because it is necessary to have legislation in order that the Government may become a party to the treaty that they have made. In order to make that possible, effect has to be given in United Kingdom law to the consequencies of the new treaty. Therefore, we are thrown back upon the basic document, the European Communities Act 1972, which gave direct effect in the law of the United Kingdom to rights, et cetera, arising out of the treaties as they existed at that time.

We are now writing, as it were, into the 1972 Act parts of the Single European Act, namely those parts which may give rise to new rights, powers, liabilities, et cetera, that will have a direct effect on the law of the United Kingdom.

The Government, presumably not accidentally, have included the preambles to the Single European Act among the treaty provisions which are to be written into the 1972 Act. Therefore, they must believe that, under the preambles as opposed to the other provisions of the Single European Act, there may be new rights, powers and liabilities which will directly take effect in the law of the United Kingdom if provision is made to that effect by the Bill.

The Minister and other hon. Members have treated lightly the significance of the preambles. Indeed, they are large and their content is nebulous, but that creates an even more difficult problem: how such large and nebulous expressions of aspiration — expressions which the Minister said are by no means new — can create new rights, powers and liabilities, taking effect directly.

The purpose of the amendment is to seek from the Government a clear statement of the way in which the preambles as opposed to the articles of the treaty will create the new powers which will take direct effect in the United Kingdom. If there were no such consequences of the preambles, they would not be included in the text of the Bill. The amendment seeks clarification from the Government of the consequence of the preambles. They cannot be purely inert. They cannot be purely declaratory. They cannot be purely a restatement of what already exists, or they would not be mentioned in the Bill.

Mr. Deakins: The Government cannot feel strongly about the amendment, since only last year the Prime Minister told us that no treaty amendments were necessary. Had no treaty amendments been necessary, except for those which allow British to move towards the completion of the internal market, there would have been no Bill before the House, no preamble and none of these commitments.

My speech will relate to the commitment to European union. In the 1967 White Paper published by the Labour Government the words "European union" do not appear. In the 1971 White Paper, the following statement appears:

"The Community is no federation of provinces or counties. It constitutes a Community of great and established nations,

[Mr. Deakins]

each with its own personality and traditions. The practical working of the Community accordingly reflects the reality that sovereign Governments are represented round the table . . . There is no question of any erosion of essential national sovereignty."

There is no mention of European union in that White

There was then the series of summit meetings, starting with Paris in 1972 and moving on to Copenhagen and other places, which developed the concept of European union. The then Prime Minister, the right hon. Member for Old Bexley and Sidcup (Mr. Heath), fudged the issue and was extremely evasive in a statement to the House on 23 October 1972, when he said:

"Our concept of a European union is the same that this country has always had"—

I query the words "always had"—

"which is that in developing institutions one develops them to meet the needs of the organisations concerned." — [*Official Report*, 23 October 1972; Vol 843, c. 796.]

The Minister used similar words in reply to a debate earlier this evening, so that will obviously be the theme of her reply to this debate.

Even the Foreign Office, federalists though most of its occupants are, has recognised the need to define the term "European union", which was supposed to have been defined in 1972 and 1973. In the middle of 1973, the then Foreign Secretary, now Lord Home, was asked about this by me and by the right hon. Member for South Down (Mr. Powell), who then represented Wolverhampton, South-West. He said:

"Our objective of political union has been declared. For the foreseeable future it must be the nine countries working independently but achieving as great a consensus as they can." —[*Official Report*, 25 July 1973; Vol. 860, c. 1607.]

11 pm

That is almost harmless, one would have thought, but the Foreign Secretary, in a memorandum to the House of Lords Select Committee on the European Community: "European Union" HL 149, a report from which I quoted earlier, said in quoting from a 1972 communiqué:

"The Heads of State and Government decided to speed up the work required to define the European Union".

I stress to the Minister that that was from a 1972 communiqué and we still do not have an agreed definition by the member states of the EEC about European union. That Foreign Office memorandum went on to say:

"Part of the difficulty in considering European Union is that the term has never been satisfactorily defined."

We are entitled to query what the term means. The Minister told us what the Government think it means, but we need to know what the Community thinks it means. That is the important thing. It is not what Ministers tell us that counts; it is what is going on in the Community.

Mr. Spearing: Has my hon. Friend seen the agreement signed by Foreign Ministers at the time of the European Common Act? That Act is not before the Committee and is not in the Bill and it gives substance to the Stuttgart declaration. Is not that the nearest honest meaning of European union, something upon which the Government have been completely silent?

Mr. Deakins: We have not heard anything from the Minister about that, but of course the Stuttgart declaration is being embodied in our legislation. That is called the solemn declaration. One wonders at the stupidity of that. Perhaps the Ministers were drunk at the time and had had a good meal.

Mr. Jeremy Hanley (Richmond and Barnes): Withdraw.

Mr. Deakins: No. I am talking about Ministers generally over there. A former Minister here told us that the best agreements were reached over pheasant and port wine and things like that.

Even the Governments of the EEC could not satisfactorily define European union in the Stuttgart declaration. They called for a review after five years, preparatory to setting out a treaty of European political union.

It is sometimes difficult when one is proved right, and I am sorry that I was proved right in the forecast that I gave the House in a debate on 27 November 1973. I said that we were not worried about the fact that European union was not properly defined, but that we did not want to get to that destination however it was defined. I said it was not good enough to be told that we would be fairly slow in getting there, because we did not want to get there at all. We wanted to take an entirely different direction.

When the House debated European union in a minor way in 1982, the Minister's predecessor, who is now the Home Secretary, gave the House a number of assurances after fears were expressed about the Genscher-Colombo proposals, the German-Italian proposals, which were the precursors of statements about European union in the Stuttgart declaration. I have not time and I do not wish to bore the Committee by quoting all that he said. Suffice to say that the right hon. Gentleman the Home Secretary, who was then a Minister of State, Foreign Office, said of European union:

"It is not the creation of any new institution or increases in the formal powers of existing institutions." — [*Official Report*, 17 June 1982; Vol. 27, c. 1103.]

He was wrong, because as we have shown conclusively during the course of our debates in Committee, the Bill gives some extra powers to some Community institutions in defiance of assurances previously given to the House.

My final point is that neither this nor any Government have a mandate for achieving European union, however it is defined. Assurances to the contrary were given to the British people in 1972 and in the referendum campaign in 1975. They were also given in The "Britain in Europe; Yes" campaign which I think the right hon. and learned Member for Hexham (Mr. Rippon) fully supported. I challenge the right hon. and learned Gentleman to deny that. Of course he cannot, because it is a fact. There was nothing in any general election manifesto by any of Britain's political parties about European union.

Mr. David Crouch (Canterbury): This is a fairly late hour, but I have never heard so much rubbish during about 20 years in the House of Commons. Is the hon. Gentleman saying that there should be no unity in Europe? It is rubbish when we hear from the Opposition Benches, and even from the Opposition Front Bench, that there should not be unity in Europe. I have never heard such rubbish in my life.

Mr. Deakins: The hon. Gentleman has not been present for our debates and he may not have heard all the arguments. I am under great pressure of time—

Mr. Crouch: I am sick and tired of this rubbish.

Mr. Deakins: I do not have the time to take issue with the hon. Gentleman. If he does not like what I am saying, he can leave the Chamber.

Mr. Crouch: I shall not leave.

Mr. Deakins: Then the hon. Gentleman can stay and listen. He may find when he leaves the Chamber that he is rather better informed than he was when he entered it.

Mr. Crouch: It is rubbish.

Mr. Deakins: European union will not be achieved by stealth.

Mr. Crouch: Rubbish!

Mr. Deakins: That is the issue before us. There will be a gradual erosion of national sovereignty within the terms of the Bill and that will not be accompanied by any public debate. I am talking about debate outside the House. There is a deliberate confusion — I hope that the Minister of State will not take this approach when she replies — between political co-operation and political integration. Her predecessor tried to confuse the House by taking that approach before he moved on to become Secretary of State for Northern Ireland. We on the Opposition Benches support European co-operation and we are against European integration, and that is what political union is ultimately all about. It is no use the Minister of State Saying, "We see things differently." The issue does not rest with the Government alone. European union is for the 12 Governments of the Community and the federalist institutions, which are pushing more and more for closer co-operation and integration. We shall divide the Committee on this amendment.

Mr. Cash: I have refrained deliberately from speaking during the Committee's proceedings, save for a brief three minutes, but I intervene because I attach great significance to the amendment. I declare an interest because I take my position as a Member of this place as being British first and European second. I believe that it is part of my duty as a Member to protect the interests of my constituents on these occasions.

The provisions of the amendment are important. To incorporate the preamble into the Bill has significance in terms of the interpretation of the measure as a matter of Community law, let alone as a part of United Kingdom law, and there will be an effect upon the sovereignty of the United Kingdom. We must not exaggerate the issue either way, which comes down to a matter of gearing. The interpretation that will be placed on the preamble in the courts cannot be denied, and anyone who attempts to do so will be misleading the Members of this place.

The notion of sovereignty embraces effective control. As I tried to explain in an article which appeared in *The Times* recently, which dealt with the way in which effective control of European matters is being conducted at the moment and as it affects Britain, there is a need for careful review. There are serious dangers that stem from a lack of accountability and a lack of control over what is taking place in Europe, which I believe impugn our sovereignty. I tabled an amendment, which was not accepted, to the effect that nothing in this measure would derogate from the sovereignty of the United Kingdom Parliament. That was not a re-run of the 1972 battle. It was an attempt to include in the Bill a counterweight to the methods of interpretation that I believe will be imported into the use of the preamble, which reaffirms the will to transfer the whole complex of relations between states into a European union. I shall refer briefly as well to the statement made by the Select Committee on Foreign Affairs on the legal significance of the preamble to the Single European Act. It reads:

"Its principal significance is as part of the context of the Treaty for the purposes of its interpretation."

It quotes the Vienna convention on the law of treaties. It clearly states in the interpretation of treaties, article 31 on the general rule, that one must consider the whole treaty, including its preamble, in determining how to define it.

We must be careful to bear in mind the 12th report of the House of Lords Select Committee on the European Community which stated:

"The powers of the United Kingdom Parliament will be weakened by the Single European Act."

We must take careful note of what that important Select Committee stated.

I referred to the question of control and sovereignty. In a careful analysis by Professor Phillip Taylor a few years ago, it stated that the Eurocrats demonstrated a positive attitude about moving forward to European union. Eighty per cent. agreed that that was the direction in which they should go. Eurocrats have far too much control. I should like to see a much greater degree of retention of sovereignty in this Parliament through scrutiny by hon. Members in the Select Committee on European Legislation considering matters that come before the House. Sovereignty must reside in Parliament.

I am not against Europe, political involvement in Europe, or a degree of unity, but I am against federalism. As the Prime Minister stated unequivocally:

"I do not believe in the concept of a united states of Europe . . . I am constantly saying that I wish they would talk less about European and political union. The terms are not understood in this country."—[*Official Report*, 5 December 1985; Vol. 88 c. 432.]

The matter is of great importance and I await with interest what my hon. Friend the Minister has to say.

Mrs. Chalker: The right hon. Member for South Down (Mr. Powell) asked me what rights and powers, in the sense of article 2 of the European Communities Act 1972, were contained in the preamble. The preamble is included in the present legislation to the extent that it relates to the Communities simply because it is part of the Single European Act.

Mr. Budgen: What does that mean?

Mrs. Chalker: If my hon. Friend would contain himself for just a couple of moments, he might learn.

It does not mean that the preamble must confer rights and contain obligations. It does not do so, anymore than the preambles to the original Community treaties which were given effect to by the 1972 Act.

Several hon. Members asked exactly what the status of the preamble is in relation to the substantive provisions of the Single European Act. Article 31(1) of the Vienna convention on the Law of Treaties provides that treaties

"shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose."

Article 31(2) of the convention makes it clear that the preamble forms part of the context in which the treaty must be interpreted. In the case of the Single European Act and other treaties, the European court would generally be——

It being one hour after commencement of proceedings on the motion, THE TEMPORARY CHAIRMAN *proceeded, pursuant to the Order [1st July], to put forthwith the Question already proposed from the Chair.*

[Mrs. Chalker]

The Question being put, That the amendment be made:—

The Committee divided: Ayes 42, Noes 157.

Division No. 252] **[11.15 pm**

AYES

Bell, Stuart
Bermingham, Gerald
Budgen, Nick
Canavan, Dennis
Clay, Robert
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Cook, Robin F. *(Livingston)*
Crowther, Stan
Dixon, Donald
du Cann, Rt Hon Sir Edward
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Harrison, Rt Hon Walter
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Howarth, Gerald *(Cannock)*
Leighton, Ronald
Lewis, Terence *(Worsley)*
Loyden, Edward
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McWilliam, John
Marlow, Antony
Nellist, David
Patchett, Terry
Pike, Peter
Powell, Rt Hon J. E.
Powell, Raymond *(Ogmore)*
Raynsford, Nick
Redmond, Martin
Roberts, Allan *(Bootle)*
Robertson, George
Shore, Rt Hon Peter
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Taylor, Teddy *(S'end E)*
Walker, Bill *(T'side N)*
Welsh, Michael
Williams, Rt Hon A.

Tellers for the Ayes:
Mr. Eric Deakins and
Mr. Nigel Spearing.

NOES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Ashby, David
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Benyon, William
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Bright, Graham
Brinton, Tim
Bryan, Sir Paul
Buck, Sir Antony
Burt, Alistair
Butler, Rt Hon Sir Adam
Butterfill, John
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Coombs, Simon
Cope, John
Corrie, John
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dunn, Robert
Dykes, Hugh
Eggar, Tim
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fowler, Rt Hon Norman
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Goodhart, Sir Philip
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Grylls, Michael
Gummer, Rt Hon John S
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Hawkins, Sir Paul *(N'folk SW)*
Hayes, J.
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hickmet, Richard
Hicks, Robert
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Howells, Geraint
Hunt, David *(Wirral W)*
Hunter, Andrew
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Knowles, Michael
Knox, David
Latham, Michael
Lawler, Geoffrey
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
McCurley, Mrs Anna
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Major, John
Malone, Gerald
Maples, John
Mather, Carol
Maude, Hon Francis
Meyer, Sir Anthony
Moynihan, Hon C.
Neale, Gerrard
Neubert, Michael
Oppenheim, Phillip
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Portillo, Michael
Powell, William *(Corby)*
Raison, Rt Hon Timothy
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Rippon, Rt Hon Geoffrey
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Sims, Roger
Smith, Tim *(Beaconsfield)*
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stewart, Ian *(Hertf'dshire N)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Wakeham, Rt Hon John
Walden, George
Waller, Gary
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Noes:
Mr. Archie Hamilton and
Mr. Tony Durant

Question accordingly negatived.
Clause 1 ordered to stand part of the Bill.
Clause 2 ordered to stand part of the Bill.

Clause 3

PROVISIONS RELATING TO EUROPEAN ASSEMBLY

The Second Deputy Chairman (Sir Paul Dean): We now come to amendment No. 46.

Mr. J. Enoch Powell (South Down): In the light of pressure on time, and the fact that clause 3(4) goes to the root of the Bill and raises matters that can be debated on the question, That the Bill be now read the Third time, I do not propose to move amendment No. 46.

Clause 3 ordered to stand part of the Bill.
Clause 4 ordered to stand part of the Bill.
Schedule agreed to.
Bill reported, without amendment.
Motion made, and Question proposed, That the Bill be now read the Third time.—*[Mrs. Chalker.]*

11.27 pm

Mr. Spearing: As the right hon. Member for South Down (Mr. Powell) said, the Bill arises from section 2(1) of the European Communities Act 1972 which states:

"All such rights, powers, liabilities, obligations and restrictions from time to time created or arising by or under the Treaties, and all such remedies and procedures from time to time provided for by or under the Treaties, as in accordance with the treaties are without further enactment to be given legal effect or used in the United Kingdom shall be recognised and available in law, and be enforced, allowed and followed accordingly; and the expression 'enforceable Community right' and similar expressions shall be read as referring to one to which this subsection applies."

No part of any Act of this Parliament has had such a draconian force in law. The Single European Act, which

will be incorporated as a treaty under the section of the law that I have just quoted, will change the constitution of this country—I fear, irrevocably—until a future Government change the Act upon which its foundation is based.

The Single European Act is, in effect, a European Bill. If it is to be understood thoroughly, it must be taken as a Bill and read with the treaty of Rome of which it is part. Together, they form the written constitution of the new political constellation of which we are part and to which we are drawn closer to the centre. But, having been drawn closer to the centre, we find that our powers to decide for ourselves what we do in the United Kingdom are consequently diminished.

I believe, as do some Conservative Members — the hon. Member for Canterbury (Mr. Crouch)——

Mr. Crouch: Not all.

Mr. Spearing: One minute.

When a decision is made, by consent of the House or by Governments in an international forum getting together on matters related to a specific topic and agreeing of free will—not because it is linked with another issue —I would probably say, "Hear, hear. We must do that. We must go along with it." That it is the true path to international understanding. It is the true path to co-operation, without letting any of the powers of the House disappear or be prejudiced or undermined.

That is not what we have agreed to in respect of the Bill. In agreeing to the Single European Act, we have agreed to extend the scope and power of the European Community to legislate and to tax. Earlier we had a brief debate on the environment and technology. The debate on the environment centred on water and farmers. The Committee did not realise that the scope inherent in the vires of the European Economic Community will concern any aspect of the environment, especially that relating to the harmonised internal market. I forsee a spate of legislation before the House and the Scrutiny Committee.

Mr. Cash: Will the hon. Gentleman give way?

Mr. Spearing: I should prefer not to give way, because many hon. Members wish to speak. I hope that the hon. Gentleman will catch Mr. Deputy Speaker's eye later.

It has been argued that the passage of the legislation will not change the balance of power in the institutions of the European Community. The Minister of State made that point. I was going to call her a right hon. Lady. She should be a right hon. Lady. She signed a treaty on this country's behalf without being a Privy Councillor. It was unfair to impose that act on the hon. Lady, because she was fresh in the job.

Parliament's ability to legislate on matters of law in the United Kingdom will be diminished, if only because the proportion of law that comes from Brussels rather than Westminster will increase, and the proportion of law that comes from Westminster will inevitably decrease. The legislation will not, therefore, be enacted by the Crown in Parliament. When people take law qualifications, they learn something of our constitution and are taught, so I am told, that the highest authority in the land is the Crown in Parliament. The three aspects of Parliament meet together on occasions—such as the happy occasion last week—Commons, Lords and monarch.

Mr. J. Enoch Powell *indicated dissent.*

Mr. Spearing: Perhaps the right hon. Gentleman corrects me. As I understand it, the Crown in Parliament has three parts. Legislation that does not pass through those three parts of Parliament and does not "originate" —I use that word specifically—in the Crown in Privy Council is not law passed by the Parliament and does not receive the Royal Assent.

So far, the Bill has been passed by one of the three. Almost inevitably, the power of the Crown in Parliament cannot help but be diminished. There will be an increase in the number of Acts of Parliament which Her Majesty is invited to sign, which come ab initio from Westminster and the House. Already we are beginning to be faced with Bills that we have to pass because of the decisions of the European Court and our obligations under the European Communities Act 1972. There will be an increase in the number of statutory instruments and in the amount of legislation coming direct from the European institutions, bypassing the Crown and Royal Assent. To that extent, the sovereignty of this House, the sovereignty of Her Majesty the Queen and the sovereignty of the British people will be also diminished.

11.34 pm

Mr. Marlow: Future generations, when they look back over the past few weeks, will be amazed at the prominence that has been given to events in South Africa as compared with the prominence given to the Single European Act and the Bill. That is not to say that events in South Africa are not complex, tragic and important. That is not to say that the Government — and indirectly this House — do not have some influence on the events in Southern Africa and that these events will not have some effect on the interests of our constituents. However, the Single European Act is a matter of high significance, of higher significance probably than any three major Bills passed through the House at any one time.

The Bill is about a movement of powers to European institutions. Many of us — despite what those who disagree with us would say—are keen to see European co-operation and to see Europe working together in various areas where it is appropriate for Europe to work together. We are even keen to see proper and effective European institutions. Those who take the opposite view to that ought to realise that harmonisation does not always bring about harmony.

Before we pass the Bill, perhaps we ought to consider the institutions that exist at present and consider how the powers are being used. The first institution that we ought to consider carefully is the Commission with its great powers for the initiation of policy and its increasing powers that we have discussed today. Everything starts from the Commission. Day in and day out, the Commission works on Community policy. The Commission, because of its position, because it is ever-present and because it has a sense of direction and favours European unity, has the ideas which will be fulfilled in the long run. However, the Commission is a bureaucracy. In this country, we wish to be ruled by democracy but increasingly, as we transfer these powers, we shall be ruled by a bureaucracy. I am a democrat and I wonder at times if we all are.

The next institution that bears close scrutiny is the European Court. As we discussed in the previous debate, the preamble and many other parts of the Bill will give greater powers to the European Court. The laws of this

[Mr. Marlow]

country and of our people will no longer, in these respects, be made by their elected representatives. The laws will be made by judges, not politicians, the people who would have to seek votes. But now the legal experts, judges in a foreign country, will make laws for British citizens. Of course, some people will say that a great part of the Bill is that it will enhance the status of the European Assembly and that that will give us more control over the European institutions. Do we really believe that? Do we really believe that when people voted in the last European Assembly elections, they voted according to how the people they elected would resolve the problems and serve the interests of the people of this country? If they did so, I believe that they were misled. They voted basically on the party label, Labour or Conservative.

The people who are elected to that institution are essentially federalists and they decide policy, not according to the interests of their constituents — may be they should — they decide policy on the basis of bringing together European unity and a federal Europe and above all, on the basis of increasing powers for the institution that they serve. We should be very wary of that in this Parliament.

We are giving powers to institutions that have had powers for some time. They have had powers over the CAP. Although my hon. Friend the Minister was frank if she had been more frank she would have told us that the institution, have not yet met with any degree of success over the CAP. She told us how much worse the problems would be if action had not been taken, but she did not tell us that this year's surpluses are worse than last year's, that last year's were worse than the year before that and that whatever brave proposals are to be put forward, next year's will be worse than they are this year.

What success is that, when each year the situation gets worse? These institutions have had power over the Community budget. We have debated budgetary discipline long and hard and have been given commitments on the subject, yet not one scintilla of budgetary discipline has been achieved. Even so, it is suggested that we hand over more powers.

Mr. Bowen Wells (Hertford and Stortford): You tell them.

Mr. Marlow: My hon. Friend may feel that the whole question of the powers of this House and whether we hand them to other institutions is a matter of levity. I wonder whether his constituents think that. Mine do not.

I have two questions for the Minister. First, we are to have an extension of majority voting. How can she justify a situation in which laws affecting the United Kingdom will be made in such a way that we and Germany will have 10 votes each, each of us having about 55 million citizens, yet seven small European countries—Holland, Belgium, Denmark, Luxembourg, Greece, Portugal and Ireland—with fewer citizens in total than either the United Kingdom or Germany, will have 28 votes?

They will be able to stop happening that which we may want, but we shall not be able to stop happening that which they may want. We and Germany together, with twice their population and six times their economic power, will not be able to prevent that. How can a British Government agree to majority voting in those circumstances?

Secondly, as my right hon. Friend the Prime Minister believes that our power with the veto is of paramount importance, may we be assured that the veto is still secure?

Mrs. Chalker: Yes.

Mr. Marlow: I am grateful to my hon. Friend for that assurance. Will she enlarge on that answer and explain how it is secure?

In many respects, what is now happening represents the death knell for some of the powers of this House. It is a requiem on certain aspects of British sovereignty. The measure is nearly finished here, but the Leader of the House, when interviewed on radio last week and when asked about the future parliamentary programme, vouchsafed to the nation that if, in its discussion, a measure was truncated through the use of the guillotine in this place, it was vital that proper scrutiny occurred in the other place. We have before us a vital and underestimated by many people constitutional measure. The powers of the other place should be used to the utmost in this matter.

11.43 pm

Mr. Foot: The Government will live to regret — I hope even to be ashamed of — having introduced this measure. That sense of regret may come a good deal more speedily than some may think, for the Bill must go to another place and they have a special obligation there to examine constitutional measures, especially when such measures are guillotined here.

I should have thought that the other place — particularly as we have heard tonight that their Lordships have decided to intervene on a major Bill affecting the royal dockyards—would be encouraged to intervene on this measure.

When I say that the Government should be ashamed about that way in which they have proceeded with the Bill in this House, that is not meant as a reflection on the Minister. All who have listened to these proceedings will pay tribute to the patience and skill that she has shown in defending the situation. She has done that without assistance from any hon. Members, including those who have spoken from the Government Benches.

The hon. Lady has done extremely well, but in the course of doing that she has damned the Bill even more. In an effort to defend what the Government are seeking to achieve by the measure, she has had to try to persuade us that it does not really involve any change in the situation that went before, and that has been her case. Of course it is not true.

I am not saying that she is seeking to mislead the House, but the hon. Lady has misled herself in the way that she has presented the matter. Greater powers can be used by the European Court and invoked by the European Assembly. The methods used and the balance between institutions within the European organisation are altered.

Mr. Butterfill *rose*——

Mr. Foot: I shall not give way to the hon. Gentleman. Should the Bill be passed, those factors and developments will come into being. Then the people of this country will return to the House and ask why the House of Commons allowed such a measure to go through.

They will ask why the House of Commons allowed a European court to have such power in such circumstances, and allowed a European assembly to be transformed into a European parliament and given greater powers.

I do not believe that the hon. Lady has answered the charge why the House of Commons permitted greater powers over the imposition of taxation, which will be used later by a Government in this country. Those dangers face this country. People will look back to these debates and say that it is a disgrace that such a measure was forced through by a guillotine and forced through by a bovine majority that has not even been interested in the betrayal of the rights of the people of this country.

11.48 pm

Mr. Cash: I spoke on the interpretation of the Preamble in Committee, and I should like to say now that I am deeply concerned about the manner in which legislation is enacted in Europe, and which has to be implemented by the House by virtue of the European Communities Act.

I am not against the Act or the Bill, in principle, but I feel deeply and strongly, as a member of the Select Committee on European Legislation and having witnessed the manner in which legislation is passed to us, its effect on our commerce and industry. I take the Directive on Product Liability as an example. There are other directives in which I was involved before coming to the House where I have seen livelihoods affected. That was not due to a deliberate act by civil servants or indeed by Ministers, but because people were unaware of the effect of European legislation.

In this instance the directive, which related to radiation and the implementation of measures relating to radiation, livelihoods would have been taken from many people. But for the fact that a serious attempt was made to make sure that people were aware of the implications, their livelihoods would have been taken away. That can happen in many different ways. I ask the House, when considering the Bill and European legislation, to bear in mind that to have legislation passed with the consent of the electorate implies accountability.

Accountability to whom? I spoke earlier on the question of sovereignty, which for me means effective control. In this context, when we consider the manner in which legislation is produced in Europe and the fact that it must be enacted by this Parliament by virtue of the European Communities Act, there is accountability by Ministers in theory and largely in practice.

Much of the legislation goes on without being properly considered and it has a much greater effect upon the people of this country and our commerce and industry than is commonly recognised. I plead that it is essential to scrutinise that legislation effectively in the House, and that the terms of reference of the Select Committee on European Legislation are improved.

I finish by reminding the House of some legislation that was passed recently relating to the Chernobyl disaster.

It included as its legal basis the whole of the European treaty. In other words, there was no specific power to which the Foreign Office was able to point in determining the basis upon which that legislation was to be imposed upon the people of this country. If that is the basis upon which people proceed, I think that we have an open door to legislation of any description.

It is the matter of the greatest possible importance that we ensure that sovereignty does, indeed, remain in this House, that we have effective accountability and that Ministers are fully aware of what is done in thier name by bureaucrats and civil servants who go across to Europe in the working groups and legislate on our behalf. It is essential to maintain the democracy of this House and its sovereignty and to ensure that we do know that the legislation done in our name is known to have been done on behalf of the people of this country. If there is a gap between legislation and the electorate of the kind that I have seen developing in Europe with a volume of legislation of this complexity, I believe that Europe itself will disintegrate because it will be seen to be undemocratic and bureaucratic in the extreme.

11.50 pm

Sir Russell Johnston: I welcome the Third Reading of the Bill. I repeat the view that I have expressed throughout the progress of it, that the changes it introduces are limited and sensible. I consider that the various examples that we have been given by anti-Community Members of terrible consequences being imposed upon us through majority voting are just plain nonsense. Again and again, whether we were discussing tax harmonisation, pollution or regional development, we were told that somehow or other, and apparently completely irrespective of political colour, these foreigners — aliens was the word much used, I thought rather offensively by the hon. Member for Newham, South (Mr. Spearing) — would get it wrong and impose unacceptable policies upon the country, not to mention what foreign judges might do.

I find this approach quite untenable; and the suggestion by some who produced this approach — that they were not really against the Community at all, but wanted to improve the Community—was totally incredible.

I felt that the Minister, with respect to her, was sometimes less robust in defending the Bill than she could have been. I suppose if one is a reasonable person, which she is, there is always a certain disposition to seek some kind of accord with critics, even if they are evidently intractable and unconvertible as is the hon. Member for Southend, East (Mr. Taylor). However, it sometimes leads one to claim that changes that one proposes do not actually make much difference at all. It is certainly my hope that the Bill will make some difference; likewise, this is the belief of nearly all other member Governments. The major difference should be a greater capacity to arrive at decisions without undue delay, far less some of the indefensible procrastinations that we have seen in the past.

Taken in conjuction with the more effective operation of the Court and the modest increases in powers of the Commission and the Parliament, this will achieve greater integration advance what I believe in, the historical welding together of the old European states and nations, and increase understanding and appreciation of our mutual dependence. As I have said before in many arguments with the hon. Member for Walthamstow ((Mr. Deakins), this will lead to a style of government in Western Europe that one can call federal quasi-federal, devolved union or whatever word one likes to use, but it means that there are a lot of things that we can do better together — oil pollution control, fishery conservation, fair competition, regional development, economic co-ordination and political co-operation.

This is all good. I do not believe that it reduces the rights of our citizens; I think that it enhances them, and I applaud it.

11.53 pm

Mr. Foulkes: As we come to the end of the very sorry saga of the Bill, it is appropriate to remind the House that

[Mr. Foulkes]

the Government originally did not want the proposals now included in the Bill and in the Single European Act. The right hon. Member for Edinburgh, Pentlands (Mr. Rifkind) insisted on major reservations in Dooge, which have subsequently been abandoned. The Prime Minister petulantly opposed the inter-governmental conference, but the Government were forced into a humiliating reverse. They had reluctantly to accept some fundamental changes that they opposed to get concessions on the internal market. In an attempt to hide their embarrassment, they first tried to slip the Bill through with the minimum scrutiny and discussion. When they were rumbled by hon. Members on both sides of the House, and we started to give the Bill careful scrutiny, the Government ruthlessly wielded one of the most drastic guillotines ever.

The Bill represents the first major transfer of sovereignty from Westminster to Strasbourg and Brussels, involves increased pressure to harmonise VAT, means the establishment of a new European Court of Justice, gives additional competences to the European Community, changes the name of the Assembly to Parliament, and means a move towards greater economic and social cohesion — in other words greater European union. These are major issues that should have been considered in detail by the House. Many vital questions remain unanswered on the internal market, the effects, on employment, on insurance, procurement and company law. Many matters have not been discussed by the House. There are many implications of which the House, let alone the country, remains unaware.

The hon. Lady deserves credit, and the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) was, unusually, a little discourteous and ungenerous. She deserves credit for one thing, her diligence and stamina in piloting the Bill through single-handed — "Timless" on most occasions. We have seen some amazingly skilful footwork. I know from an unusually reliable source — that is the usual phrase for a Foreign Office leak — that, like the hon. Member for Littleborough and Saddleworth (Mr. Dickens), that well-known the danseur extraordinaire, that the Minister is fond of dancing — not modern dancing, but dances such as the conga and hokey-cokey. However, if she tries to divert attention from the Government's twists and turns in the Bill, and its importance, by launching into the usual sad, tired, tattered attack against the Opposition, she will do herself no credit.

No doubt, the Minister will also try to claim that the changes negotiated at Luxembourg will be good for Britain. Conservative Members should remember Fontainebleau. We were told that the agreement reached there would be good for Britain. The same claims were made then as are being made now — a great victory, a permanent solution. The reality was the opposite. No financial discipline — our contribution has become greater. We hve seen the 1·4 per cent. VAT reached, and no doubt we shall see it breached, and agriculture spending is spiralling. If that is a good deal for Britain, the English language has lost its meaning.

The Minister may also be tempted to praise the success of the Community in certain matters of concern such as vehicle standards or health. However, even if we concede that there have been some minor advances on such matters, at what expense have they been achieved in concessions and in the horse trading in the European Parliament?

The Minister may also claim that the Government have not wavered in their commitment to the European Community, and that the habit of co-operation on foreign policy is entrenched in the European Community. The reality is entirely the opposite. We were out of step in withdrawing from UNESCO, when we cravenly left when President Reagan said jump.

Mrs. Chalker: Whas has that got to do with the Bill?

Mr. Foulkes: The hon. Lady must listen — she will have an opportunity to reply to the debate. We were told that in the Single European Act, to which she put her name, there was agreement about co-operation on foreign policy. Far from working together, the United Kingdom has been out of step. We stand alone within the Community over the raid on Libya. The Foreign Ministers of the Community were deceived by the British Foreign Secretary about that raid. We are now at loggerheads with the Community over how to deal with the apartheid regime in South Africa.

I predict that the Minister will try to take some credit for what she will describe as a great achievement — the so-called £4 billion rebate. Under the 1974-1979 Labour Government Britain's net contribution to the Community was £380 million a year. Under this Conservative Government, between 1980 and 1986 it has been over £800 million a year. In 1984-85 it amounted to £936 million and in 1987-88 the net amount that we shall pay will be £1·2 billion.

If the Single European Act is the result of what the Prime Minister described as "batting for Britain" we, like the England cricket team, need not only a change of captain but a change of team. I ask my hon. Friends to take this opportunity to vote once more on Third Reading against the Bill, and I give a pledge on behalf of the Opposition that we shall continue the fight against the Bill just as vigorously in the other place.

12.1 am

Mrs. Chalker: There have been nearly 40 hours of debate on the changes to the European Community treaties that will be brought about by the European Communities (Amendment) Bill. At each stage I have tried to respond to the questions that were put to me by hon. Members. I shall do so again now, if I can. If that is not possible, I shall respond in writing.

The House has to take its decision on the Bill as a whole. It was right to go through it in detail and to weigh up the implications of these changes, but we should concentrate on the material facts. However, many hon. Members have not been trying to assess the material facts, or even the implications. They returned to the 1972 debates and the 1975 referendum debates and questioned our membership of the European Community. It is right to be critical when things go wrong. However, we took the decision to enter the Community, and as one of the leading partners in the Community we should be concentrating on current issues, not fighting the battles of years ago.

I wondered for a moment why the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) referred to the hokey-cokey and then I realised that he had a copy of some, though not all, of my notes. Whether he

dances the eightsome reel with joy, or whether somebody else dances another dance, there is one thing at which he and his party are more expert than any other party in the House—their European hokey-cokey. The right foot of some Opposition Members goes in while the left foot of other Opposition Members wants to take them out. In that sense, it is the most perfect description of the Opposition's attitude towards European legislation.

In previous debates, I recalled again and again the decisions made by a Labour Government — the hon. Member for Walthamstow (Mr. Deakins) was a member of that Government, and must stand by the decisions that he made then—which were the foundations of the steps that we have taken over the years to reach this first amendment of the treaty of Rome.

The Labour Government played games with our membership of the Community, telling people that they would renegotiate our terms of entry, when all that they did was to renegotiate the terms of their election manifesto. The Conservative Government have not wavered and will not waver. In our 1983 manifesto, we were convinced, as we are today, that the development of the Community is vital to Britain. It is vital to cement not only a lasting peace in Europe but to end centuries of hostility. We said that we had come to office determined to make a success of British membership of the Community, and that is what we have been doing. The Bill is a further step in that direction.

Unlike the steps attempted half-heartedly by Labour Governments, this Government, under this Prime Minister, secured a lasting agreement worth more than £1,000 million to Britain this year alone. The Government have taken major steps to agricultural reform, with price reductions of nearly 1·5 per cent. three years ago increasing to more than 7 per cent. in real terms for cereals this year. Those steps are part of the process of improving the Community of which we are full and living members.

The Government have also secured agreement that agriculture must be tackled as an international problem in the GATT, in OECD and through discussion with major producers, but we do not deny the importance of structural funds, including FEOGA guidance, which we have been debating in the Bill. That is another important element in what we seek to do.

The Government have played their part in securing the democratic future of Spain and Portugal through membership of the Community. Anyone who takes that for granted should reflect for a moment on how our interests would be affected if there were Communist Governments in Madrid or Lisbon.

Mr. Deakins: On a point of order, Mr. Deputy Speaker. It is within the rules of order for any hon. Member speaking on the Third Reading of a Bill to mention matters that are not within the Bill?

Mr. Deputy Speaker (Sir Paul Dean): Third Reading is confined to matters that are within the Bill, but the Minister was in order. There is reference to the newer members of the Community.

Mrs. Chalker: I was about to say that European political co-operation is part of the Single European Act. Only with wider membership of the Community can European political co-operation, which is important to us, come within our grasp. The hon. Member for Walthamstow is right to say that it is not mentioned in the Bill, but since the Bill implements the Single European Act ——

Mr. Deakins: Parts of it.

Mrs. Chalker: Since the Bill implements parts of the Single European Act, it is covered.

As a result of the Bill, the Government will take decisions, whether on animal health or on research and development, that benefit not only Britain but the entire internal market.

This is where we come to the point made by my hon. Friend the Member for Northampton, North (Mr. Marlow). Through qualified majority voting we shall succeed in bringing about sensible decisions which will not be blocked by a single member state. Such decisions have been blocked in the past, often by nations not even interested in the matter in question. We want changes in the internal market because we want to open up the possibilities for new enterprise and new work.

My hon. Friend the Member for Northampton, North is anxious about the blocking minority. We went through all that during the debate on one of the amendments. We have sought to make progress and have enshrined in the Bill the progress that we have sought and the issues upon which we have sought it, that is, qualified majority voting for the completion of the internal market, with proper safeguards in the areas of human, animal and plant health, and in the areas of fiscal changes, the movement of people, and the rights and interests of employees.

Mr. Peter Shore (Bethnal Green and Stepney): What about the veto?

Mrs. Chalker: I shall come to the veto in a moment. My hon. Friend the Member for Northampton, North is worried that small nations might combine against us. We have now reached a degree of agreement on these issues with everybody pushing forward to bring an end to the barriers that divide Europe, where such barriers can sensibly be removed. This is the right way to go. If I thought for one moment that any of the fears in the mind of my hon. Friend the Member for Northampton, North were real, I would have told him so. I do not believe those fears are justified. He and the right hon. Member for Bethnal Green and Stepney (Mr. Shore) asked about the veto. Where important interests are at stake, discussion must be continued until unanimous agreement is reached. That is exactly what we mean by the Luxembourg compromise and that is why we shall——

Mr. Shore: That does not apply specifically to the articles that relate to the completion of the unified market. By definition, the veto power cannot apply to them because unanimity rules have been replaced by majority voting.

Mrs. Chalker: The unanimity rule has been replaced by qualified majority voting, but as we said in the detailed debates on the Bill, qualified majority voting has been agreed for those issues where we wish to make progress and where it is in Britain's interest to make progress. It is right to make progress, but we still have the right on other issues to exercise the veto where it is in the interests of Britain to do so.

When we joined the Community we accepted a treaty that was negotiated by others. In this Bill, we are asking the House to accept amendments to the treaty negotiated

[Mrs. Chalker]

by my right hon. friend the Prime Minister in British interests. She announced that treaty to the House on 5 December and when it was worked out, my right hon. Friend realised that not only were its provisions in the interests of Britain, but they would safeguard all the things that we have worked for since the Milan summit.

The amendments to the treaty of Rome contained in the Single European Act and effected by this Bill are not major changes in treaties. They do not have the constitutional implications that were inherent in the terms of our original accession to the Community. They are changes that will enable Britain to realise more fully the benefits of our membership. It is to the benefit of Britain to speed up the completion of the internal market and that will be helped by the Bill.

It is also to the benefit of Britain to have a clearly defined Community programme for research and development. The changes negotiated at Luxembourg mean a good deal for Britain. If the changes agreed by my right hon. Friend the Prime Minister have not aroused a great debate across the country, it is not because few people know about them. My right hon. Friend the Prime Minister has explained them, so has my right hon. and learned Friend the Foreign Secretary and so have I. Those who oppose the changes have written about them copiously. The reason that there has, in the Opposition's terms, been no great debate in the country about these sensible amendments to the treaty, is because the great debate is over. The British people——

It being one hour after commencement of proceedings on the motion MR. DEPUTY SPEAKER *proceeded, pursuant to the Order* [1st July], *to put forthwith the Question already proposed from the Chair.*

Question put, That the Bill be now read the Third time:

The House divided: Ayes 149, Noes 43.

Division No. 253] **[12.14 am**

AYES

Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Bellingham, Henry
Benyon, William
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Bright, Graham
Brinton, Tim
Bryan, Sir Paul
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butterfill, John
Cash, William
Chalker, Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Coombs, Simon
Cope, John
Corrie, John
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Dunn, Robert
Durant, Tony
Dykes, Hugh
Eggar, Tim
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Forman, Nigel
Forsyth, Michael *(Stirling)*
Fowler, Rt Hon Norman
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Garel-Jones, Tristan
Goodhart, Sir Philip
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hanley, Jeremy
Hargreaves, Kenneth
Hawkins, Sir Paul *(N'folk SW)*
Hayes, J.
Hayward, Robert
Heathcoat-Amory, David
Hickmet, Richard
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howarth, Alan *(Stratf'd-on-A)*
Howells, Geraint
Hunt, David *(Wirral W)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jenkin, Rt Hon Patrick
Johnson Smith, Sir Geoffrey
Johnston, Sir Russell
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Knowles, Michael
Knox, David
Latham, Michael
Lawler, Geoffrey
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
McCurley, Mrs Anna
MacKay, John *(Argyll & Bute)*
Malone, Gerald
Mather, Carol
Maude, Hon Francis
Meyer, Sir Anthony
Moynihan, Hon C.
Nicholls, Patrick
Oppenheim, Phillip
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Portillo, Michael
Powell, William *(Corby)*
Raison, Rt Hon Timothy
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Rippon, Rt Hon Geoffrey
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Sayeed, Jonathan
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Stern, Michael
Stewart, Ian *(Hertf'dshire N)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Wakeham, Rt Hon John
Walden, George
Waller, Gary
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watts, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Wilkinson, John
Wolfson, Mark
Wood, Timothy
Yeo, Tim

Tellers for the Ayes:
Mr. Tim Sainsbury and
Mr. Michael Neubert.

NOES

Budgen, Nick
Cohen, Harry
Clay, Robert
Cocks, Rt Hon M. *(Bristol S)*
Cook, Robin F. *(Livingston)*
Corbyn, Jeremy
Crowther, Stan
Deakins, Eric
du Cann, Rt Hon Sir Edward
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Harrison, Rt Hon Walter
Haynes, Frank
Hogg, N. *(C'nauld & Kilsyth)*
Howarth, Gerald *(Cannock)*
Leighton, Ronald
Lewis, Terence *(Worsley)*
Loyden, Edward
McKay, Allen *(Penistone)*
Marlow, Antony
Nellist, David
Patchett, Terry
Pike, Peter
Powell, Rt Hon J. E.
Powell, Raymond *(Ogmore)*
Prescott, John
Proctor, K. Harvey
Raynsford, Nick
Redmond, Martin
Roberts, Allan *(Bootle)*
Robertson, George
Shore, Rt Hon Peter
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'ds E)*
Spearing, Nigel
Taylor, Teddy *(S'end E)*
Walker, Bill *(T'side N)*
Welsh, Michael
Williams, Rt Hon A.

Tellers for the Noes:
Mr. John McWilliam and
Mr. Don Dixon.

Question accordingly agreed to.

Bill read the Third time, and passed.

STATUTORY INSTRUMENTS, &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committee on Statutory Instruments, &c.).

SOCIAL NEED (NORTHERN IRELAND)

That the draft Social Need (Northern Ireland) Order 1986, which was laid before this House on 20th May, be approved. —*[Mr. Durant.]*

ROAD RACES (NORTHERN IRELAND)

That the draft Road Races (Northern Ireland) Order 1986, which was laid before this House on 10th June, be approved. —*[Mr. Durant.]*

APPLE AND PEAR DEVELOPMENT COUNCIL

That the draft Apple and Pear Development Council Order 1986, which was laid before this House on 26th June, be approved.—*[Mr. Durant.]*

TRAFFIC WARDENS

That the draft Functions of Traffic Wardens (Amendment) Order 1986, which was laid before this House on 30th June, be approved.—*[Mr. Durant.]*

HOVERCRAFT

That the draft Hovercraft (Civil Liability) Order 1986, which was laid before this House on 4th July, be approved. —*[Mr. Durant.]*

Question agreed to.

University College, Swansea

Motion made, and Question proposed That this House do now adjourn.—*[Mr. Durant.]*

12.26 am

Mr. Alan Williams (Swansea, West): I would like to take this opportunity to draw attention to the problems facing University college, Swansea, and the university of Wales. The college in my constituency is on one of the most delightful campuses anywhere in the country and it has an extremely good academic record. However, it is in a state of complete demoralisation. The college has already endured cuts over the past five years—quite severe cuts for a small college—and over 30 of the academic posts have already gone.

The college had been warned, as had other universities, that a successive round of 2 per cent. annual cuts lay ahead for the college. That would have been a severe enough blow, but, out of the blue, it was told of the latest massive University Grants Committee cut. That cut was portrayed by the Parliamentary Under-Secretary of State for Wales, who does not seem to quite understand these things, as a cut of only 0·5 per cent., carefully ignoring the fact that when inflation is taken into account the cut actually becomes 5·5 per cent. In cash terms, the university now has to save £850,000 during the next academic year.

It is worth noting that the average cut in Wales at university level has not only been higher than in Scotland, but has been much higher than the average in England. When the UGC cuts were first announced it was feared that compulsory redundancies would be necessary at academic and non-academic level. As the Minister will appreciate, the prospect of further redundancies in one of our major employers, in a city that already suffers from abnormally high unemployment, was regarded with considerable alarm, especially as the university is at a financial disadvantage because the loss of industry that there has already been in the area limits its ability to find industrial sponsors.

At least we have now been told that there is a possibility that the cuts can be accommodated without compulsory redundancies. They can be accommodated by natural wastage, which is a nice way of saying that we do not fill the job again, so jobs are lost in the area anyway, and possibly by voluntary redundancy, if enough people come forward and offer to give up their jobs. If not, I assume that we are back to the situation where compulsory redundancy may be under consideration.

Whichever way the matter is resolved, we are at the end of the road for the college after so many years of cuts. We are now at the limit of the cuts that the university can take without there being severe redundancies. Even if we achieve this round of cuts without compulsory redundancy, the effects will still be severe on some of the lowest-paid people who work on the campus. Many people do non-academic work there. For example, the National Union of Public Employees tells me that a decision to save on cleaning work in the university by cutting four and a half hours per person off the working week, which may not sound severe when one first considers it, is put in a different perspective when one realises that 100 cleaners on that campus work only 19 hours in the first place. In losing four and a half hours, they will be losing a quarter of their income, even if they manage to save their job. Also because

[Mr. Alan Williams]

they will be below 19 hours, they will lose their national insurance, and their employment and redundancy protection.

The university is having to make severe cuts in its structure. We are losing the department of oceanography and the economic history department, the only separate economic history department in the whole of Wales. We are losing our drama unit. There is to be a 50 per cent. cut in the Taliesyn arts centre on a budget of £120,000, which is made even more severe by the fact that it will also lose some of its bread and butter income, because the closure of the drama unit will mean that it loses the productions that the drama unit previously put on. Already, it is facing the need for cancellation of contracts for events that were due to take place in the next two terms, and is having to consider scrapping programes for exhibitions in the arts centre.

The arts centre manager assures me that the cuts are so severe that he will barely be able to meet the wages of a skeleton staff at the centre, yet that centre is important because, in addition to its general contribution to the cultural life of Swansea and the surrounding areas, it is a focal point in south-west Wales for Welsh language activities, and has a co-ordinated programme to help local school examination candidates with their set text work. To try to make up the money that it will lose as a result of the UGC cuts, it will have to convert its operations to that of yet another conference centre. It will be one more competitor for the already limited number of conference engagements available.

In a perverse way, to add to an already severe position for the centre, it now faces the possible crippling demand from the Welsh Arts Council for a refund of part of a capital grant of £90,000 because the grant was provided in the first instance for the building to operate as a theatre.

The whole exercise in relation to Swansea and the University of Wales as a whole is based on serious misunderstandings. First, there is a misunderstanding of the nature of the role of the University of Wales. It is deliberately a federal structure. As the Minister may have been told, it was set up, not by great endowments and charitable funds or Government money but by the collection of pennies from the people of Wales. They were determined that they would have their own national university. In order to ensure that the facilities were available to the maximum number of people in Wales, it was decided to organise the university on a federal basis. Thus there is a series of colleges, each of which is small, but they need to be widely diversified in the courses that they offer. Because they are small, any changes in financing—even small changes—quickly affect viability. Because they are small, they have been at a disadvantage in the latest round of assessments by the UGC. Their size has exacerbated the problem of research financing. The research criterion has been used by the UGC vastly to the disadvantage of the Welsh university colleges.

The second misunderstanding is about the inter-relationship of departments within any one college. Increasingly, youngsters want to study joint honours courses. They do not want all their academic and intellectual eggs in one basket. They want flexible choices to be available to them. If the number of departments within a university is limited, the range of options available to students is reduced, perhaps deterring students from attending that university. The position is a little worse in Wales because of the way in which part 1 of a degree course is organised. A wide range of choice is required in the first instance.

One can demonstrate the problem by referring to the loss of the drama unit. It will be bad enough to lose the drama unit, but inevitably the English department will be hit. There is a tendency for students to take drama with other English studies. I believe that when Bangor university cut back on classics, it also lost enrolments in English departments because of the tendency of young people to link the two subjects.

The University of Wales is a major central Welsh national institution. It is part of our national, cultural and educational inheritance. It is no good the Secretary of State for Wales trying to wash his hands of it. It must be recognised that his reputation as the Welsh Secretary is inevitably linked to what happens to our university. I find it disturbing that he has been, at best, ambivalent, and more aptly evasive, in his responses to the university's future.

I asked the Secretary of State whether he would allow me to take a deputation from University College, Swansea, to meet him. He was unable to agree. He said that responsibility rested with the Department of Education and Science. That would have been fine if he had said that he had no responsibility in that context. However, when we had a debate on higher and continuing education on 25 June, the Parliamentary Under-Secretary of State for Wales—the hon. Member for Conway (Mr. Roberts)—trying to show the depth of concern that he and his right hon. Friend have for the university, said:

"We keep in close touch with the UGC to ensure that Welsh needs are fully taken into account—"

On the basis of the review, they are not making a good job of it. He continued:

"My right hon. Friend the Secretary of State and I met the chairman of the UGC recently to discuss next year's allocation—".—[*Official Report*, 25 June 1986; Vol. 100, c. 414.]

The Welsh Office must make up its mind. It cannot, when it suits it, say, "It is nothing to do with us; it is someone else's responsibility", and try to win dubious applause in Wales by pretending that it is taking action when, in fact, it ducks for cover as soon as it is asked to take responsibility. It is no good trying to evade the fact that, in Welsh eyes, the Secretary of State for Wales and his reputation are closely linked to the future of the university colleges of the principality.

When the Secretary of State saw the Association of University Teachers recently—he will see the AUT, but apparently he will not see his parliamentary colleagues—he advocated a collegiate approach based on small colleges each of which would concentrate on areas of excellence. But that fails completely to recognise the departmental relationship and the need for breadth of choice and linked choices to which I referred. The vision of the Secretary of State is false and too restrictive. It is a formula for low enrolment. As numbers become smaller, income will become smaller, and the university will be pushed further on the downward spiral.

On 25 June, the Parliamentary Under-Secretary of State for Wales—the hon. Member for Conwy—said that the UGC had made a "special allocation", recognising the needs of the university in relation to the Welsh language. If our allocation is already worse than those in Scotland or England, even with a special allocation, how

bad would it have been without that special allocation? Our position would surely have been worse. Is not the Secretary of State for Wales defending our university at all? Does he accept that it should not be among the most severely penalised of all the universities? I understand that the Secretary of State for Education and Science has asked the UGC to review the financial position of the Scottish universities. We expect at least the same for Wales. We expect the UGC to consider the Welsh position again, bearing in mind the unique role played by the university of Wales in the context of Welsh national aspirations and life. If we do not get this second look, we shall want to know why the Secretary of State for Wales seems to have so little influence with the Government and his colleagues in the Department of Education and Science.

12.41 am

The Parliamentary Under-Secretary of State for Education and Science (Mr. George Walden): I listened with interest to the statements by the right hon. Member for Swansea, West (Mr. Williams) about University college, Swansea, the funding of the university of Wales and universities generally. He set out his case with his usual diligence, and I am grateful for his clear exposition of his concerns.

I sympathise with some of the right hon Gentleman's anxieties. I hope that this does not sound frivolous, but it was while he was lecturing at Swansea that Kingsley Amis wrote "That Uncertain Feeling". I know that this is a difficult period for the whole university system, including Swansea. It is important at the start to get the debate into context. My right hon. Friend's predecessor, the former Secretary of State for Education and Science, announced on 20 May that the Government were willing to increase financial provision for the universities. That willingness is, however, clearly and reasonably dependent upon the universities committing themselves to a programme of action to improve quality and cost-effectiveness. In particular, we have told the universities that we shall be looking for evidence to demonstrate progress towards better management, improved standards of teaching, selectivity in research funding and rationalisation of small departments. We have started discussions with the UGC and the vice-chancellors on this and are aiming to reach agreement in detail on the way forward before public expenditure plans for 1987-88 and later years are finalised in the autumn.

Sceptical commentators have dismissed all that as "jam tomorrow". "I Want It Now" they say, in the words of another Kingsley Amis title, and they affect the belief that, unless the Government hand out a specified sum of hard cash now, without conditions, many universities will be on a slippery slope towards closure. That is just not so. I am glad that the right hon. Member for Swansea, West did not go that far.

I should like to take this opportunity to reassure the universities that the Government will not make statements like that made by my right hon. Friend the Member for Leeds, North-East (Sir K. Joseph) on 20 May unless they intend to follow them through. There will be an increase in financial provision if universities will make progress on the changes which we have identified as necessary. The amount of the increase will be determined in the autumn. It will depend in part on the Government's decisions about relative spending priorities. The universities' case will be greatly strengthened if there is clear evidence of their determination to press ahead with measures to reinforce quality and value for money.

The vice-chancellors have said loudly that they are seeking funds sufficient to maintain the universities' activities at their 1985-86 level. At this stage I am in no position to promise such an outcome; and my position tomorrow would be several Benches further back if I were to do that. However, we have heard what the vice-chancellors have said and what the UGC has said and I have listened carefully to the right hon. Member for Swansea, West this evening and noted his remarks about his institution.

Most of my remarks relate to the changes to which we hope the universities will commit themselves. I would like to spell these out in more detail and relate them to some of the points made by the right hon. Gentleman about University college, Swansea. First, I would like to consider management.

The Jarratt committee on efficiency in universities reported in March last year. It did not find that universities were gnerally wasteful or that there were particular areas in which major economies could be made overnight without any effect on universities' teaching and research activities. But it did conclude that throughout the university system there was scope for improvements in management both to ensure that full value could in future be gleaned from the large sums of public money involved and to make the system more effective in responding to the changing needs of the nation in the fast-changing world of the late 20th century.

Some of those who are concerned about these matters were, I know, worried last summer and autumn about the silence with which much of the university world appeared to have received Sir Alex Jarratt's report. A good part of the explanation for that seems to have been simply that most universities were heavily preoccupied with the preparation of their submissions for the UGC's planning exercise. Since then we have heard a good deal about deliberations within universities about these matters. Many, perhaps most, universities have by now given careful consideration to the central recommendations about the need for streamlined, responsive management structures with clearly identified levels of decision-making and responsibility. Certainly, I know that University college, Swansea has.

The Department has heard rather less about the attention being given to the more detailed recommendations from the Jarratt exercise — on financial management, purchasing, building maintenance, and the use of space.

Let me turn now to the question of teaching standards. As hon. Members know, the UGC's recent grant allocations were not based — even in part — on an assessment of teaching quality in universities. I fully recognise that such assessments are very difficult, but I hope that the UGC might be able to make some moves in that direction over the next few years. I assume that the right hon. Member would share that hope.

However, whilst UGC involvement in that way would be a useful lever, real action to sustain high quality teaching must be centred within each university. There are already a number of promising signs. Later today the CVCP will be publishing the final report of Professor Reynolds' working group on the maintenance of academic standards. I understand that it includes much valuable

[Mr. George Walden]

advice and guidance for universities on matters such as the effective use of external examiners. A few weeks ago the vice-chancellors circulated draft guidance on the training needs of university academic staff. These are important steps and, if universities respond as suggested, significant improvements seem likely. But, to my mind, the greatest promise lies in the talks which the vice-chancellors have been having with the Association of University Teachers about the introduction of more systematic appraisal for university lecturers. Those talks are at an early stage but I am encouraged by what I have heard of how this difficult question is being addressed.

This brings me on to selectivity in research funding and the appraisals made by the UGC of each university's research strength. I have discussed this with many experienced and knowledgeable people in higher education. No one has yet challenged the principle. I admit, though, that most of those with whom I have spoken, whilst agreeing that the UGC's assessments were broadly right, disagree with the ratings given to one or two departments which they know well. Perhaps not surprisingly, in all such cases they believe that the department concerned deserves a higher rating. It may reassure them, and hon. Members, to know that these ratings are not cast in stone for all time. The UGC will be keeping them under review and refining its procedures by experience. However, I must state at this point that I am not aware of any undertaking by the UGC to review the Scottish position. It is possible that I may have missed something but I would hope that I have not. I cannot give any assurance of the kind requested by the right hon. Gentleman.

University college, Swansea did not fare as well as some other universities in these research ratings. Indeed, the UGC has told the college that the main reason why it will suffer a cut in grant of 0·5 per cent. next year, although I accept the right hon. Gentleman's point about financial reality was the committee's selective distribution of resources in support of research strength. That does not mean that there is no high quality research at Swansea. On the contrary, the UGC assessed research in chemical engineering, civil engineering, electrical and electronic engineering, social anthropology, sociology, German, history, and philosophy as of above average quality. This was, however, more than counter-balanced by the below average ratings given to research in 10 other subject groupings. As in other universites, there are some hard questions for Swansea to address. A central concern may be whether academic developments in the coming years should involve some increased concentration on areas of strength.

Such a concern links with the fourth area of change which the Government have identified—the rationalisation of small departments. The UGC has already begun a programme of rationalisations across the country as a whole. Proposals for small departments involved in the teaching of Scandinavian languages and Italian have already been announced. More minority subjects are in the pipeline and the UGC's programme will progressively move towards tackling some of the large subject areas.

But the UGC cannot act alone. Much of the impetus must come from within universities. That is why I was pleased to hear that the University of Wales has established a rationalisation committee and that the Welsh colleges will be participating in a careful review of whether the present distribution of subject provision can be bettered.

Our other great federal university, London, has grasped the nettle in recent years and committed itself to major restructuring. Much of that is now complete. No one would pretend that it was easy; there has undoubtedly been trauma for many of those involved. But few would deny that London university and its constituent colleges are stronger as a result. I wish the University of Wales well in treading the path of rationalisation.

The fifth part of our four-legged programme for improvements is academic pay. The AUT and CVCP are currently working up detailed proposals to put to the Department this summer. Our willingness to consider making extra funds available on this front will depend greatly on the readiness of the universities and university lecturers to agree a new pay structure which provides greater flexibility and helps the recruitment and retention of staff of appropriate quality.

The right hon. Gentleman was right to refer to the position of non-academic staff in universities. I have talked to a number of their representatives on my visits to universities throughout the country and I agree that their position should not be forgotten in the changes that are taking place. I am aware of the strains of readjustment on their position, and any improvement in university funding as a whole will, naturally, be to their indirect benefit, too.

Most of what I have said has focused on the future and on prospective improvements in our university system, which will be of importance to the nation and which, I know from talking to vice-chancellors, are generally regarded as necessary.

The right hon. Gentleman concentrated on the effects of selectivity on his university and on the University of Wales. I reiterate what I have told the House several times, that the UGC does not discriminate in any way between universities on grounds of location. It applies standard considerations to all universities. However, I readily acknowledge that, like all universities, University college, Swansea, faces a difficult task in containing its expenditure within the funds available, while sustaining quality and reshaping its provision in the light of developing national needs. I believe that, like other universities, it will be up to the task.

UCS is, I know, looking in the right directions. Recent developments have included pace-setting work in biotechnology — one of tomorrow's sciences — and the establishment on the Singleton park campus of the innovation centre which, as well as generating some income, should facilitate increasingly important links between academics and industry. These are worthwhile developments and show clearly that, like the Government, University college, Swansea, has its eye to the future.

The right hon. Gentleman referred to the question of small departments. Many difficult decisions will have to be taken by a number of universities in the coming years, but it is my strong impression, judging from the remarks of people within the system with whom I have talked, that there is a growing recognition that — as Professor Bernard Crick put it in a recent article, and his political persuasion is not close to mine—universities can not be department stores. So there is a general and growing recognition that there must be rationalisation of small departments, but it must be sensitively done. I believe that the UGC intends to pursue that in a sensitive way.

In conclusion, let me stress that the Government place great importance on our higher education institutions; on the universities, polytechnics and other colleges in the public sector. They make a vital contribution to the nation's economic and cultural development. Our policies are aimed at increasing that contribution and its effectiveness.

Since 1979, full-time home student numbers have increased by nearly 80,000. Our aim is to increase participation rates for both 18 to 19-year-olds and for mature students beyond the record high levels already achieved. We are reviewing university funding levels in the light of the improvements in train in that sector. University college, Swansea, and the right hón. Gentleman's constituency should benefit from these policies as much as the rest of the country.

Question put and agreed to.

Adjourned accordingly at five minutes to One o'clock.

House of Commons

Friday 11 July 1986

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITION

Irina Ratushinskaya

9.35 am

Mr. Richard Ottaway (Nottingham, North): I wish formally to present two petitions on behalf of the members of St. Mary's church in Nottingham and another on behalf of the residents of the county of Nottinghamshire, who pray

That the poetess Irina Ratushinskaya is confined in a Soviet labour camp because of writing poetry, that she is in very poor health and in the view of her husband and her fellow prisoners her life is in danger.

They continue to pray that the Foreign Secretary will work for her release.

Anyone with an ounce of humanity, no matter of what political conviction or origin, would be appalled at the grounds of imprisonment of Irina Ratushinskaya and the conditions in which she is kept. I give my wholehearted support to the petition and I hope that her release will be on the agenda during the forthcoming visit of the Soviet Foreign Minister.

To lie upon the Table.

Policing (London)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

9.36 am

The Secretary of State for the Home Department (Mr. Douglas Hurd): Never in peacetime has there been a more challenging year for the Metropolitan police, and never have its operations been more under the seachlight. This is an important debate in the policing year for London. It gives the Home Secretary a chance to account for his stewardship as the police authority. It gives right hon. and hon. Members the chance to criticise and make suggestions publicly. Of course, it is not the only chance, and I welcome the many interventions which come to me throughout the year from hon. Members representing London constituencies, even though I do not always agree with them. It is my duty to listen carefully to them and I also attach great importance to the periodic meetings that I have with them.

Before we get into the issues of the policing of London, it is worth taking a brief step back to consider the general portrait. The Metropolitan police is a big force, nearly 27,000 strong. It is now expanding again and will cost the ratepayer and taxpayer £850 million this year.

The force must cope not just with a crime rate which has been increasing fairly steadily for 30 years now, but with a constantly changing variety within that crime rate. There is ceaseless vigilance against terrorism. Drugs are the latest and most dramatic element within the scope of organised, large-scale crime. The force must cope with specific events, and obviously we think especially of the two riots in London last autumn. It must also cope with other events which swallow up many police officers in inevitable duties. The industrial dispute outside Wapping still involves several hundred police officers a day and at its maximum up to 1,700 or 1,800 officers on one evening. For football matches, 850 officers may be required on an average Saturday during the season. People exercise their legitimate right to demonstrate and there were five demonstrations last year in London which required more than 1,000 police officers.

The Metropolitan police perform that variety of tasks firmly within the British tradition of unarmed force under the law of reasonable force—the law with which all hon. Members are acquainted, which binds a police officer just as much as it binds any other citizen. It is worth remarking, in view of much that is written and feared, that firearms were used by the Metropolitan police five times last year. When I was in New York in May, I was told that the New York city police used firearms on 238 occasions. That is a contrast to which we must hold.

Before I deal with the inevitable complaints, criticisms and suggestions, the first fair comment must be that the job that I have described is well done. The House would not be doing its duty if it did not return that verdict, and the thanks which should go with it.

The police have to cope with strains and tensions in all our inner cities. I suppose that they are most formidable in London. No one, certainly not the police, supposes that they can cope alone with these strains and tensions. They are the front line in dealing with crime and disorder, but they are only part of the array of institutions and agencies

[Mr. Douglas Hurd]

—central, local and voluntary — that are needed to handle the results of the social and industrial revolutions in our cities.

It is important to make that point. I do not doubt that the Metropolitan police need more men and new equipment, and the media tend to focus on decisions in that area. But however many police are on the streets and however much equipment is available to them, it is not by these means alone that the strains will be eased and that society in our inner cities will be made more stable. Obviously, there needs to be more of a concerted effort by this array of institutions and agencies in order to encourage and stabilise the hearts of our cities.

In this effort the police play a big part. I note the comment of a Brixton youth worker in the Commissioner's report. He said:

"Life here could have been better if every agency had worked as hard as the police to make changes."

I should like to deal with three parts of the police effort —not with the enforcement process, with which I shall deal in a minute, but with the process of working with other agencies to obtain and build up the confidence and understanding of the citizens of London whom the police protect. An important strand of this policy is the continued development of community consultative groups under section 106 of the Police and Criminal Evidence Act 1984. At the last count these groups had been established in 35 of the 40 boroughs and districts within the Metropolitan police district. The Commissioner hopes that groups will have been set up in the remainder by the end of this year.

Of course they vary, but several of the groups have now proved their worth over two years or more. They give the police a better feel for what most concerns local people, and they enable the police to explain their response to these concerns and the difficulties and constraints under which they operate. In times of crisis—this was certainly true in Brixton last autumn—they provide a safety valve for the expression of community anxiety, or even anger.

That was very noticeable in Lambeth and Brixton last autumn when the people voted with their feet by going to the meeting of the consultative group rather than to the rival meeting that had been organised by the council's police committee. These groups are becoming well established. It is very important that they should remain alive, responsive and as representative as possible of the diverse communities which they serve.

Mr. Simon Hughes (Southwark and Bermondsey): Will the Home Secretary tell the House why there is a problem in the five boroughs in which groups have yet to be set up? There are profound and honestly held disagreements between the police and the local communities in those areas. Is the Home Secretary satisfied that they can be swiftly resolved so that both sides feel that an adequate outcome has been reached and that a victory has not been scored by one side over the other?

Mr. Hurd: I sympathise with that point. There are gaps, but I hope that they will soon be filled. There is a particularly important problem in Haringey, which I very much hope can be solved. The gaps arise for different reasons. So far, the negotiations have not succeeded, for a variety of reasons. There has been a series of negotiations in which the Home Office has tried to be helpful. I shall ask my hon. Friend the Minister of State to be more specific about the five gaps when he winds up the debate.

My main point is that these consultative groups, although they are now enshrined in statute, are not basically a bureaucratic concept. They are an attempt, in the sphere of policing, to solve a problem that is recognised by all hon. Members — the danger of remoteness between those who exercise authority in the different spheres and those whom they seek to serve. The danger of remoteness is particularly difficult in London, which is a city of villages and many small and varied communities.

Mr. Clive Soley (Hammersmith): In those areas where the local police want to co-operate with the newly established police committees that have been set up by the local authorities, does the Home Secretary accept that they ought to be able to do so?

Mr. Hurd: Yes, of course they can do that. The problem about the police committees—I mentioned the Lambeth police committee—is that so often they seem to have a different aim. In Lambeth, the contrast between the consultative committee, which enjoys a great deal of confidence among the ethnic minorities, and the police committee, which seems to have an anti-police and highly politicised purpose, does a great deal of harm.

The second area in which I am sure that the police are and should be active is in making further progress in the recruitment of officers from ethnic minorities. Last year, 44 recruits from ethnic minorities joined the force. There are now 307 in the force, compared with 138 in 1981. That is progress, but the figure is still far too low. The Commissioner and I both want to see many more black and Asian recruits, to make the force more representative of the community that it serves. This requires a sustained effort by the police. It also requires a sustained effort by influential people within the communities concerned.

For his part, the Commissioner has reviewed recruitment procedures and has canvassed a wide range of bodies and individuals for practical suggestions. As the House will have seen from the press, special recruitment exercises have been mounted in areas with large black populations. That effort will continue. I can quite understand why some people from the ethnic minorities are reluctant to join what may be represented to them as a racially prejudiced organisation. I am sure that they are wrong to take that line. There is no place for racism in the police service, and where it exists it must be rooted out. I strongly support the Commissioner in his efforts, through training and better supervision, to ensure that all officers treat individuals fairly and with respect.

This leads me to my third point, which is often raised legitimately, in particular by Opposition Members: response to racial attacks. This is a serious problem. It is perfectly right that information about racial attacks should be conveyed to the public as a whole, outside the areas that are mainly affected. A racial attack is aimed at a whole community, not just at an individual. It is this extra dimension which makes a racial attack so abhorrent. Last week I had a useful and interesting discussion with the Joint Committee against Racialism. I know that Sir Kenneth Newman shares my view that everything possible must be done to prevent such incidents and to apprehend and prosecute those who are responsible for them.

The approach of the Metropolitan police to these attacks is based on two propositions, which are not yet as

widely known as they should be outside the police force. The first is that any incident should be regarded as racial if the victim or anybody else believes it to have been racially motivated. That is a quite revolutionary principle in policing terms. It is important that it should be applied throughout the Metropolitan police and that it should be understood by the members of the ethnic communities.

The second principle is that the suspected presence of a racial motive warrants a higher level of response from the police to an incident than it would otherwise receive. That, too, is a quite revolutionary principle in policing.

New approaches to the problem, involving the police in working with other local agencies, have been tried out on a pilot basis in five different parts of London. The lessons learnt have recently been issued in the form of new guidance to all operational commanders. These stress the value of follow-up visits to victims, the use of crime prevention officers to give advice and the involvement of experienced detectives. Neighbourhood watch schemes can also have a part to play in combating racial attacks.

However, the police need to know when and where attacks are occurring in order to respond effectively. It is natural that victims should be reluctant, for all sorts of reasons, to report incidents, but it is essential that they should overcome their reluctance. They will be more willing to do that if they feel assured that they will receive a sympathetic response from the police. The encouragement of local community leaders is all-important. There has to be mutual trust between them and the police, and that is what the police are aiming for.

I deliberately began with these aspects of policing in London because of frequent comments from people, some of whom should know better, that the Metropolitan police ignore these aspects. I doubt whether any police force in the world pays more attention to informing itself of what is going on in its patch, and to seeking to work with the citizens whom it protects.

The riots last autumn showed the need for intensifying these efforts, not abandoning them. That is not the only lesson. I greatly appreciate the way in which the Commissioner conducted his review of these events, the results of which were made known a few days ago. This was the result of an exercise in internal consultation by the Commissioner, in debriefing and gaining information from his men of all ranks. He deliberately engaged on this painstaking and inevitably rather slow operation to deal with the effect on morale of the riots last autumn. I admire the careful way in which the mistakes were analysed and presented to the public and the lessons drawn will help to restore the position.

As a result of his report, the Commissioner convinced me, and probably all hon. Members, that his force needed more men and equipment. When we took office in 1979, the strength of the Metropolitan police was 22,225, 16 per cent. below an establishment that had not been properly reviewed for many years. I comment on those figures because they are part of the story. Over the next four years, the strength grew steadily. By the end of 1983, it had increased by more than 4,500, to around 26,700. The strength of the civil staff, most of whom work in direct support of police officers, had also grown substantially.

In London, as in the rest of England and Wales, there was a second phase. The phase of growth was followed by a period of consolidation. There was a further modest growth, with the emphasis on making better use of existing resources. This must be right, and no Government will be pushed off that course. The resources devoted to the Metropolitan police are massive by any standards and the taxpayer and the ratepayer have a right to be confident that they are getting value for money.

There has been a strong drive to replace police officers by civil staff where they are doing desk jobs that do not require polce powers, training or experience. Over 300 officers were released for operational duty in this way in 1984-85 and 1985-86. The Commissioner intends that the reorganisation of his force should release a further 200 officers. To put the figures into some kind of perspective, I point out that the number of officers released through civilianisation is equivalent to the manpower of an average Metropolitan police division. That is quite an achievement.

My announcement to the House on 20 May marked the beginning of a third phase. It became clear last autumn that the escalating demands from crime, public disorder and terrorism were putting the Metropolitan police under pressure. I set in hand an urgent review to assess the proven need for additional manpower, taking into account the scope for increasing the operational strength of the force by further civilianisation and other efficiency methods. In May, after the review, I was able to announce a programme of steady expansion over the next four years. During this new phase, we shall not be allowing the emphasis on efficiency and effectiveness to falter.

The force will receive an increase of up to 1,200 in the police establishment over the next four years, on top of the 50 to which I agreed in principle last October. There will be an increase of up to 600 in the civil staff ceiling to help further with civilianisation. That should release at least a further 400 officers for operational duty. The effect of the reorganisation will amount to an increase in operational strength of 1,850, when the effects of the Commissioner's reorganisation are taken into account. As a first stage, I have already approved increases of 350 in the police establishment and 150 in the civil staff ceiling for 1986-87. These increases have to be phased to maintain the present high calibre of recruits and their training.

The exact deployment of this manpower will be a matter for the Commissioner. He plans to strengthen the squads dealing with serious crime, including drugs and fraud, and there will be additional resources for anti-terrorist and protection duties. However, he intends to allocate the lion's share to ordinary policing duties in divisions. I look forward to seeing a steady increase in the number of officers on the streets. We all know from our postbags and visits to different parts of London that this is what people living in London want.

As a result of the review, the Commissioner asked my authority to purchase a number of additional items of equipment. In my reply on 2 July to a question from the hon. Member for Tooting (Mr. Cox), I announced that I had authorised the purchase of 700 additional radios, 80 protected personnel carriers, 24 ballistically protected vehicles and 1,500 long truncheons. I shall add a word of explanation about this equipment.

The protected personnel carriers are "minibus" style vans with some protection against missile attack, which the Metropolitan police will use for transporting teams of officers where there is disorder. The ballistically protected vehicles are specially armoured Land Rovers, needed to provide proper protection against firearms and sustained attack by petrol bombs. They will enable the police, when necessary, to go into the heart of a riot in safety. The

[Mr. Hurd]

vehicles are for use only in serious disorder and will not go out as normal patrol. They are being built as quickly as possible, but it will be some time before they are ready. In the meantime, the Metropolitan police are arranging temporarily to borrow a number of armoured protected vehicles from the Ministry of Defence. Attacks on the police at Tottenham involved the use of long poles and other similar weapons—many hon. Members will have seen these attacks on television—and unfortunately the police were unable to respond effectively with their shields and present issue truncheons. Hence the request for the longer truncheons and hence the authority that I have given the Commissioner to buy them. They will provide the police with a response to such a situation if ever, unfortunately, such a response is needed. Thus, it will make it less necessary to go further up the scale of response.

As I told the House on 2 July, the long truncheons are to be used only in serious disorders. They will play no part in normal day-to-day policing. I make no apology for having authorised this list of equipment—not for the everyday activities of the Metropolitan police but to ensure that they are not exposed to any unnecessary harassment, trouble, or perhaps loss of life, in moments of extreme difficulty.

However, to argue, as some have, that by asking for this equipment the Commissioner has changed the nature of the police force is absurd nonsense in the light of the facts that I have given to the House about the way in which the Metropolitan police organise their affairs.

Mr. Nigel Spearing (Newham, South): It might be useful at this point to add that the concern of hon. Members is not just the one that the right hon. Gentleman has just mentioned; widespread training in riot techniques, the way in which riot police, are deployed, and the purpose to which they are put at any one time are of equal, if not greater, importance.

The Secretary of State may recall that I sent him a four-page account of what happened on the nights of 29 and 30 March, and I think that he will agree that my eye-witness account of the deployment of riot police and the claims of the Commissioner to the Home Secretary in his letter, and his letter to me of 14 May are incompatible. Are not the important factors the ways in which new equipment and existing equipment are deployed, and training for their use?

Mr. Hurd: Of course, the training is crucial. The police have to be trained to deal with all manner of situations to which they may be exposed. That training needs modification from time to time, and inevitably has been modified as a result of the disorders of last year. It is essential that in every case the operations continue to be conducted under the general principles of an unarmed force and under the law of reasonable force.

As the hon. Member said, there is controversy about the methods of deployment at Wapping. I have gone through this carefully with a number of right hon. and hon. Members who came to see me about it. I have analysed it carefully with the Commissioner and where there are specific complaints and points they should be looked into. The hon. Gentleman is moving me from a general point, upon which I do not think we disagree, to the disagreements that we have about deployment at Wapping. I wish that there was no need for the deployments at Wapping and for the distractions which divert the police from the task of protecting Londoners from ordinary crime. I do not think the hon. Gentleman can argue that the situation at Wapping can simply be left unpoliced.

Drug trafficking is proably the single most threatening form of major crime. Last year the Commissioner increased the strength of the central drug squad by 50 per cent. from 38 to 57 from within existing resources. In May, I confirmed the agreement that I had earlier given in principle to an increase of 50 in police establishment for 1986-87 specifically to strengthen the force's efforts against drugs. The manpower increases which I announced should enable the Commissioner in due course to reinforce this effort still further.

Even in advance of getting these extra men, the central drug squad has proved highly effective. During 1985 it removed 40 major trafficking organisations from London. Those organisations had been dealing in heroin and cocaine and producing amphetamines. On the preventive side, the squad produced a lecture package about drug misuse which has been given to all community liaison officers.

None of us can be complacent about the size of the task that not only the police face in the matter of drugs. The low price and the high purity of the drugs still being peddled on the streets of London are grim indicators of the amount of drugs still reaching this country. I came back from a recent visit to New York greatly sobered by what I learned about the affliction of drugs that hangs over that city. We are lucky in comparison to New York. In New York I heard what are perhaps the toughest cops in the world saying that, whatever powers and resources they had, the key to the problem was education to reduce the demand. The educational preventative side is the area in which we need to redouble our efforts.

Mr. Tony Banks (Newham, North-West): I apologise to the Home Secretary for having missed the beginning of his speech. No doubt he will have seen a report in the *London Standard* and will have had reports from the United States about crack, a new form of cocaine which is exceedingly cheap and which addicts find exceedingly effective. It is damaging to them. The Home Secretary said that he was in the States recently. What liaison is he maintaining between the Metropolitan police and police in the States to try to make sure that a crack epidemic does not hit London?

Mr. Hurd: There is close liaison. The hon. Member is quite right to draw attention to crack. It is a terrible scourge in New York city. A year or two ago it was simply something that a few eccentric people dabbled with in Los Angeles, but it then spread to an amazing extent. It is very cheap, potent and effective, as the hon. Member knows. Police forces throughout England and Wales are in close touch about the American experience, which so far, happily, has not reached our cities—at least not to any significant extent.

Less dramatic but hardly less worrying to Londoners is the steady onset of general crime, which has been continuing steadily for 30 years. It may have slowed down slightly last year, but it is still relentless. The Commissioner made it part of his force's goal last year to enhance the detection of specified offences, including

robbery, burglary, drug misuse and racial attacks. Overall, the number of serious offences recorded by the Metropolitan police in 1985 was 3 per cent. higher than the year before. This total conceals worrying increases of 7 per cent. in offences of violence against the person and of 11 per cent. in robbery. It also obscures a heartening decrease of 8 per cent. in burglaries, including an 11 per cent. drop in burglaries from dwellings.

The number of arrests made for serious offences and the number of offences cleared up both rose by 6 per cent. Arrests and clear-ups increased in every offence category except burglary. This represents an improvement in the performance of the force against crime in a year when there were heavy demands from other quarters as well.

Although in everyone's opinion the clear-up rate is disappointingly low as a total percentage, it improved slightly last year, and for the most serious offences—homicide, sexual offences and violence against the person—the clear-up rates are much higher than average. The Metropolitan police have continued to invest a great deal of energy and commitment in crime prevention. This is a portfolio which has many aspects and there is huge scope for the expansion and greater effectiveness of crime prevention.

The item in the portfolio which has captured the public imagination is neighbourhood watch. The number of schemes has continued to multiply, and now stands at about 5,000 in London alone. There are encouraging signs that schemes are now beginning to spread from the suburbs into the inner city and the orange and blue neighbourhood watch sign has become a familiar feature in the streets of many parts of London.

It is important that local authorities—I am thinking here of Greenwich—which have been suspicious and obstructive about the neighbourhood watch schemes and have held up their development by withholding planning permission, should realise the importance of what is being done. Many of those who live in watch areas speak enthusiastically of falls in the level of burglary. With proper caution, the Commissioner is not at this stage making any large claims about the overall effectiveness of neighbourhood watch. This is not a sign of scepticism; it is simply that it is sensible to wait until it has been fully evaluated before reaching a general judgment.

The anecdoted and pieces of evidence coming to the surface about neighbourhood watch are encouraging about its impact on crime levels. Quite apart from that, there can be no doubt that neighbourhood watch has led to a greater feeling of security in many areas and has reduced the sense of helplessness in the face of crime. That is because a joining scheme is a practical, positive step that citizens can take to protect their own property and that of their neighbours.

Many right hon and hon. Members have longer acquaintance with the Metropolitan police than I have, but we all work in London and I hope that we all regard it as our force. Certainly, no responsible party can shelter within its ranks those who go out of their way to exploit every difficulty in which the police may find themselves or who try for political reasons to build up hostility to the police. I have deliberatly not developed those themes because this is not the occasion on which that should be done. This is a sufficiently practical feature in the day-by-day policing of London to find some part in this debate. Those who have pretensions to be taken seriously as supporters of the police cannot at the same time support for election to this House or to the boroughs of London those who slyly or in the open are enemies of the police. There will be occasions on which we can develop these points with practical evidence, and we shall not hesitate to do so.

Mr. Tony Banks: Give us some names.

Mr. Hurd: There is no shortage of names and in future there will be an opportunity to deploy them. My own impression, which I hope is widely shared, after nine months of being responsible for the police authority in London, is the professionalism of the force. There is the professionalism of the Commissioner and the leadership, but equally striking is the professionalism of the new recruits. I hope that all hon. Members will take the opportunity to meet and talk to the recruits.

I am sure that we were right to phase the further expansion which I announced on 20 May so as to make sure that there was no dilution of quality or lowering of standards in the intake.

The hon. Member for Newham, South (Mr. Spearing) was right in what he said about the importance of training. Anyone who visits Hendon and sees what is going on there will be impressed.

The essence of professionalism is that professionals are never satisfied with their achievements and are conscious that they must have an open ear to the criticisms and suggestions that are made; that is true of the Metropolitan police and certainly true of training.

The police are professional in the versatility with which they cope with all their various tasks and they are also professional in the strength and sternness of the discipline arrangements. That is crucial. There was a long series of exchanges and developments about the incident some time ago in Holloway road and I am glad that the stalemate in that case was resolved.

The discipline point has been greatly reinforced by the effectiveness of the new Police Complaints Authority, which was illustrated most vividly by the swift way in which the police took over the supervision after the shooting of Mrs. Groce in Brixton.

We, the House and Londoners are right to be anxious about the rate of crime and the way it rises and has risen steadily during the lifetime of the previous Government and of this, and, indeed, for much longer than that. The police have no time to be despondent about that. They have to get on with the job of protecting London and Londoners. We have an admirable force, admirably led, and I hope that the account that I have given will help to show that they deserve the support and understanding of every Londoner.

10.11 pm

Mr. Gerald Kaufman (Manchester, Gorton): First, I apologise to the House for being unable to stay until the end of the debate. I have long-standing engagements in South Wales later today, including meetings with the police there, which it would have been difficult for me to rearrange.

The past year has seen a further rise in crime in London and little evidence that, despite their very best efforts, the police are having much success in coping with that increase in crime. The Commissioner's report for 1985 contains all the reasons both for the rise in crime and for the frustrations of his force at being unable to respond as adequately as he would wish to the record crime wave.

[Mr. Gerald Kaufman]

The Commissioner deals first with the manpower shortage in the force, although he does not devote sufficient attention to certain aspects of that shortage. As the Home Secretary admitted, the failure to attract appreciable numbers of the ethnic minorities into the force continues, without any real remedies being put forward to counter that failure.

It is perfectly true that part of the problem lies in insufficient numbers from the ethnic minorities coming forward to join the force, but insufficient attention is paid to why too few come forward. One reason is perceptions among the minority communities about racialism in the police. The Commissioner's report should have devoted more than the most cursory passing reference to that undeniable problem, to which the home Secretary referred today.

What seem to be serious examples of an attitude in parts of the force that should be dealt with firmly are given in the Islington crime survey, a remarkable statistical compendium which throws much light on crime and fear of crime in that part of London. The survey shows that three quarters of young blacks, male and female, believe that the police treat them unfairly. That view is given weight by statistics on the use of stop and search powers which demonstrate that, while 31·6 per cent. of white males under 25 were stopped in Islington for search purposes—that itself is a remarkably high figure—the rate for young blacks being stopped was 52·7 per cent. Until firm action is taken to root out racialism, many black and Asian men and women will feel that policing is not a career for them.

In any case, application to join the force is not necessarily a passport to acceptance. The statistics in the Commissioner's report show that, while, overall, 19 per cent. of applicants for the force were interviewed last year, the proportion of applicants from the ethnic minorities who were interviewed was not 19 per cent. but 15 per cent.

The same discrimination continues to be shown against women. Despite continuing denials that a quota of 10 per cent. is operated for women, the proportion of women in the Metropolitan police continues to hover at somewhat below that figure—9·4 per cent. last year, almost exactly the same as the year before. Again, that is not surprising. While 21 per cent. of male applicants were interviewed, the figure for women was 16 per cent. While 63 per cent. of men interviewed were accepted, the figure for women was only 53 per cent.

Of course, the Commissioner's main worry is the size of his total force. He complains constantly that he has too few policemen and policewomen and that the response of the Home Secretary to his lamentations is distinctly inadequate. It certainly fails to live up to those grandiloquent promises of the Prime Minister at last year's Conservative party conference that the police had only to show need and they would be given what they needed. The famous blank cheque was taken to the bank and it bounced.

Whether the Metropolitan police need more men and women is open to argument and to proof. What is certain, and what emerges from every piece of evidence offered by the most impeccable authorities, is that such manpower as is available is not being used to maximum effect. That is a further argument in the case put forward by the Commissioner.

In one of the plethora of almost meaningless homilies to which the Home Secretary has taken to subjecting us, he said on 29 May:

"I therefore expect to see a steady increase in the number of officers on foot patrol, deterring the criminal and the hooligan and protecting and reassuring the citizen."

He said much the same thing today. But the answer to that pious aspiration that emerges from the Commissioner's report and from his strategy report issued in January this year is—fat chance.

That blighted statute, the Police and Criminal Evidence Act 1984, against whose lack of efficacy we warned during its prolonged passage through the House, is cited again and again by the Commissioner as one reason why he is hampered in his fight against crime. On page 14 of his report the Commissioner complains:

"Further drains on our street duty officers are caused by training commitments arising out of new legislation."

He draws attention to the limited time for teaching his force what he calls

"the complexities of the Police and Criminal Evidence Act."

On page 68 of his report he complains about "serious restrictions" on his scope being imposed by the training requirements of the Act. On page 73 he points out that his policing skills programme had to be suspended due to the "extensive training demands" imposed by the Act. Understandably, he describes that as "frustrating".

Mr. Hurd: It is perfectly true, as the Commissioner reasonably points out, that when there is a major new piece of legislation, police officers have to be trained. What they are being trained in is essentially new safeguards for the citizen. The right hon. Gentleman is a fair man and he will acknowledge that, although the new Act is complex, it is simplicity itself compared with what it would have been if we had accepted the amendments constantly put forward by the right hon. Gentleman and his hon. Friends.

Mr. Kaufman: The safeguards to which the right hon. Gentleman refers are necessary only because of the unacceptable powers which have been inserted in the Act. If the Government had not given the police powers, against which we strongly argued during the 59 sittings on the Act, the safeguards which require this training, to which the Commissioner draws attention, would never be necessary.

On page 75 of his report the Commissioner states that he has been unable to implement a crime prevention training programme for operational constables, sergeants and inspectors due to the demands of training for the Police and Criminal Evidence Act.

In his strategy report, Sir Kenneth spells out the problem even more starkly. On page 47 of the strategy report, he says:

"I am concerned that future demands being placed on the Force, in particular those that will arise from implementation of the Police and Criminal Evidence Act and other legislative requirements will, unless additional resources in terms of manpower and finance are made available, increasingly dissipate our capability to fully address ourselves to any emergent problems."

Again, the strategy report states the problem very bluntly. The Commissioner says:

"The levels of deployment of street duty constables, which includes home beat officers but not the district support units, was affected by the miners' strike. The Force has worked to maximise this visible element of policing because, among other factors, there is evidence that street patrolling reduces public fear of crime. Results, however, have been marginal. The pressures of public order and training have militated against major gains in this area."

The Commissioner's annual report says the same, as does another document which is perhaps even more damning, as it comes from the most senior officer of the House who is empowered to assess the efficiency and cost-effectiveness of public services. In his report on the Metropolitan police, which was issued less than three months ago, the Comptroller and Auditor General said:

"There were also occasions when external demands (eg for public order duties elsewhere) left insufficient numbers to maintain essential services".

If training is depleting the force's ability to respond to crime, let alone to seek to prevent it, public order duties are having what in many respects is a crippling effect. The Home Secretary and the Commissioner seem at times to be obsessed with public order — sometimes to the apparent exclusion of all other issues. Outbreaks of public order are, of course, repugnant and frightening. Whatever the causes, there can be no justification for violence and rioting. The public are understandably horrified when they see scenes of arson and mayhem on their television screens.

At the same time, it is very important to put such disturbing outbreaks into perspective, even when we are considering a year in which the Brixton and Tottenham riots took place, during which Police Constable Keith Blakelock and Mr. David Hodge were killed, and in connection with which Mrs. Cynthia Jarrett died and Mrs. Cherry Groce was shot and paralysed. The House will wish today to offer its renewed sympathies to the bereaved families and to Mrs. Groce.

Alarming as those disturbances were, they accounted for only a small proportion of crime in the Metropolis in 1985: 1,251 alleged offences out of a total of 732,559 offences in the Metropolis for the year. That is less than one fifth of one per cent. of the total. The number of public order offences in the Metropolitan police area last year amounted to 638, or 0·8 per cent. of the total. That is far fewer than one in a thousand. Yet, from the reaction of both the Commissioner and the Home Secretary, one would think that public order was the principal law and order problem in London, and in the country as a whole.

In the case of the Home Secretary, one cannot help feeling that that indefensibly disproportionate concentration on a fraction of 1 per cent. of all crime in London is a deliberate distraction from the abject failure of his and the Government's policies on law and order. Today was a very good example. The Home Secretary spoke for 24 minutes before he mentioned non-public order crime, and in a speech of 35 minutes he spent exactly three minutes —I timed it on my stopwatch—on the record outbreak of crime that is afflicting London.

Mr. Nigel Forman (Carshalton and Wallington): I noticed the right hon. Gentleman's somewhat Freudian slip when he spoke about outbreaks of public order, and it may tell the House a little about some of his unspoken attitudes. However, to rest his case on the number of offences that are associated with public order is to misunderstand the problem. The whole problem, as stated by the Commissioner, is that it is very manpower-intensive for the police in London to have to allocate so many of their available men to the policing of public demonstrations and other public order problems.

Mr. Kaufman: I shall come shortly to the question of whether the police have to do that, as distinct from their being willing to, or wishing to. But let us look at one example. Huge sums of public money are misdirected to such events as the policing of the industrial dispute at News International at Wapping. More than 662,000 police man hours have been misapplied to that exercise. As much as 7 per cent. of the whole Metropolitan police force has been stationed there on one given occasion and nearly £1·5 million of public money has been spent on buttressing Mr. Rupert Murdoch's refusal to negotiate reasonably with those with whom he is in dispute. When criminals are running amok in London and throughout Britain, in many cases almost uncontrollably, it is unacceptable that the long-suffering police should be used against their will as a private security service to enable Mr. Rupert Murdoch to pocket his profits.

On this issue of public order, massive reports are compiled, weighty speeches are delivered and vast amounts of cash and equipment are allocated. I only wish that a fraction of that Government attention was devoted to the 99·9 per cent. of crimes which afflict Londoners and which mean that each London family has a 41 per cent. chance of being a victim of crime. Every survey of public opinion in London shows that there is an enormous fear of crime in the capital.

The Islington survey showed that crime was regarded as the second biggest problem in the borough, not far behind unemployment. Nearly half of all women in Islington worry about being raped, sexually molested or pestered. The survey showed that over a quarter of all people in Islington always avoid going out after dark because of their fear of crime, and that figure rises to over one third in the case of women. Those fears no doubt apply much more widely than to one borough or city.

The statistical section of the Broadwater Farm report, the part which everyone, regardless of his views on the report as a whole, will accept, shows that people on the Broadwater Farm estate wanted the police to concentrate on sexual assaults on women, heroin control, mugging, burglary and racial assaults. About 80 per cent. of all age groups and both sexes, including young blacks, saw crime as a big problem, and saw the top priorities for the police as being an immediate response to 999 calls, the detection of criminals, the deterrence of crime and crime prevention advice.

Mr. Jeremy Corbyn (Islington, North): Does my right hon. Friend agree that one of the problems about the statistics produced by the Metropolitan police is that there is a deliberate understatement of the number of racially motivated and racist attacks in London because of the method of collecting those statistics? Should not a clear instruction be sent to all police stations requesting much more vigilance in reporting racist attacks and racial incidents?

Mr. Kaufman: My hon. Friend has drawn attention to an important point which applies, for different reasons, to rape as well. We do not know the figures for some of the most serious offences. On Monday, I and my hon. Friends will meet the Home Secretary to discuss the whole question of racial attacks, and to see whether there is a basis upon which we can agree to legislate on the matter. I am glad that the Home Secretary devoted some attention to that point in his speech.

The apprehensions of those cited in the Islington and Broadwater Farm surveys are confirmed by a special survey that was conducted last August for the Metropolitan police by National Opinion Polls, and which

[Mr. Kaufman]

was published in the Commissioner's strategy report. It showed that 68 per cent. of Londoners feared having their home broken into and having something stolen, that 63 per cent. feared having their home or property damaged, that 62 per cent. were afraid of being mugged or robbed, that 61 per cent. of women were afraid of being raped, that 60 per cent. of women feared being sexually molested and pestered, and that 54 per cent. of Londoners, male and female, feared being attacked by strangers.

Many of these fears are justified. In Islington, over the year which was surveyed, 31 per cent. of households had a serious crime committed against them. Crime is running rife in London. The one success last year was a reduction in the burglary level, and I heartily congratulate the Metropolitan police on the part that it played in this achievement. Unfortunately, however, it has not been maintained. The first quarter's figures for this year show that last year's 8 per cent. reduction in burglary has levelled off to a 1 per cent. drop.

The record on robbery, theft and criminal damage has also worsened. The situation was bad enough last year, when offences of theft rose by 33 per cent., violence against the person by 7 per cent., criminal damage by 10 per cent., robbery by 11 per cent., and fraud and forgery by 11 per cent. Racial attacks, to which my hon. Friend the Member for Islington, North (Mr. Corbyn) has drawn attention, rose disturbingly. As my hon. Friend has said, these attacks cannot adequately be quantified.

Mr. Tony Banks: I know that when my right hon. Friend sees the Home Secretary on Monday he will talk about racial incidents that are recorded in the Metropolitan police area and nationally. I ask him to draw the attention of the Home Secretary to the disturbing increase in racial attacks in Newham, which, together with Tower Hamlets, records the largest number of racial attacks each year. This is a worrying and disturbing problem and one which concerns all those who represent Tower Hamlets and Newham.

Mr. Kaufman: I shall do that. We have a disturbing number of racial attacks in my constituency in Manchester and I shall be discussing that as part of the general problem. The Home Secretary, however, is the police authority for London, and I have no doubt that he will take particular account of that direct responsibility when I see him on Monday.

Crime presents a bleak picture, and one which continues to become bleaker. The deterioration in law and order in London in the seven years since the Government came to power can be described only as alarming. The clear-up rate continues to be extremely disappointing as well as very expensive. Last year the overall clear-up rate for crime in London was a depressing 18 per cent. The clear-up rate for theft was only 17 per cent., and for burglary it was only 10 per cent. The cost of clearing up crime in London was huge. Last year, average gross police expenditure per cleared-up crime in the other 42 police districts in England and Wales was £1,800, but in London it was £7,000.

At the same time, crime continues to increase. Last year, 732,559 serious offences were reported as having been committed in London. That was a 29 per cent. increase on the 1978 figures. Violence against the person in London under this Government has increased by 43 per cent., while burglary has increased by 27 per cent. and criminal damage by 69 per cent.

Let us consider the number of crimes committed per 1,000 of the population, comparing the situation now with what it was when the Government came to office. All crime has increased by 41 per cent. Burglary has increased by 38 per cent., violence against the person by 57 per cent. and criminal damage by 84 per cent. When the Government took office, 65 serious crimes were committed every hour in the Metropolitan police area, and the figure is now 84. On the same basis, 39 crimes of violence were committed every day, and the figure is now 55. There were 183 cases of criminal damage every day and there are now 310. Burglaries have risen from 336 a day to 425. Thefts have risen from 888 a day to 1,058. When the right hon. Member for Finchley (Mrs. Thatcher), who represents a London constituency, became Prime Minister, a serious crime happened somewhere in the metropolitan area every 56 seconds. There is now a serious crime committed every 44 seconds.

The fight against this disturbing escalation in crime is faltering. During the Prime Minister's period of office, the total clear-up rate in the Metropolitan police area has fallen from 21 per cent. to 18 per cent. The clear-up rate for theft has fallen from 20 per cent. to 17 per cent. For criminal damage, the rate has fallen from 14 per cent. to 11 per cent., and for burglary there has been a reduction from 11 per cent. to 10 per cent. The number of police officers has risen but the number of crimes per policeman or woman has risen faster, by 7 per cent. The clear-up rate per police officer has fallen by 14 per cent. under the Government. That is a devastating picture of crime in our capital and the surrounding areas.

The crime rate among young people continues to be especially disturbing. Of those arrested for notifiable offences, 48 per cent. were under 21 years of age. Of those arrested for robbery, 60 per cent. were under 21, and for burglary, 63 per cent. were under 21. Over 70 per cent. of those arrested for motor cycle theft were under 21.

Apart from the increasingly empty and unconvincing rhetoric that we have from the Home Secretary and the Prime Minister — we have had the right hon. Gentleman's speech today and there was the report of the Prime Minister's interview with *The Guardian* yesterday — what are the Government doing to try to prevent crime or to pursue it? The Home Secretary has said repeatedly that crime should not be a party political issue, and I agree with him. He says that crime has been rising, regardless of the Government who have been in power, for 30 years. Indeed, he said that again today. It seems, however, that the 30 years began in 1979. From 1974 to 1979 the Conservatives lost no opportunity of blaming crime on the Labour Government.

As the Government continue to mouth platitudes on law and order, it is right to ask what they are doing to cope with it. The best way of coping with crime is crime prevention, and there have been two seminars on crime prevention at 10 Downing street. Last week the Home Secretary gave a parliamentary answer nearly a column long in *Hansard* in which he claimed to list what the Government were doing to prevent crime. He might just as well not bothered to plant the question because the answer added up to nothing in particular.

The Prime Minister, in one of her unguarded moments, told the House in March that people ought to see to their own crime prevention. She said:

"Most people will and should be able to make their own provision for crime prevention." — [*Official Report*, 13 March 1986; Vol. 93, c. 1079.]

The problem is that those who are most vulnerable to crime are those who are least able to take precautions against it. The Islington survey shows that income is a major factor in determining whether security devices are installed. Many people who would like to take crime prevention measures cannot afford to do so. That is why such measures cannot be left to the market and why the next Labour Government will introduce a safe estates policy and will make crime prevention grants available to both home owners and tenants.

As the Home Secretary admits and as the Commissioner proclaims, we must take action to tackle the causes of crime. What the causes include is made clear by the Commissioner in his review of civil disturbance that was issued a few days ago. His opening paragraph reads:

"In 1981, Lord Scarman in his report described the social conditions prevailing in the Borough of Lambeth and particularly in Brixton. These features are as prevalent today as they were then and in some instances may have become more acute. Such conditions create a society lacking in stability and community identity, in the absence of which policing by consent becomes more tenuous."

Sir Kenneth Newman filled out that picture in his strategy report. He said:

"there are many areas of the city of London which are among the most deprived in the country . . . . Unemployment in London has continued to rise more sharply than in the rest of the United Kingdom and long term unemployment in particular is a problem . . .. It is difficult to quantify the impact of such unemployment on policing demands but I believe it will further increase social polarisation which may cause problems for police. Along with those categorised as 'Long-term Unemployed', the levels of unemployed school-leavers and young people are of particular concern to police in a city under stress from a variety of socio-economic forces. Whilst the complex inter-relationship between unemployment and other social indicators makes it extremely difficult to draw any causal link with crime, it is nevertheless fair to say that large numbers of disaffected and bored young persons in an area are likely to become a police problem."

The Home Secretary confirmed that view in two speeches that he made earlier this month. He spoke about dereliction, despair, discrimination, crime and violence, social stress and polarisation. He talked about money that the Government were putting into the inner cities. He mentioned the urban programme, the rate support grant and the housing programme. The latest figures for the urban programme show a 3 per cent. cut for the relevant London boroughs this year. Under the Government rate support grant has been cut for the GLC area boroughs by £6,000 million. Under the Government, housing investment programme moneys have been cut for those boroughs by £1,200 million. Under the Government, unemployment in those boroughs has risen by 270,000. It has more than tripled.

The Home Secretary must persuade his colleagues that he should put our money — the taxpayers' money, the ratepayers' money — where his mouth is. He should quote to them the disturbing words of Commander Alex Marnoch, who was in charge of Brixton jail at the time of last autumn's riot. He said:

"if unemployment continues to rise and the stabilising middle-age black population continues its exodus to safer areas, further major disturbances will be inevitable."

Commander Marnoch called for fresh initiatives from the Government, the local council and education, housing and social services departments. That is not easy under rate-capping arrangements. Commander Marnoch continued:

"Unless there is an influx of extra jobs, or the population moves away, we are going to have serious problems."

The Home Secretary should remind his Cabinet colleagues of the words spoken by Lord Whitelaw when he was Opposition spokesman on such matters:

"A Government that cannot protect its own citizens from attack in the streets of its towns and cities, that cannot protect property from damage, or homes from intrusion, has failed to live up to the basic duties of Government."

Thatcherite slogans will not solve crime in London and elsewhere in Britain, nor will they help the police in their vital, dangerous and difficult task. Years of failure under the Government have demonstrably proved that. What we need is not shrill hectoring, but patient effort — not instand slogan solutions, but hard and dedicated work over a long period.

The objective must be to take unspectacular but sensible measures that have a chance of stemming the rise in crime and, with luck, begin to turn it back from the record levels which it reaches year by year under the Government. That needs a partnership between people, police, local government and national government. We in the Labour party are dedicated to bringing that partnership about.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Sir Paul Dean): Order. It will be evident to the House that many hon. Members wish to take part in this important debate. The debate will be interrupted by a statement at 11 o'clock. Therefore, I appeal for brief contributions.

10.44 am

Mr. John Wheeler (Westminster, North): It is always a pleasure to speak in a debate on the Metropolitan police because they are among the world's great police forces. They are undoubtedly one of the most accountable police forces. We are able to debate its affairs not only in this Chamber but in committee, in our consultations with the commissioner and his senior policy group, and, of course, with the police authority for London, my right hon. Friend the Home Secretary.

Over the years, the increase in both money and manpower in the Metropolitan police has been substantial. Spending has increased from £295 million in 1978-79 to over £850 million in 1986-87—a 40 per cent. increase in real terms. Manpower is capable of rising to an establishment of 28,415 against the dismal days of the early 1970s when the strength of the Metropolitan police was around the 20,000 mark.

In addition to uniformed police manpower, the Metropolitan police has received remarkable resources in the form of its civilian strength, which was 3,355 in 1965 as against a ceiling today of nearly 13,500. The resources given to the Metropolitan police are substantial. I think that all hon. Members welcome that.

All hon. Members understand that the problem that the Metropolitan police faces in dealing with crime is complicated. Ninety five per cent. of all crime which affects the lives of people who live within the Metropolitan police area—not only those living within the boundaries of the 32 London boroughs but those who reside in the nine parliamentary constituencies outside those boroughs

[Mr. John Wheeler]

that are policed by the Met — is crime that relates to motor vehicles which constitutes 30 per cent. of reported crime to the Metropolitan police. Opportunist burglary accounts for about 25 per cent. of the crime figure. The rest is made up of thefts, vandalism, and so on, which are a great inconvenience to the ordinary householder whether he lives in suburbia or on an inner city council estate. The more serious crimes, which account for 5 per cent. of the figure, include murders, rapes and serious robberies which attract a great deal of public attention.

If we are to tackle the other 95 per cent. of crimes, we must consider how the public can be involved in the prevention of those crimes in partnership with the police. Also, we must consider how local authorities and other institutional groupings can contribute to the prevention of crime. In terms of the auto crime problem, car perimeter security attempts to design out crime. That probably offers more hope for the control of such crime than do patrolling police officers.

We must recognise the real limitations that are placed on the effectiveness on the police in London. Although patrolling police officers are welcomed and are a general reassurance to the public, it is a fact that of the 95 per cent. of crimes, very few are prevented by patrolling police officers. That is certainly true of burglaries. They occur under circumstances of stealth in blocks of flats. People climb through back gardens and enter houses where windows and doors may have been left unlocked and where the home owner or the landlord has failed to provide proper resources for the prevention of such an offence. We cannot blame the police for increases in opportunist crime.

We should recognise that every year there is growth in the availability of goods and money to steal, and this is best illustrated by the auto crime problem. In 1948, there were 2·25 million motor vehicles on the street; in 1986, there are 17·25 million—little wonder that the problem of auto crime has grown year by year. The same is true of burglaries. The availability of money in flats and houses has made stealing attractive to youngsters. As we have heard, half the number arrested for committing such crimes are young people under 21, many of whom are still at school. In fact, the peak ages for offending are 14 or 15. We must consider the problem in the light of the fact that the education system seems to be so boring to many young people that they opt out of school.

The problems of resolving crime in London will not go away simply because there are more police officers and resources. They will be contained by what the community does in consultation with property owners, whether private or public. The Government are clearly in the vanguard in promoting crime prevention involving the whole community. I commend the experiences of the former Conservative-controlled London borough of Hammersmith and Fulham which introduced the scheme to which the right hon. Member for Manchester, Gorton (Mr. Kaufman) seemed to refer — that of giving assistance to the poorer members of the community to install crime prevention devices on doors and windows. That scheme was effective. I hope that those ideas will be built on elsewhere, but they require the local authority's willing co-operation.

The good news about the Metropolitan police record is that its investigation and clear-up rate of serious crime is good, on the whole. The clear-up rate for murder is 93 per cent. or more and for robberies it is 70 per cent. The detection rate for other serious crimes is good and provides a deterrent. Crime prevention offers one of the most important hopes for London people.

I take issue with the suggestion that the use of the police on public order duties is a waste of their time. I wish that fewer demonstrations and public order events required the attendance of the police. The Labour party cannot escape its responsibility. So many of the demonstrations which are organised in central London owe their origin to the Labour party and its supporters. If the Labour party really cares about good policing of London and about the effective use of police resources, it should impose greater moderation on their supporters and on their use of the public highway.

The same is true of Wapping. I did not quite understand the intention of the right hon. Member for Gorton. Did he intend that the police should be withdrawn from the streets of Wapping? Did he intend that the mob should take over private property? Did he intend that anarchy should prevail? The right hon. Gentleman should make it clear exactly what his policies are.

The police consultative arrangements are important. Most of the London boroughs have willingly co-operated in establishing them. It is a great disappointment to those of us who strongly believe in police-public relationships and crime prevention that, so far, nine Labour-controlled boroughs are not taking part in these arrangements, despite the will of the House which has urged their creation. It is humbug for the Labour party to pretend an interest in crime prevention and in good police-public relations, but in practice, in the authorities which it controls, to deny the opportunity for that consultation to take place. It is significant that in the London borough of Haringey, for example, there is no police consultative arrangement. That is tragic and unhelpful from the point of view of the people living in the borough.

It is interesting that Lord Gifford's report, which is, of course, a partisan document, refers to greater consultation between the police and the community. It is significant that Lord Scarman said the same in his 1981 recommendations. It is tragic that sections of the Labour party in London deny the opportunity for this consultation to take place in large areas of London where police-public relations are crucial.

The House often has debates on the Metropolitan police. It is customary for Conservative Members to praise and support the police, but we must at the same time be fairly critical of them. I know of no London Member who does not receive complaints about the way in which the police relate to the public. The police force in London is young and well trained. Nevertheless, the first encounter of many members of the public with the police is often difficult. The police must readdress themselves to the issue of how they relate to the community, especially to young people. It is no good setting up structures for good public relations if the police on the beat cannot carry out the intention of those instructions in their relationships with individuals.

The commissioner's proposals for the reorganisation of the police force are very good. At long last we have achieved a command structure in London with the emphasis on decentralisation, sending down to the districts and divisions as much control and accountability for police action as possible. I think that Sir Kenneth Newman

will be remembered as the commissioner who set in train the better structure, organisation and officer training of the Metropolitan police. Some of the benefits will take time to emerge, but I believe that we shall see them in the years ahead.

I have referred briefly to crime prevention. I believe that the role of the local authorities in working with the Metropolitan police to prevent opportunist crime will be one of the most important features of crime prevention. I hope that that role will be developed and extended in the years to come.

10.58 am

Mr. Simon Hughes (Southwark and Bermondsey): I welcome the right hon. Member for Witney (Mr. Hurd) to his first debate on this subject since his appointment last autumn as Home Secretary. I welcome also his slightly less abrasive style of introducing the subject compared to that of his predecessor. Another change since last year's debate is the fact that the London-wide authority which took an interest in these matters—the Greater London council—no longer exists. I look forward to the day when there is—I say this with no disrespect to the Home Secretary—a broader and more democratic base for the authority over the London police force than one Government Minister.

I shall quietly issue one rebuke. I think that I am right in saying that on nearly all, if not all, occasions the Home Secretary fell into the trap of talking about police men in the context, for example, of the increase in police numbers as opposed to using less sexist language. I believe that he realises that we have and need more police women. Already there are a substantial number. In describing the police force in London, the Home Secretary should recognise the role that policemen are required to play.

As we contemplate policing in London in 1986, the first issue which we should consider is the environment in which policing occurs. The Home Office will be fighting a continual battle unless and until the trend of social decline in inner London is reversed. This is best evidenced by unemployment, especially in the inner London boroughs. Unless and until we reduce our massive unemployment, especially of young adults and men, the general level of social unrest and discontent will continue to increase and policing will inevitably be more difficult.

It being Eleven o'clock MR. SPEAKER *interrupted the proceedings, pursuant to Standing Order No. 5 (Friday sittings).*

European Communities (Budget)

11 am

Mr. Speaker: Mr. Peter Brooke—statement.

Dr. Oonagh McDonald (Thurrock): On a point of order, Mr. Speaker. We had to ask yesterday for a statement about the EC budget and that was granted for today. However, as yet I have had no copy of the statement. The EC budget is an extremely complex matter. The Government are apparently proud of their achievements there and yet they cannot possibly reveal them to the Opposition spokesmen so that they can get a sight of them before the budget statement takes place. It is an utter disgrace. I cannot see what the Government think they are playing at. It is just another example of their sheer incompetence.

The Minister of State, Treasury (Mr. Peter Brooke): I should like to respond to the point of order. The opening paragraph of my statement apologises to the official Opposition for any delay in delivering the statement to them. However, all the figures in it had to be double-checked with Brussels and Strasbourg during the morning. I apologise to the hon. Lady.

Mr. Alan Williams (Swansea, West): Further to that point of order, Mr. Speaker. This is absolutely outrageous. My hon. Friend the Member for Thurrock (Mrs. McDonald) is expected to make a considered contribution to this statement and the following discussion without having had the opportunity to look at the statement. Surely we could at least defer it for half an hour or an hour so that the Opposition have an opportunity to look at it and study it properly.

Mr. Speaker: I do not think that I have any authority to delay this statement. Perhaps the sensible thing would be to hear what the Minister has to say and take it from there.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Further to that point of order, Mr. Speaker. Surely it is better for the House to have a little time to contemplate these complicated matters before asking questions off the cuff. Surely that makes sense.

Mr. Speaker: It seems that it would be for the general convenience of the House if the Opposition had an opportunity to study the statement. That being so, I shall return to the Chair at half past 11. I think that that will give us sufficient time for the statement.

Policing (London)

Question again proposed, That this House do now adjourn.

11.2 am

Mr. Simon Hughes: The Home Secretary in part alluded to the issue of drugs which gives rise to concern, but he did not mention alcohol. In 1983 and 1984 the battle against drugs was seen to be one of the chief concerns in the deployment of resources for the policing of London. One of the underlying trends on the street is that the problem is clearly increasing again and the initial success is now being overtaken by a growing general trend across the range of drug use, not just of heroin, which has been of chief concern, but of crack, which was mentioned by the hon. Member for Newham, North-West (Mr. Banks). We need to find ways in which we can not only contain the problem but develop a strategy which works to pick up, not only the big dealers, who are obviously the key to a successful reduction and restriction of drug dealing in London, but the dealers at the next tier. In all honesty, I fear that at the moment, the battle against continuing and pervasive drug use in London is at most being held, and certainly not being won. We need to find ways to continue more effectively to develop strategies and should not just content ourselves with the new structural ways of trying to deal with the problem.

I hope that the Home Secretary also recognises that if there is also a problem of regular and consistent alcohol abuse, especially by young people in areas of high numbers of licensed premises, particularly on Friday and Saturday nights, there will be a massive use of police personnel dealing with offences which are often caused by one person who has been drinking against another who has also been drinking. In London the number of offences is great, the level of serious crime is great, and the percentage of that affected by alcohol is substantial.

I am sure that the Home Secretary recognises the problems in all urban areas where drink and crimes committed by the young adult are often interlinked. One cannot ignore this link as part of the general responsibility that the Home Office has for the control of licensed premises and so on. I make no suggestion that there should be a censored society but I do make a suggestion that there should be more responsible decision-making as to where and how one can allow late-night entertainment to continue in places where it does maximum disservice to a local community, and where there has clearly been regular previous abuse within that community.

I now turn to prevention. One of the mechanisms set up as part of the process of making policing responsible and accountable to the community—policing by consent—is the consultative committees. The Minister of State is aware of that and it has been raised in the meetings that he and his right hon. Friend the Home Secretary have on a regular basis with me and my colleague, the hon. Member for Woolwich (Mr. Cartwright), and also with representatives from other parties in London.

There were to be consultative committees set up everywhere under the Police and Criminal Evidence Act 1984 but they are not all in place. There appears now to be a discrepancy about how many. The Home Secretary suggested that six local authorities do not have consultative committees. The hon. Member for Westminster, North (Mr. Wheeler) suggested that there were nine. I know less about other areas than I know about Southwark. When the Minister winds up, I should be grateful if he would include reference to those points. I hope that he will say what he considers to be the ways forward and not look back in a recriminatory way. We need to find ways to establish and make effective these committees.

In Southwark there was a severe problem. Both sides felt that they had a good case. The local authority and impartial participants, such as the Church, in the person of the Bishop of Woolwich, Methodist ministers and so on, became involved and felt that the police were not being sufficiently responsive to the desire to integrate the community. There was the local authority-established consultative procedure and the police procedure. While there are two competitive procedures and both sides feel that the other is being unreasonable, we do not make progress in establishing a proper forum in which people can properly air their concerns in a public place.

Mr. Wheeler: Perhaps I can assist the hon. Gentleman with his point. My information about nine Labour-controlled boroughs not taking part in the scheme came from a document which those boroughs published called "Policing London, July-August 1986." I assume that it is correct in what it says.

Mr. Hughes: I am grateful to the hon. Gentleman. That is why it is important that the Minister, if he can, gives us the most up-to-date position and tells us of any plans to resolve those problems.

Another important area in the prevention of crime is the special prevention needed for the vulnerable in our society. Two of those groups have been mentioned—women and ethnic minorities. Clearly it is right that the police should be deployed to ensure that those people begin to feel the security which they do not feel at present. Another group which is increasingly vulnerable is old people. Nothing is more horrifying than the regular series of reported offences of the most savage type often committed by young people on old people, especially old people on their own. We need to establish—it applies particularly within policing—ways in which the police locally are aware of the places where old people live, whether privately or in council social services homes, residential accommodation, and the areas where old people are concentrated. They should try to direct, not only neighbourhood watch, but other local mechanisms for mutual support, so that there are many more ways in which old people can feel secure in their own homes. Not only do they now not feel secure outside, in the street, on the estate, in the lifts or on the staircases and so on; they often now feel insecure in their own homes. It must be a priority in terms of expenditure. We should look at ways of providing grants to provide methods to help such people without them having to try hard to find that help. The police should be seeking ways of preventing crime being directed at them.

With regard to the response to crime, it is welcome that the establishment is being increased. That will help. The sooner that happens, the better. It is welcome that increasing numbers of police in uniform are being released from civilian work. Since I have been in the House, I have sought to have that done—it is a proper development.

However, I remain to be convinced about the net effects of reorganisation, in terms of increased personnel. I am

reassured that we are still to have a consultative level, according to the latest letter that I have received. It is to be on a local authority basis for the time being, with the abolition of the police districts. Particularly given that the consultation process was unsatisfactory, I hope that we shall see the rewards that we were originally promised. My recollection is that last year we were told that there would be 300 extra police officers on the ground. In his speech today, the Home Secretary suggested that there were 200. Unless I am mistaken, that is a counting down by some 50 per cent.

I shall be unhappy if the reorganisation does not produce substantial benefits in front-line policing. One of the arguments for it was that administrators would be taken away from New Scotland Yard so that there would need to be less bureaucracy. People need to see the service, not lots of bureaucrats. I am sure that the Minister of State will accept that. I hope that he will appreciate that the test of reorganisation will be the number of people on the ground delivering the policing service.

The Home Secretary must accept that he does not yet appear to have an adequate answer to an important point made by the right hon. Member for Manchester, Gorton (Mr. Kaufman) as to why, despite the massively increased cost and increased police numbers, we still have such an unsatisfactory clear-up rate compared with some time ago. This last year, there may have been a slight increase in some of the areas of clear-up, but it is less than the national average improvement. We must keep on questioning why the massively expensive police force in London does not do better in clearing up many of the areas of crime. I accept that murder and homicide have a good clear-up rate, but the intermediate levels of crime still have a poor clear-up rate. Intrusions into people's houses and some crimes of violence against people have low clear-up rates. We need to work particularly hard because it is unsatisfactory that so much time and effort is deployed to so little effect.

The Home Secretary gave the figures for the number of times last year that firearms were used in London—five, compared with 238 in New York. I recognise that, but the other important figure is the number of occasions on which police officers go out equipped with firearms. That is important, because the tradition of an unarmed police force is one that we want to sustain. None the less, it is increasingly in question because increasing numbers of police go out armed, and the authority for the police being armed either seems to be unjustified in retrospect, or is worrying to the community or both.

I accept that there has been an increase in the number of crimes committed with firearms, and that we need to do more to restrict the use of firearms. The Home Secretary will remember that my hon. Friend the Member for Woolwich and I raised this matter with him. More should be done to cut the outlets of firearms, allowing them to be used for crime. Ideally, the response should be to restrain the police from dealing with the problem in the same way. Otherwise, the problem escalates. That matter intensely worries many people in London.

The Minister of State, Home Office (Mr. Giles Shaw): The issue of firearms has been steadily reduced in recent years. The latest figure for 1985 compared with 1984 was another 14 per cent. reduction. I shall give the hon. Gentleman the absolute figures when I reply.

Mr. Hughes: I am grateful for that response, and I shall be grateful for the figures. I hope that the Minister accepts that the public need reassurance that the police are not being increasingly equipped with firearms.

Mr. Corbyn: Does the hon. Gentleman agree that there is a further problem that more police are now being trained in the use of firearms, even if the issue of firearms is being reduced? Taken with the Commissioner's call for preparedness to use firearms, a dangerous precedent is being set.

Mr. Hughes: The report that was produced a week ago made it clear that there would be more training, in the context of the public order suggestions by the Commissioner.

Although there is to be no immediate deployment of plastic baton rounds, they are now to be provided. I hope that the Minister of State and the Home Secretary will accept that there would be grave discontent and substantial worry if from provision we went to deployment. It is bad enough that they are being provided anywhere — my party opposes that. I appreciate the dilemma, but we do not want Northern Ireland on the streets of London. Many people rightly fear that when they know that such weapons are in the armoury.

Policing has to go on day in, day out. It does not help either the police or the community when the police are distracted from their main task of preventing and dealing with crime. I have had correspondence with the Home Office, and I am not yet satisfied with the answer, about the massive deployment at Wapping—and the people at Wapping are not all thugs, as has been suggested by one Conservative Member. Many of those people have had no previous convictions in their lives. They go there to picket peacefully. They come to constituency surgeries such as mine and complain, saying "We were there protesting and the police started to interfere in our right to protest." Then there is escalation and the affair gets out of hand. There have been some horrendously violent incidents.

Last year it was the miners' strike that took police away from the streets of London. This year it is Wapping. Many incidents are partly self-induced responses. Although one has to make sure that in areas where there is a real risk of public disorder there is an adequate police presence, I do not believe that the way in which the police have responded in Wapping has been necessary as a response to the protest or compatible with the proper deployment of police throughout London. When police cannot be identified by individuals on the streets — there are real complaints — the Home Office's response should be, "Are we doing the right thing?" Action should be taken which will lead to a reverse of the escalation that has been added to by the number of police on the streets there.

Many public order protests, such as the recent anti-apartheid march, take place with thousands of people on the streets of London, and pass off peacefully every time. I hope that we can allow the police of London to get on with their job without being distracted. Many do an excellent job for Londoners, but they have an enormous way to go. I hope that the Home Secretary will take away from the debate not only our support for the initiatives that have been taken, which go in the right direction, but our concern about the things that distract the police from doing the job that we all wish them to do. I hope that he

[Mr. Hughes]

will respond in a way that will reduce the concern of many hon. Members about some of the ways in which London has been policed in the past 12 months.

11.18 am

Mr. William Shelton (Streatham): I listened with great interest to my right hon. Friend the Home Secretary. I welcome very much what he said, especially his reference to Lambeth, to which I shall return.

I should like to refer to one or two of the problems that affect some of my constituents. The first is prostitution in Streatham. Areas that have never been afflicted by that malaise in the past are being so afflicted, and it is causing great distress among my constituents. I have written to the Parliamentary Under-Secretary of State about it. We all know what an extraordinarily difficult problem it is. I am told by the police that many of the ladies who arrive in Streatham to ply their trade come from King's Cross. I do not know whether that is true.

There are four possible remedies. The first is already being taken to some extent in Streatham. An extra police budget has been allocated by the chief superintendent, and there are regular patrols of two officers, who regularly make arrests. Apparently it is having some effect, but the problem is that to have a permanent effect, which will probably do no more than squeeze the problem into someone else's constitueny, those patrols must be kept up for another six months or a year, to break the link between the punters, as the police call them, and the prostitutes. That takes manpower and time. It is a drain on resources.

There are more police in Streatham than there were when the Conservative Government came to office, but there is now far more demand for "aid" for such places as Wapping and to cover demonstrations. I wonder what the right hon. Member for Manchester, Gorton (Mr. Kaufman) thinks would have happened if no police had been sent to Wapping. I am prepared to wager that the News International building would not now be standing and perhaps there would have been loss of life. I am sure that if the right hon. Gentleman had been Home Secretary he would have arranged police protection. I wonder what would have happened during the raid on the distribution centre. Had a responsible Labour Government been in power, I am sure that they would have reacted in the same way.

I hope that the Streatham police force can continue its patrols. If it cannot, the situation will deteriorate again. A grave nuisance is being caused to ratepayers. They are molested on the pavement outside their houses or even in their front gardens. They find couples behind their garages. It is too much. Something must be done.

In Southampton the public are being asked to give confidential information about number plates of cars cruising the streets. The police then interview the drivers and ask them why they were driving round the streets. The police in Streatham are prepared to do the same. Considerable difficulties might be involved and it would be time-consuming, but the police are prepared to follow Southampton's example because of its deterrent effect.

Last year the penalty imposed on convicted ladies averaged £30. That is nonsense. I do not know how long that sum has remained unchanged, but the maximum fine for the offence is much higher. I hope that magistrates and justices of the peace will consider imposing more realistic fines.

I am urged by my constituents to press for the reintroduction of custodial sentences. I am not convinced that that is the way forward. I doubt that it is because too many people are already in our prisons. Some of the girls have families and small children who would have to be looked after if the women were imprisoned. However, I should like to know the Minister's view.

Another possibility is that of licensed brothels, which they have in France and Germany. I should find brothels repugnant. The idea would not command public support, and the House would not support such a move, so that cannot be the way forward. To repeat: we must have sufficient police to maintain patrols. Higher penalties should be imposed and we should consider following Southampton's example of lateral thinking.

Many hon. Members will have seen the alarming headline in *The London Standard* describing a heroin war in the streets of Brixton and a drug-related shooting. I see the hon. Member for Norwood (Mr. Fraser) present. His constituency takes in part of Brixton, which is divided between three constituencies in all. Two people were recently shot at Cynthia's night club in Acre lane.

Shortage of manpower causes a problem. The central drugs squad at the Yard is of enormous back-up help, but it is mainly involved with the major dealers and, rightly, with importation. That does not help the police in my constituency when dealing with the "Yardies", for instance, as *The London Standard* calls the new gang which is trying to take over and is behaving ruthlessly.

Only 12 officers are assigned to the drugs squad in Brixton. They are finding it extraordinarily difficult to cope. As always, manpower and money are the problem. Twelve men are not sufficient to cope with the task.

In Brixton, 11 squads are involved in major investigations. These include nine murders, one investigation for linked rape and another for the drug-related shooting. They have made six arrests and only five cases are outstanding. A man has been arrested in connection with the rape and another for the shooting at Cynthia's night club. The squads are doing well, but more resources are needed to contain the drugs problem as well in Brixton.

The situation is complicated. In Brixton a car bearing CD plates and from an African country is regularly on the "front line" and apparently makes frequent trips. The driver of the car knows he is under police surveillance. This is an illustration of the problems confronting the police in Brixton.

Streatham has about 60 neighbourhood watch schemes. They are first class. The year before last burglary figures fell by 5 per cent. and last year by 17 per cent. I agree with the police that that reduction is due partly to neighbourhood watch. A serious drawback is Lambeth council's reluctance to allow neighbourhood watch schemes on Lambeth council estates. That reluctance is gradually being broken down by pressure, but it is inexplicable that Lambeth council should not support the schemes.

What about neighbourhood policing—a phrase which sprang from the Scarman report? It is thought by some people, who are not aware of what is happening, to be soft policing. Streatham practises neighbourhood policing and it is certainly not soft.

The principles are, first, that the law must be upheld. Then, of equal importance, there is the need to secure the understanding and co-operation of the local community. That is what I mean and what the police mean by neighbourhood policing. Perhaps the police do not always achieve that aim but they try hard. They try to achieve the aim in two main ways in Streatham. The community police consultative group has already been mentioned. That group is experiencing difficulties in Lambeth. The police committee set up by Lambeth council has refused to discuss with the police matters of importance, and merely writes letters of complaint. However, with the change of leadership, meetings take place about every two months with Miss Linda Bellos, the new leader of Lambeth council.

I can give an example of the attitude towards the police in Lambeth. Two elderly people were recently strangled at an old persons' home. So far the police have not been permitted to take elimination prints from the staff. I hope that they will be allowed to take those prints. The police are prepared to take them on the premises.

I find it extraordinary that Lambeth council has thrown the community police consultative group out of the town hall. It is no longer allowed to hold meetings there. This group, which is of such importance to the community, has to hunt for church halls or community halls in which to meet. It has no resting place because the town hall, owned by the people of Lambeth, is denied to it. That is disgraceful. I know that my right hon. Friend's sympathies are with that group and I should be grateful if he can do anything to help. Understandably, attendance at meetings is falling slightly. However, it is going extraordinarily well. The main thing is that the police and the groups which attend are learning from each other about their respective problems and consequently the meetings are becoming much more constructive. They understand the points of view and the restraints. The fact that we have got through the period since September last year, when there were riots, so well until today—I make no predictions about what might happen, but I am very optimistic—is in great part due to the group, and it is vital that it should continue.

The second part of the neighbourhood community policing——

It being half past Eleven o'clock MR. SPEAKER *interrupted the proceedings, pursuant to his ruling this day.*

Mr. Speaker: Before I call the Minister of State, Treasury, to make his statement, may I say that I deferred the statement today for half an hour to accord with what I took to be the unanimous view of the House, taking into account the exchanges which took place yesterday in the debates and the extreme complexity of this subject. I must make it clear that what has happened today should not be taken as a precedent, and that statements on Fridays will take place at 11 o'clock and on any other day immediately after questions.

11.31 am

Mr. Tony Banks: On a point of order, Mr. Speaker. I am sorry to delay the proceedings with this point of order. We are told that the House exercises control through the accountability of the Home Secretary to the House over the Metropolitan police. Since this is one of the rare opportunities that we have to debate the affairs of the Metropolitan police, I hope that this complex subject will not detain the House so long that we cannot continue our discussion of a matter of great importance to Londoners.

Mr. Speaker: I always take such matters into account, on a Friday or any other day.

European Communities (Budget)

11.32 am

The Minister of State, Treasury (Mr. Peter Brooke): I am glad to have the opportunity to report to the House on this week's negotiations in Brussels and Strasbourg, which culminated in the adoption yesterday afternoon of a Community budget for 1986.

The Budget Council met in Brussels on 8 and 9 July and in Strasbourg on 10 and 11 July. I served as Chairman of the Council and my hon. Friend the Economic Secretary to the Treasury represented the United Kingdom at the 8 and 9 July meeting. The Council reached agreement with representatives of the European Parliament at 3 am yesterday, and the Parliament voted on the budget yesterday afternoon. With permission, Mr. Speaker, I shall arrange for the main figures to be published in the *Official Report*.

The starting point for this week's negotiations was the European Court's judgment on the 1986 budget delivered on 3 July; copies are being placed in the Library. This found that the Parliament exceeded its legal powers in seeking to adopt the budget last December, in the absence of agreement with the Council, and declared the 1986 budget process to be incomplete.

The Commission responded by putting forward an amending letter which consolidated the budget voted by the Parliament last December and the Commission's own preliminary draft supplementary and amending budget presented in May. Compared with the Council's second reading budget of last autumn, the proposals in the amending letter provided for an extra 915·3 mecu, or £569 million of agricultural guarantee expenditure, an extra 492 mecu, £306 million, for commitment appropriations and an extra 1,326 mecu, £824 million, payment appropriations for the structural funds and non-obligatory expenditure, together with an increase of 500 mecu, £312 million for the United Kingdom's abatement.

The outcome finally agreed between the Council and the Parliament provided for a further addition of 184·7 mecu, £115 million, agricultural guarantee expenditure, and a reduction of 399 mecu, £236 million, in commitment appropriations for the structural funds and other non-obligatory expenditure, including a special reserve for negative commitment appropriations, and a reduction of about 135 mecu, £85 million, in payment appropriations for the structural funds and other non-obligatory expenditure. On the revenue side, it incorporated a surplus of 49·2 mecu, £31 million, available from the 1985 budget.

I have to tell the House that the new budget uses up all the available revenue within the £1·4 per cent. ceiling, together with the surplus carried forward from 1985. Compared with the 1985 budget, the increase in agriculture guarantee expenditure is 10·8 per cent. and in non-obligatory expenditure is 14·54 per cent. for commitment appropriations and 39·18 per cent. for payment appropriations.

Throughout the week's discussions in the Budget Council the United Kingdom's representatives made clear their profound and continuing concern about levels of expenditure in the new budget, and the implications for budget discipline. They underlined the United Kingdom's strong preference for retaining a significant margin of unused resources within the 1·4 per cent. ceiling. At the same time, they accepted that the increase of 1,100 mecu, £683 million in agricultural guarantee expenditure, which involves exceeding the budgetary discipline guideline limit by some 925 mecu, £575 million, could be justified by the exceptional circumstance of the abnormally rapid depreciation of the dollar since the original 1986 budget figures were prepared.

In spite of all our concerns, the new budget has many positive features from the United Kingdom's point of view. First, the United Kingdom's VAT rate, which would have been 0·69 per cent. on the Council's November budget and 0·73 per cent. on the Parliament's December budget, has been reduced to under 0·68 per cent. Secondly, we expect to receive a substantial share of the extra provision for the structural funds—well in excess of our VAT share.

Thirdly, in consequence of these changes, we expect the United Kingdom's net contribution to the 1986 budget to be significantly lower than was implied by the Council's or the Parliament's budgets of last autumn. Fourthly, the Council has succeeded in cutting the growth of commitment appropriations proposed by the Parliament, thus improving markedly the ratio between commitment and payment appropriations.

Dr. Oonah McDonald (Thurrock): First, may I thank you, Mr. Speaker, for allowing us extra time in which to study the statement which I received at 11.1 am. I received an amendment to the statement at 11.20 am.

Having examined the statement, I wish to thank the Minister for his clear statement that, during the negotiations this week, the Government caved in completely. They protested, and then agreed to the complete breaking of budgetary discipline. Why are the main figures not present in the statement? After all, the Minister was involved in the negotiations for hour after hour. He was allegedly the mediator who brought the whole matter to a conclusion. Does he not know what figures he agreed? Why can he not report all those figures properly to the House instead of this absurdity?

The statement says that the 1·4 per cent. limit will be completely used up by the budget, plus a surplus carried forward from 1985. What is that surplus? What will the Minister do, since the harvest has not yet occurred and we do not know what dollar fluctuations will take place during the rest of the year—*[Interruption.]* Of course, we cannot know that. What will he do if the budget overruns the 1·4 per cent. limit? Will he and the Government return to the House later this year and ask for yet more money?

Why have the Government agreed to this massive increase in agricultural spending, quadrupling the breach of the budget discipline? Is it not incorrect to say that all this is simply due to fluctuations in the dollar? Is it not also due to the fact that the Agricultural Ministers refused to reduce farm prices sufficiently?

The Minister said nothing about overseas aid, yet press reports suggest that this was cut by at least £40 million. Does he not think that he should come clean about the

The statement refers to an increase of almost 40 per cent. in payment appropriations. What exactly are these for? Are they payments from the regional and social funds? Is this an effort to deal with the burdens of the past which the President of the Court of Auditors said totalled £9 billion by the end of 1984? Who will benefit from that? Will Britain or other countries benefit from it? Perhaps the Minister will tell us a great deal more about that.

Will the Minister not tell us exactly what is meant by the negative reserve that is already being described by European parliamentarians as a black hole into which, presumably, more and more of our own money will vanish? Does not the Minister's whole performance show that, far from being a mediator, he is being taken for a ride by those in Europe who are much more sophisticated in dealing with EC jiggery-pokery than he is?

This budget is short-lived. It cannot possibly last out the rest of 1986. It will lead to another financial crisis in 1987. Was the Minister not aware of the bitter resentment of the member states towards our rebate and will he not confirm that that rebate is tied to the 1·4 per cent. limit? If the 1·4 per cent. limit is breached so long before 1988, our abatement will also have to be renegotiated. Is he not aware of the fact that hon. Members on both sides of the House bitterly resent the fact that more and more money is going into the EC budget, primarily to be spent on featherbedding the farmers and on creating yet more obscene and wasteful food mountains, instead of being spent here on important public spending on schools and hospitals, a matter about which the hon. Member for Southend, East (Mr. Taylor) complained in our debate yesterday evening?

Finally, is the Minister not aware that his behaviour at Brussels during the last week means that next year the incoming Labour Government will have to sort out the whole EC budgetary mess and make sure that we have a decent deal with Europe?

Mr. Brooke: The hon. Member for Thurrock (Dr. McDonald) made one comment and asked me 10 questions. Her comment was about the nature of the settlement that had been reached. The concern of everybody involved in this process during the past week has been to reach an agreement. Otherwise the Community would have been plunged into the regime of provisional twelfths, made worse by the fact that the base year upon which it would have been founded did not include Spain and Portugal. The only people to vote against the budget yesterday afternoon, and thus effectively in favour of the chaos that I have described, were the British Labour party and the Rainbow group.

To answer the hon. Lady's first question, I said that the main figures will be placed in the *Official Report*. There is a limit to how much data hon. Members can absorb in an oral statement. Secondly, the hon. Lady said that the 1·4 per cent. ceiling had been used up, together with the 1985 surplus, and she asked me about that surplus. The surplus is the audited and calculated surplus for the year 1984-85. That figure became available in June. Thus, it is possible for the Commission to make a statement about it at a meeting in early July.

As to the hon. Lady's question about the movement of agricultural expenditure and the pattern of the harvest, one of the reasons why the Budget Council, endorsed by the Parliament, increased agricultural expenditure by 185 mecu beyond the figure which the Commission had proposed was that in its figures the Commission had suggested that there was likely to be a required extra expenditure of 400 mecu which, in other circumstances, would have to be carried forward to a subsequent year. The Budget Council and the Parliament agreed that it was prudent to make an additional provision for the current year.

The hon. Lady asked me about budget discipline, in particular as it relates to agriculture. She implied that the behaviour of the dollar—I am surprised that she has not remarked upon the behaviour of the dollar in terms of the financial markets and its effect on agricultural prices—meant that this was yet another easy settlement for farmers. I do not know how many farmers the hon. Lady has in her Thurrock constituency but the farming community regard it, on the whole, as a tough settlement.

As to overseas aid, it is perfectly true that at an earlier stage in the proceedings this week the overseas aid figures were reduced by the Budget Council and that the Labour MEPs at Strasbourg referred to that. That figure has been restored in the final settlement. I am mildly surprised that the hon. Lady's Strasbourg colleagues had not let her know.

The hon. Lady's next question related to the increase in payment appropriations of nearly 40 per cent. She asked whether they were in the structural funds, to which the answer is yes. Other non-obligatory expenditure that is outside the structural funds is also included. The hon. Lady asked whether that expenditure related to past costs and who would benefit from it. The reason for the large increase in the payment appropriations is substantially because of the enlargement of the Community by the arrival of Spain and Portugal. I acknowledge that in these figures there is an element of past costs. The Commission has recommended that it is sensible to reduce the heavy overhang of commitments that is brought forward each year. As to who benefits, I said in my statement that the United Kingdom is likely to be a substantial beneficiary from that element in the change.

The hon. Lady also asked me about the negative reserve. I acknowledge that the negative reserve is an innovative device. The negative reserve entered the negotiations at around midnight on Wednesday night because the Parliament insisted that there should not be yet a further increase in commitment appropriations which did not have payments attached to them—exactly the issue that has given rise to the problem of past costs. However, the Budget Council said that it was impossible at that stage of the night, if it was to vote on the business the following day, for it to be able to determine what non-compulsory expenditure it should shift among that which lay within its competence so to do. This device was arranged so that it would have a slightly longer period in which to effect that switch.

The hon. Lady suggested that I had not served as a mediator. I do not know whether mediator is a term of abuse. All I know is that we secured an agreement between the Budget Council and the Parliament and that as a consequence the Community has not been plunged into the chaos of provisional twelfths.

The hon. Lady referred to bitter resentment in the House—this was the first of her "finallys"—and asked about the relationship of the 1·4 per cent. to the abatement. She has misunderstood the process. The relationship in the Fontainebleau agreement between the abatement and the 1·4 per cent. ceiling is favourable to the United Kingdom, in that the 1·4 per cent. ceiling cannot be negotiated without our agreement, in particular our agreement on any other abatement arrangements.

The hon. Lady's second "finally" related to feather-bedding farmers, but I hope that I have already responded to that point. The hon. Lady's third "finally" referred to what, in the unlikely contingency of a Labour Government

[Mr. Brooke]

being returned to office, they would do. In all the years that a Labour Government had responsibility for these affairs they never negotiated a sure instrument such as the abatement that we now enjoy.

Several Hon. Members *rose*——

Mr. Speaker: Order. I understand the concern about this matter, but I have to take into account the point of order of the hon. Member for Newham, North-West (Mr. Banks). I shall allow questions to continue until five past twelve, and then we must move on.

Sir Edward du Cann (Taunton): To put matters into plain English, which we do not always use when talking about EC affairs, while congratulating my hon. Friend upon what is reported as his outstanding chairmanship, now that he is back in the United Kingdom will he take time to read yesterday's debates in which he will see that deep and sincere anxiety was expressed in all quarters of the House about the apparently careless and prompt way in which solemn assurances given to British Members of Parliament have been breached?

There is no budgetary discipline. Agriculture expenditure is out of control and the additional funds voted, which were supposed to last for many years, have run out in less than a year of the new budgetary discipline. Is my hon. Friend aware that if he had made that appalling statement yesterday, before our debate, it is likely that the budget proposals would not have been carried by the House, as they should not have been?

Finally, to use that word once, and once only, will my hon. Friend give us his word, which I would trust, that we shall have no further proposals for increased contributions to the European Community until such time as the promises already solemnly made to us are adhered to?

Mr. Brooke: I have already had the considerable pleasure of reading the account in *Hansard* of yesterday's debate, and it appears to have been a thoroughly vigorous occasion. My right hon. Friend said a number of things. The business of the House is no business of mine, but that of my right hon. Friend the Leader of the House and, were we to have a debate, I should look forward to it, because we would be able to go into these matters in rather more detail.

Technically, the business of the House yesterday related to Estimates rather than the budget, but I am sure that my right hon. Friend understands that position.

As to his final question, I have long been conscious of the hazards of absolutely definitive negatives. I remember somebody who once used the word "never" at the Dispatch Box. I respond to my right hon. Friend in the spirit of his question.

Sir Russell Johnston (Inverness, Nairn and Lochaber): The Minister deserves congratulations on piloting through the adoption of the budget. Is not the attempt to portray every negotiation as a triumph for Britain unreal and counter-productive? Should not the concept of general Community interest, in which we share, be developed? In this connection, is he aware that it is strange that all the so-called positive features that he listed at the end of his statement seemed to be about the reduction of expenditure in job-creating areas? Is he aware that there is a need for a significant increase in expenditure in cost-productive sectors such as the structural funds, regional and social, research and development and overseas aid? Is he able to give us the figures, plus or minus, in regard to these funds?

Mr. Brooke: I am grateful to the hon. Member for his congratulations. Inevitably, one was asked elsewhere to comment in the margins of the meeting about the negotiations. I sought to convey that it has been a satisfactory conclusion in the sense that we have saved the Community from the chaos of a regime of provisional twelfths that would have been imposed for the next two or three months.

The hon. Member asked me about expenditure, not only in the structural funds but in other non-obligatory expenditure. I make it clear that any references to reduction of the non-obligatory expenditure that may have occurred earlier in the week were premature, as I said in my answer to the hon. Member for Thurrock (Dr. McDonald).

There were significant achievements in this budget. One was that other member states joined the United Kingdom in its belief that it was hazardous to push up commitment appropriations if we were not similarly providing resources with which to execute them. Another was that, as a result of conciliation, the Parliament also withdrew its request for further commitment appropriations in the structural funds.

Mr. Hugh Dykes (Harrow, East): My hon. Friend deserves full congratulations on the striking achievement of the new budget agreement for 1986 within 10 days of the commencement of the British presidency. He chaired his meetings with success, combining proper control over the budget with the need to develop the Community budget in the future, not only in 1986. Should he not ignore the semi-hysteria and the whingeing and whining of the Official Opposition and some of our hon. Friends? Does it not result from their dislike of the foreigners involved in the Community budget process, their unwillingness to be full members of the Community and their failure to recognise that the Community budget is much more modest for most of the member states, whose total financial budget deficits are five or six times the size of the Community budget?

Mr. Brooke: I am grateful to my hon. Friend for his kind words.

Mr. Nigel Spearing (Newham, South): The Minister referred to the sure instrument of the rebate, but does he not agree that now that it is hitting 1·4 per cent., under the Fontainebleau agreement, the Commission is obliged to review matters and Her Majesty's Government are committed to negotiations that could raise it to 1·6 per cent.? The Minister mentioned the breach of discipline. Of the figures that he gave, it appears that the breach is now by a multiple of four. If that is not correct, what are the figures? He said that the VAT take is reduced, but does he not agree that the actual amount of our VAT take that the Chancellor of the Exchequer has to send to Brussels is much higher? Is it not around 12 to 15 per cent. before the rebate? Will he give the figure that it is before the rebate for 1986?

When does he expect to lay in the Vote Office a full memorandum on all these matters? When he does so, will he make sure that it includes figures comparable to those of the sixth report of the Scrutiny Committee HC 78-vi of 1983-84?

Mr. Brooke: The hon. Gentleman asked me about the 1·4 per cent. ceiling and the negotiation of the rebate. I expressed confidence on behalf of the Government that 1·4 per cent. will be sufficient to maintain the needs and expenditure of the Community, but it is the case that the Commission has a responsibility to bring forward an ex-novo review. It has said that it is likely to do that before the end of this year. That will be a matter for debate during 1987. I repeat that we cannot move from a 1·4 per cent. ceiling without the renegotiation of the United Kingdom abatement.

As to the hon. Gentleman's question about the VAT take, to use his phrase, I acknowledge that the amount that passes over before the abatement is higher. As to the question of comparable figures, we shall not manage to give them in the figures that go in the *Official Report* with the statement, but I shall do my best to make sure that they are made available.

Mr. Teddy Taylor (Southend, East): Does my hon. Friend's statement not confirm the fears expressed last year that the budgetary restraint agreement is just a sick joke? Would not directors of a public company who used the money entrusted to them in such a profligate fashion be put in prison? Is it the policy of Her Majesty's Government that this year's extraordinary overspend should be clawed back next year, as provided for specifically in the so-called binding agreement of December 1984? How on earth do my hon. Friend and his colleagues expect to avoid a major crisis in the 1987 budget?

Mr. Brooke: I appreciate that there may be disagreement between the Government and some of my hon. Friends on the precise significance of the exceptional fall in the dollar on agricultural prices, but it is a common cause among the members states involved in these matters in Brussels and Strasbourg that it is an exceptional issue.

My hon. Friend correctly referred to the Fontainebleau agreement. The United Kingdom abatement and the sureness of that instrument are as important an element in that agreement as is the reference to budget discipline. That instrument has remained wholly firm.

While every pressure is exercised on my colleagues in the Council of Agriculture Ministers to reduce their expenditure to compensate for rises elsewhere in the budget, it would be unreasonable to expect that in 1987 we shall be able to claw back the considerable extra expenditure that has flowed out as a result of the performance of the dollar.

Mr. J. Enoch Powell (South Down): Does the Minister of State recollect that at every stage in the process by which this House obtained control over taxation and thus over the government of the country it acted in excess of its then legal and constitutional powers? Is it not clear that, as was predictable and predicted, a directly elected assembly armed with the power to reject the budget and acting in collusion with the Commission will always be able to impose its will upon Her Majesty's Government and upon this House?

Mr. Brooke: The central issue in the court case that the Council of Ministers brought against the European Parliament for its actions last December was to establish beyond peradventure the principle that the Parliament could not exceed the powers available to it. I am delighted to say that in its judgment on July 3 the European Court of Justice entirely endorsed that view.

Mr. Nigel Forman (Carshalton and Wallington): I congratulate my hon. Friend on his efforts overnight. Could he put an exact figure on the net contribution now compared to the budgets last autumn? Secondly, can he say why the situation is allowed to persist where there is a large discrepancy between the commitments made in the Community budget and the payments? Surely the time is long overdue to bring those two elements firmly into line?

Mr. Brooke: In answer to my hon. Friend's first question, I have to tell him that the reduction in the United Kingdom's net contribution between the budgets of last autumn and the budget approved by the European Parliament yesterday is of the order of £250 million. My hon. Friend asked about commitments and payments. As I think I said in answer to an earlier question, significant progress has been made this year in getting away from what I shall call the easy cosmetics of either Parliament or Ministers voting for increases in commitment appropriations without providing any of the resources to discharge them. As a consequence of that, we have unused commitments overhanging the budget from year to year. If hon. Members look at the figure presented this year, they will see that there has been a most satisfactory redressing of that balance.

Mr. Ron Leighton (Newham, North-East): Will the Minister note that we are sick to death of this continual and increasing overspending in the EC? There is a lot of talk about financial discipline, but does he not realise that there is no financial discipline? There never was and any such formula as he had has completely collapsed. We have noted his weasel words in refusing to answer the question about whether he will come back for further money for the EC. He has also spoken about his so-called successes. We need successes like that like we need a hole in the head.

Mr. Brooke: I have to assume from the hon. Gentleman's last remark that he sides with the Members of the British Labour party who yesterday voted against that budget because they wished to see chaos in the affairs of the Community over the next three months.

Mr. Leighton: What have we got now?

Mr. Brooke: The hon. Gentleman's constituents may not be beneficiaries of some of the funds that flow from Brussels, but other hon. Members in the House would have seen that transfer of resources into their constituencies reduced if the Community had been put on a regime of provisional twelfths. I take the hon. Gentleman's point about overspending and draw to his attention the fact that my hon. Friend the Economic Secretary vividly made clear the Government's view that it would be much more desirable to have a margin in this budget below the 1·4 per cent. ceiling.

Mr. Richard Shepherd (Aldridge-Brownhills): Is it not the principle of the Government that supply and demand should determine prices? How can we constantly accommodate increases in agricultural expenditure without reference to world circumstances and costs, especially bearing in mind that the common agricultural policy now puts a burden of £8 to £9 a week on every family in Britain? That is regressive taxation of the worst sort. Will the Government now refer the CAP to the

[Mr. Richard Shepherd]

European Court as being in breach of the original treaty of Rome in that it does not serve the interests of the consumer?

Mr. Brooke: That seems in the first instance to be more precisely a question for my right hon. Friend the Minister of Agriculture, Fisheries and Food.

Mr. Nicholas Budgen (Wolverhampton, South-West): Is it true that the representatives of the other nation states are expressing increasing resentment at the prospect of the continuance of our abatement? Can my hon. Friend reassure the House that our abatement will continue for at least as long as the system of budgetary control?

Mr. Brooke: I can assure my hon. Friend that during the fairly prolonged deliberations in which I participated in Brussels and Strasbourg, except at the level of what I shall describe as marginal joviality, there was no suggestion by any of the member states, or indeed by the European Parliament, that our abatement should be interfered with.

Following are the figures:

1986 Community budget as adopted on 10 July: Main figures

	Commitment appropriations		*Payment appropriations*	
	mecu	*£ million*	*mecu*	*£ million*
Expenditure				
Agricultural guarantee	22,112	13,738	22,112	13,738
Agricultural guidance	884	549	785	488
Regional development fund	3,098	1,925	2,373	1,474
Social fund	2,290	1,423	2,533	1,574
Other non-obligatory	3,716	2,309	3,354	2,084
Other obligatory	2,146	1,333	2,211	1,374
Restitutions to Spain and Portugal	1,806	1,122	1,806	1,122
Total	36,052	22,398	35,174	21,853
Non-obligatory expenditure				
Total non-obligatory expenditure	9,500	5,902	8,536	5,303
Rates of increase on 1985 (maximum rate)	14·54 per cent.		39·18 per cent.	

	Mecu	*£ million*
Revenue and United Kingdom abatement		
Headroom within 1·4 per cent. VAT ceiling	0·63	0·39
United Kingdom's Fontainebleau abatement	1,900	1,180
VAT rates (per cent.):		
Member states other than Germany and United Kingdom	1·39996	
Germany	1·33697	
United Kingdom	0·67663	
Uniform	1·2505	

Notes:

1. £ figures have been calculated by converting ecu figures at the 1986 budget exchange rate of 1·6096 ecu to the £.

2. Because of rounding, component lines do not necessarily sum to totals.

Policing (London)

Question again proposed, That this House do now adjourn.

12.8 pm

Mr. William Shelton: I had been speaking about neighbourhood policing in Brixton and I said that it had two legs. One leg is the community police consultative committee, about which I spoke and about which other hon. Members have spoken. The other leg is a trial system that is taking place in Brixton, the establishment of four sector working parties over which the inspector responsible for each of the four areas in Brixton presides. The working parties have two meetings a month to which are invited on a permanent basis local business men, tenants' associations, church representatives, youth club leaders, schools and so on. They are like mini police-community consultative groups and are working well.

I said that I was optimistic at the way things are working out. I say that again because my optimism is based on the efforts of the police and the excellent backup that the police are receiving from the Government. Perhaps most important, there is increasing understanding and good will from the public about the role of the police. I hope that this will increase and prosper.

12.10 pm

Mr. Norman Atkinson (Tottenham): Time and again Government Members and the Home Secretary have spoken about events in Wapping as justification for the efforts and the reorganisation which the Home Secretary hopes to bring about within the Metropolitan police. A point often ignored about the Wapping situation is that the whole of it is premeditated. That point seems to be lost on Government Members. The development at Wapping was purposely designed by the management of News International. The character and position of the building was so designed, the defences and the barbed wire and all the things around the building and the armoured vehicles were all planned in the knowledge that the police would be doing what they are now doing at Wapping as soon as the building was occupied and newspapers began to be printed there. The whole thing was, in that sense, premeditated and we should not lose sight of that.

Another point to which Government Members referred two or three times was street politics. They talked about protesters taking to the streets and called upon the Labour party to use its influence to persuade organisations not to use the street for the purpose of protests. By their very nature, street protests take place because such groups are deliberately excluded from the decision-making process. Street protests then become part of the democratic network. Under certain circumstances, many of us may have reservations and some regrets, and I certainly reject violence as an integral part of street demonstrations—it has serious limitations and is counter-productive—but Conservative Members should recognise that street politics is a necessary part of the means whereby people participate in the democratic process.

Conservative Members talk about the cost of the police force. No Labour Member complains about that. Our complaint is about the lack of accountability. The police force happens to be one part of the public sector that has the least accountability. Indeed the methods used by the police are subject to less accountability than those of the

Army or the Ministry of Defence and all those other Departments which are subject to ministerial control. The Home Secretary and the Minister of State may have direct responsibility, together with the Receiver of the Metropolitan police, but their combined efforts amount to less accountability than the Ministry of Defence has over the Army; that is the basis of our complaint.

Conservative Members say that London has a great police force, and of course it has. But it also has the most expensive police force anywhere in the world. It now costs £1,000 million a year. If we add to that the cost of private police and private security in London, we must have the most expensive security system anywhere in the world. Some estimates have been made that security in London is topping £1,500 million a year and, looking at the cost of some of the private security systems, it may be much more than that.

I know no one in the Labour party who is anti-police. No one has made general criticisms that could be summarised as representing an anti-police view. Our overall belief is that the police force is as essential as the education system. It is as essential as any other part of local authority work. What we ask is that the police force be treated in the same way and be subject to the same accountability; the same process of democracy. We are not anti-police in any way.

Many comments have been made about Wapping and the two highest paid groups of workers in Britain. Fleet street is identified as one of the highest paid groups of employees anywhere in the country. But the police now top that and we make no complaint about that. The fact that a constable, with rent allowances, overtime and the other bits and pieces, is in the £20,000 a year bracket—more than that in some cases——

Mr. Ron Leighton (Newham, North-East): More than a Member of Parliament.

Mr. Atkinson: Yes, but Members of Parliament are underpaid.

We make no complaint about the police constable who earns about £20,000 a year. We make no complaint about police inspectors earning more than the average headmaster of a big comprehensive school. That is necessary. The fact that there are no dissenting voices on the Labour Benches will, I hope, prove to the Minister that that is the collective view of the Opposition.

We have had many reports, from White Papers to the recent plethora of reports from Scotland Yard, the Home Office, Lord Scarman and Lord Gifford. There is now a tendancy in the Government's reports towards militarisation of the police and about that we do complain. Jokes are made. It is said that the difference between the police and the armed forces is that the armed forces have fighter aircraft. That is the only piece of equipment that the police do not possess.

Mr. Leighton: They have helicopters.

Mr. Atkinson: They have helicopters, but they are not yet armed. They are fitted with lighting equipment with which they can illuminate whole areas at night and that will be part of their techniques. *[Interruption.]* But they do not quite have the fighter aircraft. None the less, there is a tendancy towards militarisation, and we have proof of that. The Minister shares the view, along with the Home Secretary and Sir Kenneth Newman, that in London there should be a force of about 7,000 officers who are at all times ready and on call for public disorder that may break out anywhere and that they should be sufficiently mobile to be moved about. In other words, there is a desire to emulate what happens in France, whose police reserve is highly militarised. That is the idea that is now coming through in all the reports and papers and it reflects the thinking in the leadership of the Metropolitan police.

I hope that that will not proceed. I hope that the Minister of State and the Home Secretary will resist that and that the Government will not go in that direction, but rather that they will start to look at other methods. I hope that they will not see it as their most essential work. Public disorder is not the first priority for the police. Therefore, the strategy should not be based upon the need to deal with occasions of public disorder. That should be low in their priorities.

The Government complain that local authorities in London with Labour majorities do not participate in consultative committees. But the police do not participate in local authority sub-committees. They refuse to do so. In fact, the Home Secretary's recommendation is to dissuade the police from participating in any discussions which are organised by police sub-committees set up by local authorities. There is a two-way negative attitude.

The only point that I make about that is that consultative committees and local authority police sub-committees have an entirely different function which has little to do with good relations, as the Home Secretary and the Minister claim. Their contribution towards better relationships with the police is evidenced by their statutory obligations on consultative committees and their willingness to encourage participation. Good public relations are not about that. Confidence is built by the practice on the ground. It is not possible to translate the work of consultative committees, or any committee for that matter, into better public relations. That job must of necessity be done by the police through their practices and behaviour when dealing with the public. That is the basis of the relationship and there are no short cuts.

I welcome the recognition that is now beginning to be seen, that racialism in the police must once and for all be ended. Efforts are being made, in the management of the police and in the force itself, to start to eradicate that aspect that has bedevilled their work for so long.

I should like perhaps to correct a few misunderstandings about public relations as they affect Tottenham, and Broadwater Farm. I can remember when Broadwater Farm was a green site. I and others in London then made the mistake of talking about the need to provide, above all, accommodation. At the time, not many years ago 24 per cent. of families in Tottenham lived in appalling housing conditions and would have to go through someone else's accommodation to reach the lavatory. I then said that our most important priority should be to build accommodation that had hot water and decent toilet and bathroom facilities. I also believed that people should have their own front doors. We set about that job, and Broadwater Farm was a latter-day part of that whole process of high-rise developments and deck-access planning.

Whether it is the Scarman or Gifford report, or any other, reports seem to feed off one another. For example, I do not recognise the place that I know from some of the stuff that has been written about it. Broadwater Farm is below the level of the roads round the estate. Therefore, those who say that burning vehicles and so on were rolled

[Mr. Atkinson]

into the police have got their facts wrong, because they would have had to be pushed pretty hard up inclines. As I understand the theory of motion, things do not roll uphill, yet that is what is implied in some of the reports.

It is important to recognise that Broadwater Farm was deliberately designed as a self-contained community. However, it has since been described as some sort of Fagin's kitchen or snake pit that attracts all the undesirable elements, particularly from among the black community. It so happens that, because of the very nature of events in Tottenham, a large proportion of the tenants are black. Young people from the area go there to meet their friends, because it a natural meeting place. It was designed as a centre for the community. Moreover, between 50 and 60 per cent. of our young black people are unemployed, and so black youngsters tend to gravitate quite naturally towards that communal centre.

Sociologists develop all sorts of complicated theories, but the simple answer is that those young people are looking for some sort of community, and tend to gravitate towards Broadwater Farm. I hope that I have put an end to that nonsense of it being some sort of Fagin's kitchen. It is a natural meeting place, and that is why some of these things have happened.

We have all read some of the highly inaccurate and dramatised reports. Indeed, the day before yesterday, I met some Americans who said that Broadwater Farm was probably more widely known throughout the world than the problems of Harlem or of the east side of New York. It has probably received more publicity than other areas with problems, such as Hong Kong. We have had clichés by the bucketful about it.

The behaviour of the police has led to hostility between young black people and the police. The whole idea of stop and search was based on the perhaps inherent thinking of the police. I am generalising, but the police and other sections of our society tend to see black people as lesser mortals. The police like to demonstrate their superiority, so that they can exercise their authority and control over a community. That is the reason for much of the behaviour in question. The police seem to believe that the best policing can be achieved by humiliating sections of the community. Stop and search goes on on a massive scale in north London and it is a humiliating business.

In public places and on crowded thoroughfares, young people are asked to put their hands against the wall, and are then searched and subjected to the most humiliating performance. That naturally leads to hostility, especially when young black people know that it is they who will be subjected to it, and that the chance of it happening to young white people is almost non-existent.

I should like the House to understand the whole business of stop and search, and the blanket campaign of house searching. Nowhere else would the police practise the blanket searching of homes, on an almost house-to-house basis. They turn places upside down. Sometimes they smash down the door and sometimes they use a key. Sometimes they knock and ask permission to enter. But they ignore the normal decencies.

Stop and search is deliberately humiliating, but the disadvantages resulting from those house searches are far more damaging than any benefits that may accrue to the police. That is the balance that must be considered. I appeal to the Minister to tell Scotland Yard's management that house searching and stop and search are the most damaging aspects of police activity. If the police want decent public relations, they should only use these methods as a last resort. Everything else must first be tried. The police should not just go trawling for information by searching through private possessions, turning over the most personal of belongings, and damaging stuff without any apology. By doing that, they are seriously damaging public relations. Such methods should be the last resort of the police. Nothing will improve until the police understand the consequences of their actions.

That is the backdrop to the relationship between young black people and the police. The benefits of house-to-house searching and the stopping and searching of young blacks is limited. The humiliating practices that are used by the police produce sullen animosity among young black people, and make it impossible for the police to be helped by the community. The Home Secretary has revealed his innermost thoughts about police recruitment — he has spoken of the difficulties to complete ethnic recruitment that would produce a balanced force in London numbers —and he knows what the position is.

Many supporters of the Government use the term "dropouts" when talking about young black people. These people are throwouts. They are certainly not dropouts. Society has rejected them; they have not rejected society. The Government have no right to talk about young black people being drop-outs. These are matters that we must understand if we are to overcome the resentment that produces hostility between black people and the police. We shall make progress in the building of confidence only if we understand the social implications.

The police must understand that it is their behaviour which prevents progress being made in the establishment of confidence. That is the lesson of Broadwater Farm. I hope that we shall put recent events behind us and return to some state of normality in the area. It is only the Minister of State who can ensure that that happens. He must sent the message down the line that we want a return to normality. The Tottenham people will respond because they want good policing. Like all others, they want the support of the police force. They suffer the same problems as anyone else and they will respond if normality returns to the area and the vanloads of policemen are taken away from the peripheral parts of the estate so that they are not seen to be present day in and day out, watching the estate for hours on end. If normality returns, the Minister will see the community's response.

Let us have some confidence in the community, and then let us expect the community to have some confidence in the police. The progress can begin if we learn the real lessons of the relationship between the community and the police, and understand the factors that led to everything going wrong. We could talk for a long time about some of the problems that have been set out in various reports. We have had the Scarman and Gifford reports, as well as the reports that the police have produced. The Metropolitan police must rid themselves of the fixed idea that law and order is exclusively dealing with public disorder. It is about a very different police relationship which is uppermost in the minds of the people. If that can be understood, we shall make some progress.

Several Hon. Members *rose*——

Mr. Deputy Speaker (Mr. Ernest Armstrong): I should remind the House that only two hours remain and more

than a dozen Back Benchers wish to catch my eye as well as those on the two Front Benches who will wish to reply to the debate.

12.34 pm

Sir Philip Goodhart (Beckenham): On Wednesday there was a large advertisement in the *London Standard* seeking to attract recruits for London's 28 Territorial Army units. The advertisement reminded potential recruits that if they joined one of the 28 units they would have a clear and definite role in Britain's defence strategy. They were reminded also that the starting pay for a part-time recruit in London's TA would be £850 a year. I am not surprised that recruits are flocking to join London's 28 TA units, and that overall strength now stands at more than 10,000 men and women.

Compare that with the sorry state of the Metropolitan Special Constabulary, as recorded on page 26 of the Commissioner's admirable report. The strength of London's TA is 10,000 and growing but the special constabulary has a mere 1,560 officers, and is shrinking. Why should the disparity be so great? The Territorial Army and the special constabulary are looking for the same sort of fit, intelligent, and public-spirited young person who wants something more than a quiet life. The Territorial Army's role with the British Army of the Rhine is important, but helping to deter crime and protect our neighbours is also important.

It is discouraging that the decrease occurs at a time when we have a commissioner who is exceptionally keen on community involvement. He has set up a plethora of consultative panels and advisory groups. The development of neighbourhood watch schemes is beginning to make a real contribution. In my area, in 1985, home burglaries decreased by 22 per cent. If special constables are to languish under Sir Kenneth Newman's regime, something must be wrong.

We could use six times as many special constables in London as there are at present. If it is right to have 10,000 reserve soldiers in London, it makes even more sense to have more than 10,000 reserve policemen. It is clear that, under the present regime, we have no chance of getting them. I ask the Home Secretary to set up a wide-ranging review into the special constabulary in London and throughout the country. The structure, remuneration and role of the special constabulary is not right. If the Home Secretary will not introduce such an inquiry, I hope that the Select Committee on Home Affairs will take up the matter.

It is worth remembering that the special constabulary provides important links with the ethnic community. The commissioner's report reminds us that 7·5 per cent. of the London Special Constabulary is drawn from Afro-West Indian and Asian communities—a far higher proportion than in the regular force.

After the riots in Tottenham and Brixton, the doctrines associated with the name of Lord Scarman have come under critical scrutiny. If there has to be a clash between the softly, softly approach and those who would carry a big stick, I must side unreservedly with those who are in favour of introducing the longer baton. However, longer batons and better shields are not the complete solution to the policing problem. There must be every sort of contact —official and unofficial, orthodox and unorthodox— between the Metropolitan police and the West Indian community. I believe that the specials have an important role to play in this.

Appendix 5XV lists the honours and awards given to the Metropolitan police during 1985. I note with pleasure, and some surprise, that the commissioner has become a Grand Officer of the Order of the Lion of Malawi. There are eight Queen's medals for distinguished service. There are, very properly, six awards of the Victorian order or medal for personal service to the royal family. Last year, officers of the Metropolitan police received one CBE, two OBEs, three MBEs and 14 British Empire medals. An ordinary Civil Service Department, such as the Ministry of Agriculture, Fisheries and Food, would consider that a pretty poor crop of honours in a wet year; yet we expect much more from our police force than our ordinary Civil Service. The police deserve our support and more public recognition.

12.40 pm

Mr. Chris Smith (Islington, South and Finsbury): The debate takes place against a background of far too high a level of crime, burglary, vandalism, robbery and assault in the metropolitan area. Although in my area of Islington there was a small reduction in reported crime in 1985, it was too small and came too late. That reduction is set against a continuing increase in other forms of crime and the fears of many people, especially in inner London.

Appendix 2 to the recently published report of the Comptroller and Auditor General on the financial control and accountability of the Metropolitan police contains a remarkable and extremely worrying breakdown of police time. A staggering 33 per cent. of police time appears to be spent off duty on annual and weekly leave, time off, bank holidays, and so on. Although police officers are clearly entitled to proper holidays and leave entitlement, 33 per cent. of their duty time is a staggering, inexplicable percentage.

It is especially worrying when compared with the proportion of time spent on street duties, which include not only foot patrols and home beats but car beats. Street duties take up only 29 per cent. of the time of police constables, which is far too low a percentage. The most important job that a police constable can possibly do is patrolling the streets on foot in uniform, making many London residents feel more secure, safer and less fearful about the level of crime. The police should be doing that. I am concerned that the figures in the report do not give us much confidence that those tasks are a major priority in the police force.

Good policing depends on the police not only being visible on our streets and estates but having the confidence of the community which they are there to serve. The present lack of accountability and democracy in the control of the Metropolitan police is of great concern. I serve with pleasure and pride on the Islington police consultative committee, as do members of the local authority. That forum enables a discussion, which is often useful, to take place with the police. It is no substitute for the sort of democratic control which ought to be exercised over the general policing priorities of London. That is not available to the people of London at the moment other than in a hasty and rushed debate of this kind in the House, which really offers no genuine control or accountability.

[Mr. Chris Smith]

It is not only on that wider level that accountability is required; it is on a much smaller scale as well. An estate in my constituency, the Barnsbury estate, had for many years been subject to a lot of vandalism, a number of teenage gangs roaming the estate and a fear of crime among the tenants. Because of an initiative from the tenants themselves, they sat down, with local beat officers, the local police commander and representatives of the local council, and together they decided on the policing priorities for the area and on measures to improve crime prevention on the estate.

The result has been remarkable. People feel much safer on the Barnsbury estate than they did, not just because of the policing measures that have been undertaken, but because they feel that they have some degree of say in how their estate is being policed through the close consultation that is taking place. If that sort of consultation and democratic participation can happen on a small scale at estate level, surely it is a principle which can be expanded to cover wide communities. The Commissioner said, in a letter to *The Guardian* yesterday, how much importance he attributed to consultation, public involvement and the involvement of residents in the policing of their area. I am pleased that he pays tribute to that principle. I only wish that we saw a lot more of it in the structure of the Metropolitan police as a whole and on the streets at neighbourhood and estate level.

Part of the confidence which is necessary between a police force and the residents that it serves is a feeling that when things go wrong complaints can efficiently and effectively be sorted out. The House will recall that earlier this year there was considerable publicity about a particular incident in 1983 when five youngsters, my constituents, were assaulted as they were coming home near the Holloway road from a summer fair. I am pleased to note that progress is now being made in following up that incident. Committal proceedings of five officers of the Metropolitan police were held last week on that matter. I cannot comment further because of the sub judice rules of the House, but there is an important point to be made. I deeply regret that it was necessary to raise such an enormous public fuss before the matter was properly, effectively and efficiently investigated.

Mr. Ian Mikardo (Bow and Popular): It is regrettable that there was need for such a fuss not only before the matter was investigated, but before the police could be induced to drop their deliberate cover-up of the offenders and their refusal to make known what they knew about the identity of the offenders.

Mr. Smith: I am grateful to my hon. Friend because that is the point I was about to make.

One of the major problems with the present system of investigating complaints about the conduct of police officers is that the body which does the investigating, not the body that decides to launch the investigation—the Police Complaints Authority — is almost entirely composed of serving police officers. Until we have a completely independent police complaints procedure the public will be badly served. They will have less confidence than they should about whether genuine complaints about particular activities of particular police officers will be properly and fully followed up.

There is one even more general point to be made. Far and away the best service that can be done for the people of London in the issues of crime and law and order is to improve dramatically the provision of crime prevention. The balance of priorities that the Government have had in that respect over the past six years makes grim reading. The forces of control—the police, the courts, and the mopping-up operation after the crime has occurred—have devoted an increase in funding of about 30 per cent. or 35 per cent. in real terms to those operations. What has happened to the forces of prevention—the provision of good housing and better lit streets, and safer estates, with entryphones, better design, new housing and safer doors? Those are the things that people desperately want, to prevent crime in their areas.

Provision for housing expenditure by local authorities has been cut by 70 per cent. in real terms in the past five years. That is the sort of priority that the Government attach to crime prevention. No amount of seminars at 10 Downing street with the Prime Minister, a few fiddles on insurance polices and perhaps a new lock for car doors, no amount of such discussion on the margin, will make a real difference to the realities of the lack of crime prevention policy under this Government. It is the basic issues of housing, street lighting, safe streets and neighbourhoods that people are desperately concerned about in London. I fear that they are not getting those things from the Government.

12.51 pm

Mr. Nigel Forman (Carshalton and Wallington): I intend to make a brief speech because I regret that I shall not be able to stay for the duration of the debate, owing to a prior engagement.

The Commissioner of Police of the Metropolis and all his senior officers have been doing a good job over the recent period covered in the report against the background of a difficult situation. We should pay tribute to them. The force goal set by the Commissioner for 1986-88 seems to be about right, and has the balance about right. The Commissioner was correct to say that a high priority should be given to the reduction of criminal opportunities via crime prevention of the sort mentioned by the hon. Member for Islington, South and Finsbury (Mr. Smith), via public involvement, and via the neighbourhood watch schemes, of which there are an agreeably large number in my area of Wallington.

All the points that have been made about the importance of street patrols need to be underlined, as they were in paragraph 40 of the Commissioner's report. They are demonstrably a good way of allaying public fear, and public fear lies at the heart of the general unease about law and order.

The Commissioner was right to stress the priority to be given to the detection of specified offences. That is necessary, because it is one of the most cost-effective ways of deploying the police service, which will never be adequately staffed for all the tasks placed on it. The more minor but all too frequent offence of criminal damage needs to be given higher priority than is sometimes the case. I know that sometimes it is not as dramatic or traumatic as grievous offences such as those connected with robbery, murder, homicide and so on. None the less, it is a matter of considerable concern to constituents. It is worth paying increased attention to that.

From a cost-effective point of view, the evidence suggests that, in places where the police concentrate on organised crime, they can make a dramatic difference to the figures. It has been drawn to my attention by senior police officers that, for example, by concentrating on one criminal firm and eventually managing, through a process of enhanced detection and effort, to nail that firm, one sees the result in a fall, which is sometimes dramatic, in offences in that category in the subsequent period. If we measure such things in terms of clear-up rates and numbers of offences, we see that a concentration of resources on organised crime is absolutely necessary.

Thirdly, and more importantly, the force must use the manpower and resources at its disposal to the maximum efficiency. I should like the Metropolitan police to reach their full establishment because it is still slightly below the agreed level.

The problems of policing the capital were well set out in paragraph 58 of the Commissioner's report. Not enough police are allocated to cover the various aspects of policing in London to give the public confidence. I think of the rising crime figures and just as much of the factors which we have already covered by our debate, such as public disorder and time off for in-service training. That is vital as the needs change. I think also of the problems caused by sick leave. The figures for sick leave and holidays are remarkable.

We should lay greater stress on the deployment of police officers on street duty. We should make a determined effort to push up the proportion of on-duty officers engaged in such tasks so that the public feel reassured and so that the police achieve more effective results.

There is no doubt that a contribution can be made to the better use of resources by continuing civilianisation and, at the margin, by competitive tendering and by contracting out some services.

Huge problems remain for the Metropolitan police because of the cash limits system—I am tempted to say, the "quaint" cash limits system — and annuality. Recently, police pay was negotiated and a 7·5 per cent. increase was settled. At that time, the Treasury was set on a limit of 4 per cent. A total of 80 per cent. of Metropolitan police costs is for manpower. That causes enormous problems, even with maximum efficiency within the police service.

An illustration can be given of the difficulties caused by the Treasury's inflexible approach. Vital support can be given to officers in uniform by the professional, technical and scientific grades in the police service. They are caught in arrangements which do not allow the police service to bid differentially for such services, so people are lost to the service or are not attracted to it in sufficient numbers. That was made clear in a report published as long ago as 1984. The Home Office would do well to consider what can be done to rectify that.

My constituency falls within the Epsom police division. I pay tribute to the local divisional report by Chief Superintendent Sellar and his colleagues. They are right to give priority to better police intelligence and information. They could be helped by the use of a microcomputer and it is hoped to install that device in the near future.

Hon. Members on both sides of the House will agree that crime prevention is of major importance. The neighbourhood watch schemes have an important role. In my area, such schemes increased from six in April 1984 to 86 in December 1985.

A greater effort is needed to combat the drug menace. It is disturbing to discover that the drug menace is not confined to the core of the inner city. One might have associated it with Piccadilly circus, but it is spreading alarmingly to the suburbs. The police are right to give it high priority. The problem must be dealt with not only in an enforcement context, but in an educational context. Advertising must be frank and straightforward and the publicity material in schools, pubs and clubs must be effective.

My final point on the divisional report is the great need for the police to be seen to be responding to the public's topical concerns. The public may not always be concerned about the same things as the gurus at Scotland Yard. Therefore, it is important for the latter to remember that. It is interesting that some of the matters that worry my constituents most are not the most serious crimes and, happily, not those reflected most in the criminal figures. They include vandalism, hooliganism and the alarming truancy rates in our inner cities, which in the worst cases are running at 30 per cent. or more. They worry about matters as prosaic as dangerous illegal parking. I hope that senior police officers will give sufficient attention to those matters which cause disproportionate concern to ordinary people.

The Government's approach in this important area must be firmly based on three priorities: on providing resources for more police, which is still necessary in the Metropolitan police force; to provide political support for more effective policing of the sort that I mentioned; and on providing the appropriate legislative framework—I have not had time to develop this today—to give the courts a range of judicial penalties for the convicted. In that context, I look forward to the Government's next instalment of criminal justice legislation which was foreshadowed in the recent White Paper.

1.1 pm

Mr. Ian Mikardo (Bow and Poplar) I shall comment in a moment on something said earlier by the hon. Member for Carshalton and Wallington (Mr. Forman).

The Home Secretary, in an opening speech made in his usual laid-back style, did not get the balance right between concern and complacency. It was a little silly of him to say that Londoners are better off than the people of New York. That is rather like saying that we should not worry about the fact that we have malaria, because we have not got AIDS. The traditions, the mode of life and the availability of firearms makes the problem in New York very different from that in London. New York is the only city in the world where a bank robber is likely to be mugged on the way to his getaway car. Its circumstances are different from those in London.

During his weighty speech, my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) contended that we are not using the Metropolitan police to the best possible effect because the Commissioner has not got right the relative priorities of the prevention and detection of crime and the use of the police in respect of public order. When my right hon. Friend said that, the hon. Member for Carshalton and Wallington intervened to say that the Commissioner is bound to provide police

[Mr. Ian Mikardo]

officers for that purpose. My right hon. Friend queried that and asked whether we should reconsider the proposition, instead of taking it for granted.

I can illustrate that point by recounting what I witnessed. It is topical, because it happened less than 24 hours ago. At two o'clock yesterday afternoon, I went to a green near the London hospital, Mile End, where there was an assembly—a not very large demonstration—in support of the gynaecologist Wendy Savage, about whom we have all read in the past day or two. On that green there were no more than a dozen or so men, but 200 or 300 women, a large proportion of whom were pushing baby buggies with small children in them. There were about 100 other walking children. Round the green were some senior police officers, several police officers on motor cycles and two coaches full of police officers.

Mr. Corbyn: Was there a helicopter as well?

Mr. Mikardo: No, there was no helicopter, but just down the road there was a riot control vehicle. I looked at these women with their little kids and then went to the officer in charge and said, "I don't think you've got enough of a police presence to deal with this dangerous mob and all the highly armed thugs that I see before me." He said, "Well, I've got 38 officers and I am deploying only 15 of them." However, I counted them and there were more police officers there than that.

So off we set. When we arrived at the London hospital, Whitechapel, which was the destination of those who were to hand in the letter, I left the march and stood on the pavement — I say this in all friendliness, not in a contumacious spirit; the hon. Member for Carshalton and Wallington could have been there—and all these people, nearly all of whom were women, went by carrying their home-made, handwritten placards.

Right at the end of the march there was a particular group of women who had been patients of Wendy Savage. She had delivered their babies. This fairly large group of women were pushing baby buggies with the aforesaid babies in them and immediately behind them, at the end of the procession, came a coachful of police officers. To my knowledge, the police officers had been sitting in that coach for several hours and had never left it.

Does the Minister of State think that that is an efficient use of police manpower? It might be a good way of providing a little overtime money for them. They all became used to earning a lot of overtime money during the miners' strike and they have to keep up with mortgages and all the rest of it. But does that not illustrate, in the clearest possible terms, the point that was made by my right hon. Friend the Member for Gorton — that the Commissioner and, I fear, Home Office Ministers have become—I hope that I do not do them an injustice—overwhelmingly obsessed by public order considerations. To a grossly undue extent, police manpower is being diverted to public order considerations and away from crime prevention and the identification of criminals.

I am sure that the Minister of State agrees that it has now become a truism that by themselves the police cannot prevent crime and bring criminals to justice. The Home Secretary referred to the help that the police receive from a number of organisations and voluntary agencies, but they need help from every citizen. They will be unable to clear up the crime wave unless they receive the full co-operation of all people. They will not receive it if people laugh at them. Opposite Whitechapel station yesterday afternoon a crowd of people were standing on the pavement and they were laughing their heads off at the spectacle of two coachloads of police following a lot of women with babies. Public confidence in the police is destroyed by a spectacle of that kind.

In particular, the confidence of the ethnic minorities in the police is low, and it is very sad that that should be so. Reference has been made to racist incidents and racist attacks. I agree that the definition that has been laid down and that was quoted by the Home Secretary is valuable and helpful, but the Minister of State knows, as I know only too well, that the number of racist incidents that are reported to the police is only the tip of the iceberg. A couple of dozen racist incidents a month are reported to the police in the London borough of Tower Hamlets. Hundreds more occur.

When one tries to find out why people do not report incidents to the police, one gets the answer—not only from black but from white people—"What is the point of reporting them to the police? They will not do anything about them anyway." I have evidence that that is not always true, but it is true often enough to create that impression in the minds of people, and to undermine the confidence of people in the police, and so in their eagerness to co-operate with the police that is so necessary if we are to get things improved.

I have been trying hard to do something about this. In Tower Hamlets, we have started a panel of representative people, of which I am the chairman, which meets every month and gets a list of racist incidents that have been reported to the police and information about what the police have done about it. We want it to get around the borough that people should report incidents to the police, because if they do, an independent panel is monitoring what action the police take, so that it cannot be said in the case of those incidents that are reported that nothing is done about them.

Unfortunately, this is very heavy going. It is hard to convince people that this is not merely a whitewashing exercise. I have been accused of running it as an exercise in whitewash, so deep is the gulf—we have to face it because it is a great problem for all of us—between the public and the police.

I agree with my hon. Friend the Member for Islington, South and Finsbury, (Mr. Smith) that we need a number of improvements to bridge that gulf. I put it to the last Home Secretary but two and to the Commissioner—they did not dispute it—that the great problem of the racist attitude of the Metropolitan police—I pay tribute to the fact that at the top and medium levels great efforts are being made to improve the situation—is not the odd policeman who talks about "nig-nogs" and looks upon them as lesser breeds without the law. Such a policeman is not a big problem. He is nasty, and gets up people's snouts. The big problem is that right through almost the whole of the force there is not the same commitment to protecting the interests of black people as there is to protecting the interests of white people.

As evidence of that, there are many more police recommendations to the victims of crime to take a private prosecution when the victims are black than when they are white. When the victim is black, the police try as hard as possible not to institute prosecutions themselves and to get

the individual to do so. In some cases that is justified, but we still have to reflect on why it should be justified in all cases where the victim is black. I do not think that it can be.

My hon. Friend the Member for Islington, South and Finsbury was right to say that there are two other elements at which we need to look if we are to increase public confidence in the police. The first is accountability; I agree with every word that he said about that. The second, with which I also agree, is that complaints against the police must be investigated independently. The present situation is a charade. I have a lot of hard evidence on this—I am not speaking on a hunch. I deliberately laid a complaint at the treatment that I received when I was arrested during the last general election campaign.

I have established a number of facts. First of all, at any point in the police complaints procedure at which there is a conflict of evidence between a civilian and a police officer, the Police Complaints Authority will always accepts as gospel the evidence given by the police officer. Second, the Police Complaints Authority will sometimes reach a conclusion on the basis of evidence that has not been disclosed to the complainant. The complainant has no opportunity to challenge its accuracy. Sometimes even the identity of the witness is not disclosed to the complainant. What sort of investigation is that? A third fact is that what my hon. Friend the Member for Tottenham (Mr. Atkinson) called humiliating treatment by police of civilians is altogether ignored by the authority.

By way of a small personal note, I shall describe something that happened to me when I was arrested. I was in Bow road police station waiting to be transferred to Limehouse police station and I was in a room in which people who have been arrested are placed while waiting to be dealt with. In the room there was a long wooden bench which was narrow and hard. After I had sat on it for about 20 minutes, I got up to stretch my legs and to ease the pain on my bottom. The police officer in charge said, "Sit down." I said, "Why? Am I not allowed to stand?" He said, "No," and I said, "Why not?" He said, "Because I say so." I can understand that sort of thing happening in Moscow or in Santiago de Chile, or in Istanbul, which are in police states, but it should not happen here.

Mr. Tony Banks: It happens in this place. It sounds like Mr. Speaker.

Mr. Mikardo: That officer was not a junior, yet he had no concept at all that he ought to have some sort of decent relationship with civilians. He certainly did not appreciate that his wages are paid by the public and that he was serving the people of his area. In his view, he was their boss and they had to do things because he said so.

If we are to create confidence we must get rid of that sort of attitude. We will not get rid of it until people know that, if they make a complaint, it will not be investigated by somebody whose first instinct is to whitewash a fellow officer.

The things I have spoken about are necessary to create confidence. This debate is useful and hon. Members have dealt with the subject in a practical way. I hope that the debate will make a contribution to creating that confidence.

1.18 pm

Mr. Toby Jessel (Twickenham): I see that several right hon. and hon. Members are still trying to catch your eye, Mr. Deputy Speaker, because they want to speak in this debate. Because of the rather limited time available, I hope that the hon. Member for Bow and Poplar (Mr. Mikardo) will forgive me if I do not deal fully with all his points. His somewhat anecdotal account of what occurred in the police station is not typical. Certainly my constituents seldom complain to me about discourteous treatment in police stations.

Several hon. Members have spoken about the need to support the work of the Metropolitan police, and I am sure that that sentiment reflects the public will, because the police are there primarily to protect the public from the consequences of serious and major crime, especially crimes of violence such as murder, rape and manslaughter, and armed robbery with violence. The police also have to deal with traffic and drug offences and all other types of serious crime.

If the House means business on the support of the police, it must support the proposal of my right hon. Friend the Home Secretary, which he announced on Wednesday, to end the peremptory challenges of jurors in Crown courts. The work of the Metropolitan police in bringing major criminals to book is hampered and undermined since trial by jury in Crown courts is being systematically distorted, especially in multiple trials, by defence counsel leading to far too many acquittals of defendants who should be convicted. That relates directly to the role of the police in seeking to deal with major crime. It was clear on Wednesday that the House was divided on it. The need for action is misunderstood and it must be explained.

My right hon. Friend the Home Secretary said that the selection of jurors was supposed to be based on random selection, but the systematic use of peremptory challenge distorts that and has the opposite effect. In Crown courts, each defendant can challenge three jurors without giving any reason. That is called the right to peremptory challenge. Thus, in a multiple trial with four defendants there can be 12 challenges and, with eight defendants, 24 challenges. Several defence counsel working together or independently can continue to challenge and remove jurors until they obtain a jury which is broadly to their liking.

What is now going on makes a mockery of the concept of a fair trial in a Crown court. Juries are supposed to be selected purely at random. Historically, the right to peremptory challenge exists to remove a bias on the part of an individual juror, It now does the opposite. It is being used to introduce a bias: a bias towards acquittal which is a distortion of the legal process.

The Times, in a leading article last June, said:

"A pin-striped suit, an old school or regimental tie, a prominantly displayed copy of the Daily Telegraph seem to provide a virtual guarantee that the bearer will be excluded from the jury".

Today, peremptory challenge seems to be used by defence counsel in an endeavour to achieve, as far as possible, a jury composed of people believed by the defence to be likely to be hostile to the prosecution and sympathetic to the defendant. The article concluded:

"the right to peremptory challenge . . . ought now to be abolished."

That is a view endorsed by Lord Denning in his book, "What Next in the Law", when he wrote:

"What is the justification today of the right of the accused to 'peremptory' challenges? Should we any longer permit the accused to exclude a juror simply because of his looks?"

[Mr. Toby Jessel]

He also wrote:

"It is now becoming apparent that the accused, by using the 'peremptory' challenge, may seek to 'pack' the jury-box with jurors who are sympathetic to his side."

It is equally wrong whether the juror is wearing a regimental tie, or has red hair or a black face to exclude him simply because of his appearance. It is a complete and absolute nonsense and it is right to stop it.

It is well known that in the Ponting case three jurors were removed by peremptory challenge and in the Cyprus secrets trial 12 jurors were removed by peremptory challenge. That must have been done by defence counsel in an endeavour to influence the outcome of the case. Otherwise, why should they have sought to do it? It is highly likely that, in some of those cases, it did influence the outcome. Therefore, my right hon. Friend the Home Secretary should be warmly supported.

1.24 pm

Mr. John Fraser (Norwood): I promised my hon. Friend the Member for Vauxhall (Mr. Holland) that I would say how sorry he is to miss the debate. Unfortunately, he is in hospital.

My right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) spoke about the Police and Criminal Evidence Act. I should like to touch on what happens in police stations under the custody arrangements and the 24-hour duty solicitor scheme. I have no doubt that the provisions of that Act in that regard, along with the attendance of a solicitor at the police station, have had a fairly dramatic effect on how people are treated in custody.

Despite what we may say about that Act, there seems little doubt that that arrangement will be changed. There is now a degree of professionalism in the custody of prisoners that was unknown before. There is a clear line of responsibility. I accept that the well-trained senior officers come under pressure when there are mass arrests, but probably as a result of those arrangements some people will now be acquitted or not even charged even though they might have been convicted before. Equally, there is much less likelihood of confessions being challenged, because arrangements are now much more professional.

However, the new arrangements mean that some police officers are more involved in the judicial process than in law enforcement and detection. The Home Office should recognise that that puts an additional strain on police manpower. Those engaged in the arrangements resulting from the Police and Criminal Evidence Act should be replaced by policemen who can go on the beat.

The recruitment of black police officers has been a constant theme since I have been a Member of Parliament. I have no doubt that London's police force would be richer and more effective, and would receive more co-operation and support from the public, if it contained more black and ethnic minority members. I shall give a simple illustration. Someone going to see the ballet "Giselle" at the Colosseum would find that most of the audience was white. Someone going to see a performance of "Giselle" put on by the Dance Theatre of Harlem would find that a large proportion of the audience was black. There is only one distinction to be drawn between the performances, and that is that one is performed almost entirely by black dancers while the other is performed almost entirely by white dancers. However, that makes an enormous difference to those who attend and support those performances.

That is a simple illustration of how people identify with the colour of those engaged in a particular service or activity. I very much welcome the efforts that have been made in Brixton by our community liaison officer, Mr. Buchan, and his assistant Mr. Crowe. They have a personalised and intimate method of recruiting black officers, and work very hard at it. I very much welcome their work, although I do not think that it would be helpful to outline what they are doing in detail. Nevertheless, I am sure that everybody would support them. After all, it would be foolish to underestimate the hostility and distrust that still exist among members of the black community of all ages. Only last night, someone said to me, "They didn't want us in the 1960s, but now they are looking for us in the 1980s." The backlog of distrust and hostility should not be underestimated, and I very much welcome the efforts that are being made in that respect.

Last September, there was a riot in Brixton. I shall not say much about it, as I spoke in the debate on it last October. But we recovered from it at a remarkable speed. That speed of recovery is a tribute to the efforts that have been made to obtain more communication and liaison between the police and the community. We should put our money and effort into that. If one person had been killed by a plastic bullet during that riot, it would not have been possible to make the speedy recovery. If the police have to claim superiority in arms and weapons, they have lost the battle.

I went to Brixton police station a couple of days ago. I visit it regularly to learn what is happening and to update myself. As the hon. Member for Streatham (Mr. Shelton) said, 11 teams of police officers are working on nine murders, one shooting and one multiple rape. Within the past few weeks four old-age pensioners have been strangled or otherwise killed in their own homes. One of them was a prominent member of a tennis association in my own constituency.

Within the comparatively small area that is covered by the Brixton division—I have the maps and the figures—it is not unusual to find 500 or 600 robberies in one quarter of one division of my constituency, or to find vehicle crimes rising to 1,500 a year in one quarter of a division. Burglaries are running at about 1,000 in one quarter of a division. The crime figures for the first quarter of the year show that in Lambeth we have the highest level of crime anywhere in London apart from Westminster, where there is a high level of theft in the west end. These crimes are committed largely against poor people, vulnerable people and those who generally are least able to defend themselves.

Everyone has a responsibility, whether as a Member for Parliament, a trade unionist, a councillor or in any other capacity, to defend the civil rights of others not to be assaulted, robbed or murdered, and to play as constructive a part as he can in the battle to preserve people's rights. That does not mean uncritical support for the police. Of course, what is regarded as criticism in one area is often regarded in another as a constructive contribution to the debate on policing. Accountability is important but it is not a substitute for consultation. Neither accountability nor consultation is a substitute for responsibility.

The police manpower that Brixton has been supplied with is inadequate to cope with the task in hand. If manpower is measured against the level of crime instead of population, it is at far too low a level in Brixton. About four times as many crimes take place in Lambeth than in Sutton, yet the distrbution of manpower between the two districts is not substantially different. I ask the Government to devote more resources on the basis of the level of crime rather than on the population criteria.

As we are short of time, there is no chance to develop these arguments. I wish to emphasise, however, that it is no good asking the police to deal with the harvest of seven years of Tory cuts and Tory assaults on the British people in terms of housing, unemployment and poverty. That is an issue to which I hope we can return in future. The Government are making a great mistake if they believe that the police should pick up the bill for the gross neglect of many in responsible positions.

1.33 pm

Ms. Jo Richardson (Barking): As part of a self-denying ordinance, Mr. Deputy Speaker, I shall speak for only five minutes.

The hon. Member for Twickenham (Mr. Jessel) talked about his approval of the Home Secretary's suggestion of disallowing the challenge of jurors. He reminded me of a comment, which I thought was most out of place, made by the hon. Member for Leicester, East (Mr. Bruinvells), who is known to us all. The hon. Member for Leicester, East said recently that the acquittal rate at Snaresbrook Crown court — it is the Crown court nearest to my constituency — is due to the fact that its juries are made up of the lower working classes and housewives. He said that he would prefer to have on juries more middle-class people and business men. If the right to challenge jurors is lost, we shall lose the more representative juries that are more responsive to those who come before them. I am grateful to the hon. Member for Twickenham for giving me an opportunity to have a smash at the hon. Member for Leicester, East.

I shall turn to the unrepresentative nature of the police force. Hon. Members have referred, quite properly, to the number of black and Asian people in the police force and the need to increase that number. We are glad that the number has increased. Women are very much under-represented at all levels of the police force, especially at officer level. Only one woman in 32 is at commander level, and none is above that. I am aware that the Metropolitan police force is considering that, especially in front-line police activity. The experiment so far has amounted to putting women in the front-line and seeing how they compare with their male counterparts, in the narrowest sense of the word. A female superintendent who was refused promotion 12 times out of 13 by all-male promotion boards believes:

"Macho policemen set the wrong tone, are insensitive to people, and inadvertently provoke fights and assaults."

She added:

"The violence of the police at Wapping was totally unnecessary. If you gave me a team of women I had specially trained, I could keep the peace, offer no provocation and keep tempers cool."

Mr. Tony Banks: Make her the Commissioner.

Ms. Richardson: I was not going to propose that. The police force fails to prioritise those aspects of policing which are more reflective of what the community needs. The police strategy also fails to consider the people who are being policed, in the sense that many of them are women. Women have specific needs in cities. Statistically, women are less likely to be attacked than men. I found the figures quite surprising.

However, the fear of attack on the part of women is much greater. One in 10 women in inner London will not go out at night. I should put it the other way round and say that most men should not go out at night, so that women are able to walk the streets in peace. In Balham, 92 per cent. of women do not feel safe walking at night, but a third do not feel safe going out during the day. That is even worse. Women are increasingly at risk due to cuts in public transport. Only half as many women as men can drive or have access to cars.

In the period 1979-84, the amount of violent incidents against women increased dramatically. Offences recorded by the Metropolitan police against the person rose by 22 per cent., rape by 48 per cent., and robbery by 96 per cent. The reality is fast catching up with the perception.

When women are on the receiving end of the police, they seem to suffer a particular form of intimidation. Memories of the miners' strike are still with us, when a woman was forced to "confess" because her screaming baby was deliberately kept in a room next to her to make her more frightened and concerned. Following Broadwater Farm, a woman was asked by police if she was having sex in a photograph they had taken of her. Another was strip searched. Another was called a prostitute, while the police threatened other women with reprisals against their children. We must see that in the context of police strategy.

I beg the Minister of State, when he replies, to give some assurance that there will be some lead from the Home Office in terms of ensuring that the police force is more representative and that there are more women in it. We are glad that there are to be more police officers. Those men and women—black and white—must be put out on the beat and not employed to use plastic bullets and cannons.

Several Hon. Members *rose*——

Mr. Deputy Speaker: The first of the Front Bench speakers hopes to catch my eye at 2.5 pm. I appeal for brevity, because I should like all those hon. Members who wish to speak to be able to do so.

1.39 pm

Mr. Jeremy Corbyn (Islington, North): I shall try to be as brief as possible, Mr. Deputy Speaker. This debate is a travesty of justice and democracy. Once a year, we are allowed five hours—if the Common Market debate does not intervene — to debate the policing of London. No vote is taken at the end of the debate. There is no detailed discussion of the police budget. We are not able to cross-examine the Minister concerned about the policing strategy for London. After all, he is the police authority for London. This is disgraceful.

I question the idea that we have this unaccountable, unelected body that runs policing in London. This perpetuates claims from the Home Office that we have no national police force in London; yet the role of the National Reporting Centre is barely mentioned in the Commissioner's report or in any other report. However, during the miners' strike, at least 7,000 police were at the disposal of the Home Office to be moved willy-nilly

[Mr. Jeremy Corbyn]

around the country. I am certain that, before long, police from outside London will be brought into Wapping, if they are not already there, through the National Reporting Centre.

I am disturbed by the parrot cry of Conservative Members that demonstrations in London cost a lot of money and should not be held. They say that Labour Members should do their best to persuade people not to demonstrate. Are Conservative Members really advocating the curtailment of the right to protest, demonstrate and march? They continually use costings in relation to the number of police at these demonstrations. How much money will be spent next Wednesday, when, I understand, a wedding is to take place? Are there any complaints about that? Of course there are not, but there are complaints about the legitimate right to complain about apartheid, the Wapping dispute, and so on.

I have had long experience of policing in London as a councillor in Haringey and now as a Member of Parliament for Islington. A thorough crime survey was carried out in Islington. My right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) referred to that survey, which revealed some disturbing features. It reflected—this is of primary importance—the fear of a large number of women who are afraid to go out on the streets at night, as my hon. Friend the Member for Barking (Ms. Richardson) said, and often too afraid to go out in the day because of the threat of sexual or racial attack or, in the case of black women, a combination of both.

There is serious under-reporting of sexual harassment and crimes. We believe that often as few as half of the crimes that take place are reported. In some cases, the proportion is even less. Under-reporting of racial attacks and problems is even greater. The police in Islington have told me that, this year, the number of reported racial crimes has increased although they believe — agreeing substantially with the points made in the survey—that the number is much lower than the number of crimes that take place. In the context of high crime rates, attacks on the person, invasion of privacy, robbery and burglary, that is a serious picture.

The police must recognise also—policing policy must direct itself to this — the social background against which we approach the problems of high unemployment and the high degree of social alienation, especially of young people. I urge the Home Secretary to read thoroughly and carefully Lord Gifford's report on the Broadwater Farm incident and all that went with it. I was disappointed that the right hon. Gentleman did not refer more to that report, which is well written, well produced and well researched. It was disgraceful that the police refused to take part in Lord Gifford's inquiry and that the Home Office refused to present evidence directly to it. The Home Secretary may smile, but it was a thorough report and I hope that he will look carefully into it.

The Broadwater Farm estate is an area of very high unemployment and severe poverty. About 35 per cent. of households have annual incomes of less than £3,000 a year, and only 2 per cent. have incomes of more than £15,000 a year. I suspect that many of us could refer to similar examples of inner-city deprivation in our constituencies. Of those who expressed concern about the area, 94 per cent. said that unemployment was the main problem, 42 per cent. blamed housing, 29 per cent. blamed police behaviour, and so on down the line. Those are far worse figures than one would find in any other comparative survey taken in individual parts of London.

When the Government give what I hope will be a serious response to Lord Gifford's inquiry, I hope that they will recognise that what has to be addressed is partly policing, partly control of the police, partly the amount of money that can be spent on housing in an area, partly the design of housing but, above all, the social and economic environment in which the Broadwater Farm riots took place.

I come to the issue of policing policy in London as a whole. We have a process of high capital spending on the police and a highly mobile and technical police force that is increasingly not responding to the worries and wishes of the community and is not available to deal with those worries and wishes. In my constituency we are seeing an increase in problems of racial harassment which have been much worse in other parts of London up to now. We have problems in some schools where Bengali and other Asian children have been harassed on their way home from school and have to be escorted from the school to their home. We have an increasingly serious problem of racism and racial violence in London.

I believe that the Home Office figures and the Metropolitan police figures seriously understate the importance of these matters, and I hope that when the Minister replies he will give us some inkling about the policies he proposes to eradicate racial violence in London and ensure that the police treat these matters seriously so that people are prepared to report racial crimes to the police because they believe that something will be done about them.

I hope that in future years we will have a longer debate on the policing of London and above all I hope that in the future we will see an elected police authority for London which is seriously accountable to the people in London and we do not have to use the process of an Adjournment debate in the House once a year.

1.47 pm

Mr. Ernie Roberts (Hackney, North and Stoke Newington): We are today considering the report of the Commissioner of Police of the Metropolis and the review of public order. I want to say a few words about what the role of the police should be. We have heard about what the role is and we have heard from my hon. Friends about the considerable number of problems that arise as a result of the lack of proper policing in London. I understand that the role of the police is to see that the law is enforced. It should also be for the defence of democracy and freedom in this country and to defend the rights of the common people.

Many problems face the police. That is quite clear from the Commissioner's report to the House. Reference has recently been made to the fact that there are about 3·5 million offences each year. Of the offences mentioned in the Commissioner's report, some 20,000 are concerned with violence. The so-called public order issues — in other words, victories which have been achieved — include the police victory against the miners, and police victories against the printers, hospital workers, nuclear protesters and others who have attempted to exercise their democratic rights in this country either as trade unionists or as citizens concerned with peace.

All that, and the many other problems that arise out of bad policing in this country, happen because of the philosophy of the Prime Minister and her Government. We have a competitive society in which people battle and victory goes to those who are strong and wealthy. Society has become more and more like a jungle as a result of the insistence upon a competitive society. I would rather we had a society based more on mutual aid and co-operation.

Hackney, the area I represent, has one of the highest crime rates. I notice from the figures produced that in the first quarter of this year some 7,417 crimes have been put on record. There has been a poor response to the citizens' call for aid from the police. A petition was presented to me last week, signed by over 100 home owners in one street. They complained about the lack of response from the Mare street police to their pleas of assistance because of the large number of offences that have been committed. That petition has been sent on to the Home Secretary.

On the other hand, there is over-policing of street demonstrations, during strikes and so on. I have had occasion to complain about that in the Hackney area, where there have been as many policemen as demonstrators walking through the streets. However, I was responsible for organising some 83,000 people in a demonstration proceeding from Trafalgar square to Victoria park in Hackney. There was not one incident and there was no trouble. The Home Secretary can look it up. Masses of police were not needed. Similarly, there was a demonstration of 100,000 people across to Brixton on the issue of Nazism. Again, there was no need for the masses of police put on to the streets for such events.

We need police on the streets, but we need them on the beat, where the people can see them, go to them and get their assistance. There is still far too much of the Starsky and Hutch approach by the police to policing in London.

There have been numerous cases of bad behaviour, which I have referred to various Home Secretaries over a period. All those complaints have led to a loss of public support. For example, that loss of public support is shown in Hackney, where a pamphlet called "Police out of School" has been produced because of the bad relations that have developed between the public and the police. The teachers have had to take a stand on the matter so that attention may be drawn to it.

All those problems cannot be solved by introducing so-called new weapons, whether water cannon, gas, plastic bullets, flails or armoured vehicles. What is needed is co-operation between the police and the local authorities. The Commissioner has refused co-operation with Hackney borough council's police committee. All political parties on the council and all ethnic groups are represented on that committee. I have a letter from the commander of the police dated 8 October 1985—the last letter I received—saying:

"a period of calm must prevail before we return to the vital task of setting up a Consultative Group for Hackney . . . I will write to you again shortly".

There is no consultative committee, but Hackney borough council has set up a committee on which there should be consultation. The sooner that is done, the better. I urge the Home Secretary to give his authority to the local police to meet the Hackney borough council police committee so that they may look at the problems and see what can be done, on the basis of co-operation, to solve the crimes in that area.

1.52 pm

Mr. Ron Leighton (Newham, North-East): I shall not make the speech that I was going to make because there is not time. I am sure that my hon. Friends will be pleased to hear that. I shall restrict myself to one or two points. I am grateful to see the Home Secretary here because I want to say a word to him.

It is right and proper that we should debate these matters in the House. While on a deputation to Lord Whitelaw when he was Home Secretary, I asked that we should have an annual debate. I am pleased that we have it, but no one should think that it is sufficient or that it in any way constitutes the effective police accountability that we need. On their own, such debates are thoroughly unsatisfactory in providing proper scrutiny of the Metropolitan police.

The Police Federation sends us a copy of its monthly magazine. I am glad that it does. However, I am concerned at the apparent growing politicisation of the federation and the snide attacks on the Labour party in that magazine. It is no part of the sort of police force that we want for it to support one party rather than another, or to seek to influence policemen's voting behaviour. The federation should think carefully about its attitude and approach. At the moment it is in danger of doing itself a grave disservice by appearing to go down that road.

The police, like everybody else, should tremble before the ballot box and respect it. The same applies to Commissioner Newman. I want him to know that I resent his increasingly political statements. We do not think it proper for generals or admirals to sound off in that way, so senior policemen should not, either. Policemen, whatever their rank, should be careful not to give the impression that they consider themselves to be the handmaidens of the Conservative party.

Mr. Mikardo: The police are being brought into politics.

Mr. Leighton: The main criticism that my constituents make is of police ineffectiveness in dealing with crime. The growth of crime cannot be blamed on the police. The blame is more with the Government for creating the conditions in which crime can breed.

The police clear-up rate in London is low. I receive complaints about that. Only one crime in five is cleared up. My constituents tell me that they do not think it worth reporting crime because it is a waste of time. They have great difficulty finding a policeman when they need one.

I am worried that the police force is being turned into a paramilitary force. The Commissioner is ordering armoured cars and looking at water cannon. We are all fond of our friendly neighbourhood bobby, but if, next time we meet him, he has a NATO helmet on his head, a visor so that we cannot see his face, carries a shield, waves a drawn truncheon, has a belt full of plastic bullets round his waist, a canister of CS gas strapped to his back, and is mouthing obscenities, we might look at him differently.

I am particularly against paramilitary policing because I have experienced it personally. I was on the receiving end of it on the evening of 3 May at Wapping. I was shocked and appalled at what I saw. I have still not recovered from the experience. It is difficult for me to look at the police in the same way.

I brought a deputation to see the Minister of State about that occasion. I have been forced to a number of

[Mr. Leighton]

conclusions. If there is supposed to be accountability, as a parliamentarian I believe that it is here in the House that we are entitled to say what we think. I shall not have time to justify the conclusions I have drawn, but I shall do that on another occasion.

The first is that the notion that there is some sort of democratic accountability for the Metropolitan police through the Home Secretary to the House is a myth and a farce. Secondly, Ministers have very little idea of what goes on in our streets. Thirdly, senior police officers are not really answerable to anyone. Fourthly, policemen have shown that they can act outside the law and get away with it. Often when things go wrong no one is called to account; no one has to justify actions or apologise.

Fifthly, the police proved on 3 May that they are, in the strictest meaning of the word, irresponsible, and that on occasions they can do what they like. That is intolerable and cannot be allowed to continue. When I have the chance I shall justify those statements.

I have two other comments to make — one to the Home Secretary and the other to Assistant Commissioner Wynn-Jones. I do not know what the Assistant Commissioner does to justify the huge salary that the taxpayer provides. His main role seems to be minister of propaganda for the Metropolitan police. His main contribution is in the black art of manipulating the media. He held a press conference after the events of 3 May. I read what he said and I was astonished. I could not believe that he was talking about the same event that I had witnessed. I asked where he was between 10.30 and midnight. I was told that he was in Leman street police station. He was not an eye witness. He had seen nothing. I was there and did see.

On 8 May we had a debate in which my right hon. Friend the Member for Chesterfield (Mr. Benn), who was also an eye witness of the events, gave an account of what happened. It was an accurate account. I notice the Home Secretary sitting there with a look of incredulity on his face. He started to laugh, as I saw him laughing earlier this morning. Then, with a fatuous, supercilious gesture, he ostentatiously walked out, as though to say, "That is complete nonsense. It cannot be true." He did not believe it. His duty as Home Secretary, when a Privy Councillor was explaining what happened, was to sit and listen. He must not be a Home Secretary who does not want to know and who is not prepared to have such democratic accountability. It is intolerable. We must get some democracy into this.

Mr. Hurd *rose*——

Mr. Tony Banks *rose*——

Mr. Hurd: The hon. Gentleman is being absurd.

Mr. Banks: I thought that my hon. Friend the Member for Newham, North-East (Mr. Leighton) had sat down.

Mr. Hurd: I thought that the hon. Gentleman was giving me the opportunity to speak. What I found so strange on that occasion was that the account given by the right hon. Member for Chesterfield (Mr. Benn) differed so substantially from the account that we heard a few minutes earlier from the hon. Member for Hammersmith (Mr. Soley).

Mr. Banks: It did not.

Mr. Hurd: *Hansard* shows that it did. Any account by an eye witness to those events and any complaints deserve to be and will be thoroughly investigated and set against the accounts of other witnesses.

2.1 pm

Mr. Tony Banks (Newham, North-West): I endorse word for word the comments of my hon. Friend the Member for Newham, North-East (Mr. Leighton). I was also present on 3 May and confirm that my hon. Friend's account was absolutely correct, as was the account given by my right hon. Friend the Member for Chesterfield (Mr. Benn), which in no way differed, as I heard it, from the account of my hon. Friend the Member for Hammersmith (Mr. Soley).

I will be briefest of all. This demonstrates how pathetic and miserable is the suggestion that somehow London Members of Parliament exercise, through the House, accountability over the Metropolitan police. Two Ministers are present. Neither the Home Secretary nor the Minister of State comes from London. I know that we are not supposed to recognise people sitting outside the Chamber, but one person whom I would have liked to have seen today would have looked remarkably like the Commissioner of Police of the Metropolis. But he is not here. What is more, I do not suppose that he even bothers to take account of the serious fears expressed by the Opposition.

Mr. Corbyn: Does he read *Hansard?*

Mr. Banks: Why should he? We do not hold the police accountable.

Statistically, London has the most inefficient police force in the country and the most expensive. We do not get value for money — a term that Conservative Members appreciate — from the services of the Metropolitan police. For the police to continue to amplify public order offences on television while ignoring or under-playing the burglaries and the street crime which really worries people in London is disgraceful. I do not know how the Commissioner thinks that he will clear up burglaries in Newham with water cannon and plastic bullets. But the people of Newham want those crimes cleared up. Yet an hon. Member such as myself, trying to represent his constituents, is reduced to a pathetic two minutes in a miserable half-day debate on policing in London.

2.3 pm

Mr. Clive Soley (Hammersmith): I confirm that the Home Secretary's remarks were incorrect. *Hansard* will show clearly that my remarks fitted in with what my right hon. and hon. Friends said. I limited myself to what I saw that night.

It is true, as several of my hon. Friends have said, that the debate has shown the inadequacy of accountability. It is one reason why the next Labour Government, in about 18 months' time, will introduce a proper system of accountability for the Metropolitan police and for other police forces.

In 1979, the Government said that they would get tough on law and order. If anyone had said at the time that during the following six years there would be riots on the streets of London, that police officers would be injured, and in one case killed, that police officers would be shot at with guns, that the crime rate would increase by 41 per cent. between 1978 and now, and that we would be pleased

at the improvement of the clear-up rate from 17 per cent. to 18 per cent., he would have been regarded as extremely alarmist. If he had gone on to say that in a written answer to this House the Home Secretary would slip through an announcement that police forces in London were to have 24 armoured personnel carriers, another 100 vehicles for carrying members of the police force around London and 2½ ft long truncheons, people would have said that he was stark, staring mad. But all that has happened during the last six years of this Conservative Government.

The Home Secretary said in his opening speech that the issue of these weapons has not changed policing. It has changed policing, and the tragedy is the policing has been changed in the last six years in a way that, prior to 1979, nobody in this country would have believed possible. The Government thought that they could make law and order a party political issue on which they would win, and that they could deal with the problem of law and order by getting tough again. But getting tough has no effect whatsoever on the country's crime rate. What has an effect is the collapse of the community. The Government have failed to take into account the fact that the social and economic policies that they have pursued have resulted in an already dangerous and difficult situation in our inner cities being made profoundly worse. The community has become increasingly fractured by the Government's policies.

To try to deal with the problem by increasing the number of police officers, by arming the police and by giving them different types of weapons is not the answer. The police are beginning to recognise that, although not, frankly, with the force and urgency that is needed by some of them, if they are to return to the kind of policing that most of them want.

I ask the Home Secretary to take away the Broadwater Farm report and read it and to ask the Commissioner of Police of the Metropolis to read it. It contains many important messages. The first is a quotation from the Commissioner's public order review. He said:

"In 1981 the tenants' association"—

he was referring to the Broadwater Farm—

"on the estate asked the police to open a police office to help combat the rising crime rate and to reduce the anxiety felt by many residents about their safety. This move was not altogether welcome by young black residents, and was seen by them as constituting an oppressive presence on the estate."

The implication in that quotation is immensely damaging. It implies that young blacks did not want something to be done about crime. The Broadwater Farm report, the Islington report, even the Police Studies Institute study, to some extent, the Merseyside report and a number of other reports all show that, regardless of age, sex or ethnic background, people have the same anxieties about crime. Young blacks on the Broadwater Farm estate were desperately anxious about crime and wanted something effective to be done about it. But that is not what was done.

The Commissioner ignores what is pointed out on page 204 of the Broadwater Farm report, where there is a reference to a parliamentary answer in the House of Lords. The question was about how many stops and searches were carried out in the Tottenham area in 1985. The answer was that

"in the first three months there were 867 stops resulting in 175 arrests; and in the last nine months there were 413 searches followed by 51 arrests."

It must be noted that the answer refers to arrests, not to convictions. The Merseyside report, the PSI study and a number of other reports show that the clear-up rate in the case of stop and search and the search of people's homes is abysmally low. A number of my hon. Friends have emphasised that all that that does is to alienate many innocent people who want to go about their normal lives without interference. That is what is so profoundly wrong.

On page 24 of his report "A Police for the People" the Commissioner says that he is worried about the disaffection of young people. He is right to be worried. The trouble is that he does not go on to ask why they are disaffected. He goes on to say what he is trying to do about it. The tragedy is that what he is trying to do is inadequate. He lists football matches with youngsters, visits to schools, dances, visits to zoos and one or two other such items. Nowhere is there anything about the problem of racism in the police force, to which my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) referred. Nowhere is there a comment on the effects of stop and search in the street when it is carried out inappropriately on the people of an area. That missing part is vital.

There is something sad about a report that is written in the language of American sociology and management jargon in the 1960s. I am not a sociologist, but I know that that period of sociology did more damage to the reputation of sociology than anything else. It was often tautological in its arguments. However, the language is used again in the report, which talks about "the system" as though human beings were not part of it. The trouble is that human beings are central to policing. The most important point that is not addressed is that about the relationship between police officers and the community. The Commissioner refers to that occasionally, but the depth of thought that he has given to it is not good enough.

The Home Secretary said that he wanted to improve the number of police on the streets. I do not disagree with him, but that is not enough in its own right. There are dozens of police on Broadwater Farm, as was pointed out by my hon. Friend the Member for Tottenham (Mr. Atkinson). That is not enough. The research done on Broadwater Farm shows that, again regardless of race, sex or age, there is the simple feeling that the police were not operating fairly and that young blacks were singled out for stop and search. It can be said that all those people are wrong and we should take no notice of them, and that all the surveys carried out are a load of nonsense that should be ignored. However, if we do not listen to the people, we are making trouble for ourselves in the inner cities. Both we and the police have a duty to listen to them, and that is one of the reasons why there should be a better system of accountability.

It is a matter not just of numbers in the street but of behaviour on the street. That is why training and experience are so important. However, as my right hon. Friend the Member for Gorton said, the first thing that was cut as a result of training required under the Police and Criminal Evidence Act was the policing skills which the Commissioner has said are so vital. These skills are social skills such as the ability to cope with people in difficult situations, as the police are often asked to do. That training was only reintroduced in 1985 when the pressure of the other training reduced. There is a desperate need to do much more on experience and training.

Again, that makes the case for effective accountability, because we are talking about priorities. Whichever survey

[Mr. Clive Soley]

one reads, it is pointed out that people, regardless of age, sex or ethnic origin, say that their main priorities for police action are burglary, street robbery, drunken driving, heroin and drugs, and sexual and racial assault. However, the priorites of individual police officers are often different. That is one of the problems. Police officers say that they know what the people in the area want, but they are wrong. They are not wicked, bad or incompetent, but they have made a misjudgment. That misjudgment gets them into difficulties. Curiously, it gets even more out of control without effective accountability.

On page 37 of his report, the Commissioner says that the lorry ban and the ban on parking on footpaths, both issues of considerable importance to the people of London, as has been made clear, are things to which he cannot give high priority, given the other problems facing him. At one level that is true, in the sense that the six priorities that I set out are important, but it is also clear that the bans would be given priority by those who had to answer to the public. The Metropolitan Commissioner of Police does not have to answer to them except through the Home Secretary in this inadequate debate.

Some 5,500 people are killed in England and Wales each year as a result of road traffic accidents. The figure for London is 500, although I am going on memory there. That is a matter which worries people and it is the sort of thing that we should be debating. We should be debating the priorities, but that is precisely what we cannot do effectively in a debate of this nature.

Finally, I should like to return to the matter of crime prevention. The Government have failed to recognise that they cannot cope with the rise in crime unless they do something to heal the fracturing of our communities, especially the communities in our inner cities and people involved in industrial disputes who are frightened about their jobs and their economic future.

Neighbourhood policing sometimes works well because the community is already functioning well and community policing adds to it. It can be a useful innovation where one is trying to build up a community, but it cannot work well and can only be at best a third or fourth alternative where the community is so fractured that people cannot be brought together in an effective way to prevent crime. People put on strong doors and strong locks and retreat and do not go out if they hear a noise or something frightening. The Government are not facing that and if they think that they can get round it by giving people occasional grants of £50 to enable them to fit stronger doors they are merely ducking their responsibility for the cutbacks that they have imposed on the inner cities.

The Minister has a lot of questions to answer. I should like to add one further question of considerable importance about accountability. Since the May election new police committees have been formed by a number of local authorities. If the relevant local senior police officer wants to participate and co-operate with those committees, and if he recognises that the police will not be held accountable because that is not what the law is about, will he be allowed to do so? Above all, will he be encourged to do so? There is a suggestion that senior police officers, even when they want to co-operate to improve relations between local authorities and police, will not be allowed to do so. Can the Minister give us a clear and categorical assurance that any senior police officer of the relevant rank will be able to participate in the way that I have suggested? That would be a small step on the road to a better system of accountability.

2.13 pm

The Minister of State, Home Office (Mr. Giles Shaw): The debate has covered a wide range of issues. I appreciate that a number of hon. Members have not been able to deploy their arguments as long as they would have wished. Any hon. Member who wishes to come separately to raise with me issues that they were not able to raise in the debate is welcome to do so.

The issues raised by the report of the Metropolitan Police Commissioner and the policing of London are broad. The right hon. Member for Manchester, Gorton (Mr. Kaufman) said that he was worried about the ethnic attitudes of the police and ethnic requirement, and both those matters were picked up by other hon. Members. I say to those hon. Members who rightly raised these issues that the Metropolitan police are doing everything possible to increase the number of ethnic recruits without in any way reducing standards or trying to suggest that an ethnic recruit is somehow or other more special than any other recruit.

We are seeking to overcome the resistance of ethnic groups. No doubt that is based upon an unfortunate history, but we are trying to encourage them to join the police service. I beg hon. Members to recognise that they can help to try to improve the position. There are increasing signs that more people from the ethnic minorities are coming forward to try to join the Metropolitan police. Equally, there are many signs that they will not necessarily be able to stay, because pressures are sometimes placed upon them not to proceed. However, the commitment is there to do it.

The right hon. Gentleman made many references to Wapping and everything else that that entails. It is not possible to try to excise that problem from the rest of the duties of the Metropolitan police and to suggest that that is an excessive matter in the policing of London. The police must ensure that the streets of London are free for those who want to proceed upon their lawful way. There can be no question but that the incidents at Wapping, like incidents outside major football matches on Saturdays, must have Metropolitan police cover.

Mr. Tony Banks *rose*——

Mr. Shaw: I shall not give way, as time is short.

Although there is a major police commitment at Wapping, it was not of their choosing and the incidents there fully justify the police taking such precautions as they might. Moreover, the incidents have now spread well beyond Wapping. The News International warehouse in Deptford was destroyed by fire. On 19 June a TNT distribution depot in Kent was attacked by some 15 individuals. On 25 June another TNT depot in Luton was attacked and on 6 July a major attack was made on the TNT depot at Eastleigh in Hampshire involving about 300 individuals and damaging commercial and private vehicles, property and so on. That cannot but require the police to make substantial efforts to try to contain a massive incidence of criminal activity and public disorder.

Mr. Banks: Give Murdoch the bill.

Mr. Shaw: Happily, that was not the only event that hon. Members have sought to raise. I must commend the

substantial progress made on crime prevention within the Metropolitan police district. There are significant limitations on what can be achieved and I accept the point made by the hon. Member for Hammersmith (Mr. Soley) that we cannot expect this to be a wand which will suddenly reduce crime figures. However, I trust that hon. Members will agree that it has a major effect upon anxieties about crime and a major direct contribution to make.

Let me deal now with consultative groups because that is where we must start to discuss accountability. Consultative groups were dealt with in section 106 of the Police and Criminal Evidence Act and they have been a matter of great debate within London. There are still five boroughs within which no groups have been set up—Camden, Newham, Hackney, Southwark and a portion of the Welwyn and Hatfield borough for which the Metropolitan police district is responsible, but for which a consultative group is perhaps not appropriate.

Equally, there are boroughs where there is no council representation on the consultative group, such as Lambeth, Ealing, Brent and Haringey. The councils have decided not to participate. The answer to the question just posed by the hon. Member for Hammersmith is that, where statutory provision is made, and where there is a group which represents a much broader range of public opinion than the council can hope to do, it is essential that the council plays its full part in the consultative process. Not to do so is to undermine the purposes for which they were established.

I am glad to tell the hon. Member for Southwark and Bermondsey (Mr. Hughes) that at last there has been progress in Southwark. An agreement and a constitution have been arrived at. I am grateful to the hon. Gentleman for the help that he gave and also to many others outside the House who have worked to achieve that. I understand that it is hoped that that group will be set up in September. I am sure that the hon. Gentleman will be delighted to know that.

My hon. Friend the Member for Streatham (Mr. Shelton) talked about the problems of prostitution in Streatham. I recognise that in several places in London, including the constituency of my hon. Friend the Member for Westminister, North (Mr. Wheeler), there have been real problems in relation to that aspect of crime. It is difficult to contain, but I shall see that the matter is drawn to the attention of the officers concerned.

My hon. Friend the Member for Beckenham (Sir P. Goodhart) asked about specials. Greater effort should be made in that regard, both within the police services outside the Metropolis, and, I hope, within. More police hours have been spent with specials in London than in the previous year — more than 419,500 man hours, compared to fewer than 300,000 man hours some five years ago. Here we have a big opportunity to involve people such as specials, and to recruit them. They may well come from the ethnic communites, and they could begin to assist in policing activities, such as the neighbourhood watch arrangements.

I turn to the points raised in connection with Tottenham and Haringey. I see that the hon. Member for Tottenham (Mr. Atkinson) is in his place. I recognise that there have been tremendous problems, and reports have been deployed for public discussion. The report of Deputy Assistant Commissioner Richards was placed before the consultative committee in Haringey—be it noted—and was publicly discussed. The Commissioner's complete report on public disorders and Lord Gifford's report have also been published. So I say to the hon. Members for Tottenham and for Islington, North (Mr. Corbyn) that I understand that Lord Gifford's report raises several important issues. One of them involves Haringey council's participation in the consultative group. Lord Gifford agrees with the council's claim that at present the group is insufficiently representative but said that its boycott is misguided. However, I shall invite Lord Gifford to see me to discuss the report, as I recognise that there are issues that we should discuss.

The hon. Member for Islington, South and Finsbury (Mr. Smith) raised several constituency points. I was particularly interested in his comments on the Barnsbury estate. I also recognise that many valuable lessons can be learnt from the work done by the study group that was set up in Islington. That work demonstrates a theme that ran through the speeches of several hon. Members which is that what people perceive to be the case about their communities should be important in discussing how they wish to be policed. I fully accept that. It was just that sort of contribution that worked so effectively in the Lambeth consultative group, and which enabled the return to normality following the riots in Brixton. There was a massive improvement in the relations between the police and the community, although Lambeth council seeks to undermine it at every opportunity. I accept that there are important lessons to be learnt from that.

When travelling up and down the country I often found that the problems on estates lessened as proper residents' or community associations set about reducing graffiti and vandalism, and increased the pride felt by those living there. On that basis, crime prevention techniques can surely work and improve the community.

In talking about crime prevention, we do not seek purely to provide adequate safeguards against the continued growth in burglary, vandalism and graffiti. We are trying to make the environment safer and to reduce the anxieties of local people. I think that all Members want that.

Mr. Harry Cohen (Leyton): Will the Minister give way on that point?

Mr. Shaw: I am sorry, but I do not have time to give way.

My hon. Friend the Member for Twickenham (Mr. Jessel) spoke strongly in support of the recent announcement by my right hon. Friend the Home Secretary on the right of peremptory challenge, which will no doubt have a contribution to make in relation to the operation of our courts.

The hon. Member for Norwood (Mr. Fraser) made a thoughtful speech and stressed the problems caused by hostility and distrust. He also mentioned that speed of recovery from a situation is probably directly related to improved liaison between the police and the community. I think that he cited the case of Brixton in that regard. I also welcomed his comments about the professional handling of those who are brought into police stations for questioning. I believe that that will be accepted as the right way of going about such issues, although I recognise that the police service in turn has a major commitment in trying to achieve that in the relatively short time since the Police and Criminal Evidence Act 1984 has been in force.

[Mr. Shaw]

The debate has ranged widely, because the problems of policing in London are also wide-ranging. As my right hon. Friend the Home Secretary has said, we have a large police district and by far the largest police force in the United Kingdom. Most criminal activity is centred on our capital city, especially in relation, for example, to heroin and security issues. London is unique in that regard.

The House must recognise the strains and stresses of operating in the Metropolitan police service. Examples have been quoted of inadequate policing, insensitive policing or policing which does not accord with the views of some hon. Members. Conditions cannot be improved, however, without a proper and logical basis on which dialogue with the police can take place.

It is absurd to believe——

Mr. Corbyn *rose in his place and claimed to move,* That the Question be now put *but* MR. DEPUTY SPEAKER *withheld his assent and declined then to put that Question.*

Mr. Shaw: —that by making councils responsible for policing activity——

It being half past Two o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Mr. Tony Banks: On a point of order, Mr. Deputy Speaker.

Mr. Cohen: On a point of order, Mr. Deputy Speaker.

Mr. Corbyn: On a point of order, Mr. Deputy Speaker.

BUSINESS OF THE HOUSE

Question proposed,

That Standing Order No. 6 (Arrangement of public business) shall have effect for this Session with the following modifications, namely, in paragraph (2)*(b)* the words 'not more than two' shall be substituted for the word 'one' in line 20 and the word 'four' shall be substituted for the word 'two' in line 22.—*[Mr. Peter Lloyd.]*

Hon. Members: Object.

Mr. Tony Banks: On a point of order, Mr. Deputy Speaker. The debate on policing in the Metropolis is supposed to be the annual event when Members can express their feelings and, through the Home Secretary, hold the Metropolitan police to account. It is a special occasion for London Members.

I am a Back-Bench Member trying to represent the constituency of Newham, North-West, and through pressure of time I was effectively prevented from representing my constituents in the debate. I know that there are devices open to me as a Member to raise matters of concern within my constituency, but I wanted to raise them within the debate on policing in the Metropolis. We are constantly told that the debate is the one occasion when we can exercise some form of accountability over the Metropolitan police. I think that that is a constitutional nonsense, but that is what we are told.

At 11.30 am we spent 35 or 40 minutes on an important statement, and that time was taken from the debate on policing in the Metropolis. I submit that when that happens, 35 or 40 minutes, or however long is spent on the statement, should be added on to our proceedings. I give notice in raising this point of order that I shall raise this issue with the Procedure Committee. I hope that I shall be supported by my Back-Bench colleagues, many of whom were limited by the pressure on time. Some of them could not participate at all, which is even worse.

Mr. Deputy Speaker (Mr. Ernest Armstrong): I understand these frustrations and I recognise that the hon. Member for Newham North-West (Mr. Banks) has had a frustrating day. He has addressed himself to the right procedures. The issue he has raised is one for the House to decide through the Procedure Committee and is not a matter for the Chair.

Mr. Cohen: On a point of order, Mr. Deputy Speaker. One of the key aspects of the debate on policing in the Metropolis is that the Commissioner's report, which has been agreed by Home Office Ministers, states that there will be additional militarisation for the Metropolitan police. It is being authorised to buy military-type weapons.

Mr. Deputy Speaker: Order. The hon. Gentleman cannot raise matters of policy on points of order.

Mr. Cohen: I am not, Mr. Deputy Speaker. I am saying ——

Mr. Deputy Speaker: Order. The hon. Gentleman must inform me what his point of order is.

Mr. Cohen: My point of order is that at 29 minutes past two o'clock my hon. Friend the Member for Islington, North (Mr. Corbyn) attempted to obtain a vote by a procedural means that you ruled out of order, Mr. Deputy Speaker. It is vital in the interests of Londoners that there should be a vote on whether the increased militarisation of the police goes ahead. It is a disgrace to democracy and so-called accountability that such a decision should be made. *The Guardian* has stated that it will involve more accidental death and alienation, and will arouse precisely the patterns that Scarman urged the police to cool. It is a disgrace that this should go ahead without us having an opportunity to vote upon the issue. I ask for your advice, Mr. Deputy Speaker, on how we can secure such a vote.

Mr. Corbyn: Further to the earlier point of order, Mr. Deputy Speaker. I am sure that you understand the frustrations of London Members on such matters. Can you advise the House by what means we can obtain a vote on an important statement made by the Commissioner of Police of the Metropolis through the Home Secretary? *[Interruption.]* The hon. Member who seeks to interrupt is outside the Chamber. Therefore, he has no right to interrupt. Can you advise us, Mr. Deputy Speaker, by what means we can ensure that, before the House rises for the summer recess, there can be a debate and a vote on the question of the Commissioner's report to the House of Commons so that hon. Members who wish to do so may express their dissatisfaction with the method and policy of policing in London?

Mr. Deputy Speaker: There are ways and means of putting down appropriate motions on which a vote can be taken. That is not a matter for me.

BUSINESS OF THE HOUSE

Question proposed,

That, at the sitting on Wednesday 16th July, the Motion in the name of Mr. John Biffen relating to Office, Secretarial and Research Allowance may be proceeded with, though opposed, until half-past Eleven o'clock or for one and a half hours after it has been entered upon, whichever is the later, and if proceedings thereon have not been disposed of by that

hour Mr. Speaker shall put the Question on any Amendment which may have been moved, and shall then put forthwith the Question on any other Amendments selected by him which may then be moved, and on the Main Question or the Main Question, as amended.—*[Mr. Peter Lloyd.]*

Hon. Members: Object.

Premature Babies

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

2.36 pm

Mr. David Amess (Basildon): I wanted the House to debate the subject of experimentation on premature babies because of my profound respect for life and my conviction that Parliament is failing miserably to protect it. In the remarks I shall make, it is not my intention to undermine the confidence or support that the general public has in and for the medical profession. However, I regret that among some quarters, especially those in support of experimentation, there is an arrogance, almost amounting to insolence, that the medical profession knows best and that Joe Public does not know what he is talking about and has no right to an opinion. Such a view is unacceptable. The mood of the British people is changing. We have a right to know the truth. That is what we expect; nothing less.

Most people accept that life begins at conception. I am not aware of any opponent of that view having been able to disprove it. With that in mind, the House will not be surprised at how concerned I and many other people were when the findings of a report published by the Institute of Medical Ethics was released. People were appalled to learn that about 2,000 sick or premature babies are used in medical experiments each year without parental consent. The *Sunday Express* published a leader headlined "A Sick Society" which stated:

> "We have allowed abortion to grow into a major industry which kills the unborn as a matter of routine. We permit medical science to conduct experiments on the human foetus. It is commonplace now for scientists to argue that embryos should be produced solely for the benefit of research. Will it really be any surprise if future generations look back on the evils we permit and conclude that our society was rotten beyond redemption?"

I am pleased to see that my hon. Friend the Member for Hyndburn (Mr. Hargreaves) is in his place in the Chamber. He will recall a conversation that we had some weeks ago with an eminent doctor who had just returned from visiting an abortion clinic in London. That clinic specialised in late abortions that were given primarily to people from overseas. So late were those abortions that a mincing machine had to be used to destroy the limbs. Only a few weeks ago we read of an abortion where the child was still alive. If ever those words of the leader in the *Sunday Express* were true, they are true now.

The medical experiments to which I shall refer involve invasive procedures, some of which could prove harmful to the babies, whilst others could benefit them. Some might be quite simple techniques, such as taking blood samples. Others could be far more harmful. We do not know. Nor do we know how many of those experiments would be in connection with developing new forms of treatment. I am told that a number would be in connection with learning more about the basic physiology of premature babies and, in some cases, improving the care of those infants, perhaps by the use of drugs or other means.

As for parental consent, if research involving invasive techniques was carried out on a child for whom no direct benefit was intended and that research might damage that child, I regard it as irrelevant to be told that the parents gave permission. Surely in this country giving my

[Mr. David Amess]

permission would not make lawful any kind of assault on my children, no matter how beneficial the result may be in helping other children. That was the view of the DHSS and the Medical Research Council only six years ago when, in 1980, a report from the Social Services Committee on perinatal and neonatal mortality was published and highly publicised as the Short report. In that report, parliamentarians were told that the MRC said:

"in the strict view of the law, parents and guardians of minors cannot give consent on their behalf to any procedures which are of no particular benefit to them and which may carry such risk of harm".

The DHSS said:

"the position in law is that no parent or guardian of tender years is entitled to give consent to any procedure which is not for the benefit of the child."

Of course, there was something of an outcry at the time about the suggestion that newborn handicapped babies might be used for experimental purposes.

As the Short report claimed that there was no

"statute law or case law"

on which to base the DHSS and MRC advice, counsel's opinion was sought by the pro-life lobby. In this, counsel quotes the Children and Young Persons Act 1933 as amended by the Children and Young Persons Act 1963 and the Children Act 1975 and says:

"If any person who has attained the age of 16 years and has the custody, charge or care of any child or young person under that age wilfully assaults, illtreats, neglects, abandons or exposes him or causes or procures him to be assaulted, illtreated, neglected, abandoned or exposed in a manner likely to cause him unnecessary suffering of injury to health, that person shall be guilty of an offence."

The view of counsel was that this covered any invasive procedures on a child that could do it harm, were not for the direct benefit of the child concerned and that were prohibited by that legislation as well as by trite law.

During the study by the Society for the Study of Medical Ethics, many reports of research on children undertaken in the United Kingdom and published in British journals were examined. Few described a project that might have been unethical, although some projects could be described as being unkind. However, some research projects carried out overseas would have been most unlikely to receive ethical approval from any British research ethics committee. A French researcher performed four lumbar punctures each on 57 newborn babies in the first two weeks of their life, in an unsuccessful attempt to find biochemical support for a rather unlikely scientific theory about brain damage in infants. An Indian team performed liver biopsies on 29 children with biochemically normal liver functions, because the children had sibling with Indian childhood cirrhosis and the researchers were looking—unsuccessfully I might add—for evidence to support the idea that that disease had a genetic origin.

I understand that, at the Cambridge neonatal intensive care unit, it is not the practice to get consent from parents for all experiments. The Institute of Medical Ethics bulletin includes a report from a meeting at which a Cambridge consultant actually said that it was unethical to obtain permission from parents and that they should be told as soon as possible afterwards. The same unit has been examining the respiratory distress syndrome and has been trying to find a way of getting the missing chemical back into the lungs of premature babies. Having met with no success, is it worth while continuing and is such research of benefit?

I have to tell the House that I, along with many other people, am not satisfied with controls on experimentation on life. The DHSS, following a recommendation, put out a circular in 1975 calling for research ethics committees to be established as an obvious safeguard and form of control. As far as I am aware, absolutely nothing has happened since that recommendation. I would be interested to know what safeguards the Department requires on experimentation. What procedures have to be adhered to? What checks are carried out, and how?

I fully recognise the marvellous advances that medical science has made in so many areas of health care. However, in certain quarters there is an arrogance that amounts to a view that research is all-important regardless of the lives being used or destroyed to that end.

Only this week, the largest lobby of this Session—well over 10,000 women, men and children—took place in support of the Bill which my hon. Friend the Member for Hyndburn sought to introduce. I say to my right hon. Friend the Minister and to my party, if we are looking for popular legislation to introduce, that which would outlaw experimentation and give protection to the unborn child is what the whole nation cries out for. If we fail to act on these matters, we shall rightly be regarded with contempt. If we grasp the nettle, future generations will salute this Parliament as a Parliament of Kings.

2.46 pm

Mr. Ken Hargreaves (Hyndburn): I am most grateful to my hon. Friend the Member for Basildon (Mr. Amess) for allowing me to speak in his Adjournment debate. Like him, I was concerned to read the report produced by the Institute of Medical Ethics, and, like him, I was delighted that the *Sunday Express* published an important leader on the subject—a leader which I feel put forward the views of the overwhelming majority in this country.

It was a brave gesture on the part of the *Sunday Express* when one considers that the largest rally I have seen this Parliament—some 10,000 people lobbying Members of Parliament against research on human embryos on Wednesday—was totally ignored by the national press and television, with the exception of a few lines in *The Guardian* My appearance on Central television was cancelled because the viewers were likely to be upset by the subject.

The pro-life issue is not a popular one with the media, or the Government who seem to accept abortion on demand and apparently condone experiments on embryos. Having set up the Warnock committee because they recognised the danger of developments in embryology, they have done nothing about it.

If we have no respect for human life at its earliest and most vulnerable stage, should we be surprised that at a later stage, muggings, rape and murder increase? Do they not stem from the same lack of respect we show if we support abortion on demand and experiments on embryos and premature babies?

In 1980 a highly regarded parliamentary Select Committee concluded that the law prevented any invasive procedures on a child which could do it harm and which were not for the direct benefit of the child involved. That view of the law was confirmed by the DHSS and the Medical Research Council. Indeed, the Select Committee

recommended that the DHSS should arrange for further medico-legal discussions, with a view to amending the law as it relates to research on newborn infants. No such discussions have taken place and certainly no Bills of such a nature have been put before the House. Yet within six years we learn that the medical establishment—playing God — has started undertaking these practices in hundreds, possibly thousands, of cases.

The latest report contradicts the Short report and tells us that these procedures are allowable. However, it says that efforts should be made to develop scales quantifying risk and benefit—to others, not to the child concerned —so as to reduce reliance on the qualitative description of risk in use at present.

The report is a chilling insight into the activities of some doctors. It is very worrying for parents and patients, and makes all patients wonder whether they are being used as human guinea pigs. The way ahead for research is through mutual trust and not hoodwinking trusting, unsuspecting people, be they patient or parent.

2.50 pm

The Minister for Health (Mr. Barney Hayhoe): I congratulate my hon. Friend the Member for Basildon (Mr. Amess) on choosing the subject of experiments on premature babies for his Adjournment debate. He gave time to our hon. Friend the Member for Hyndburn (Mr. Hargreaves), but I must reject the latter's assertions about the Government's attitude to abortion and research on human embryos that he included in his short intervention.

I am very glad to have the opportunity to reply to this debate on the important topic of research on premature babies. The vulnerability of children and of young babies makes particularly repugnant any suggestion that research is being carried out on them which is either harmful or unethical. I share the concern, so eloquently and properly expressed by my hon. Friend the Member for Basildon, arising from the recent report from the working group of the Institute of Medical Ethics on medical research with children, which suggests that breaches of existing codes of practice in that area may be taking place. While my officials are not aware of any direct evidence to that effect, I can assure my hon. Friend that I shall look carefully at what he has said today and make urgent inquiries about the matters that he has raised or that others raise with me as a result of the debate, because I fully accept the great importance of the subject.

The conduct of clinical research in this country is governed by the provisions of the general law and by the ethics of the medical profession. It is, I understand, widely accepted that research investigations on human beings should be governed by codes of practice such as those of the World Medical Association and of the Medical Research Council. Those are general statements of principle. More detailed guidance on the application of those principles has also been issued in this country by the Royal College of Physicians, in 1967, 1973 and most recently in 1984 and, specifically on research on children, by the British Paediatric Association in 1980.

In 1962, the Medical Research Council issued a statement on responsibility in investigations on human research because rapid advances in medical knowledge over the preceding 50 years were posing increasing legal and ethical problems for both investigators and their subjects. In 1967 the Royal College of Physicians recommended that clinical research investigations should be subject to ethical review. In 1973 the college made detailed recommendations on the composition and scope of the ethical committees which conduct that review.

In 1984 the college published further guidelines on the practice of ethics committees in medical research, which summarised aspects of the practice of ethics committees and the problems that they face. That guidance again stresses the importance of all research projects affecting human subjects going before an ethics committee for consideration of both the ethical aspects and quality of the proposal, makes recommendations for the membership and mode of working of ethics committees and gives guidance on some of the particular issues that the committees need to consider in relation to each project that comes before them. They would, for example, include the way in which consent is to be obtained, the involvement of vulnerable groups in research and so on. Those guidelines are relevant to the conduct of all research, including trials, and the particular dilemmas of conducting research on children are clearly acknowledged.

The ethics of health research in this country has traditionally and generally been for self-regulation by the health professions. However, in 1975, as my hon. Friend said, the Department of Health and Social Security gave advice to health authorities based on the Royal College of Physicians' deliberations. The then Secretary of State accepted the college's recommendations on the composition of ethical committees and asked health authorities to put those recommendations into effect. Two matters of particular importance were drawn to health authorities' attention. First, health authorities were asked to note the Royal College of Physicians' report recommendation that all proposed clinical research investigations should be referred to an ethical committee. The second concerned clinical research investigations of children or mentally handicapped adults. The DHSS guidance drew attention to the uncertainties of the law of consent in that respect. I shall return to that in more detail in a moment.

This departmental guidance was issued more than a decade ago and I am glad to confirm to my hon. Friend that consideration is being given as to whether new guidance from the Department is now required. While I cannot yet say what such new guidance might cover, subjects for inclusion could well be the composition, status and functioning of ethical committees and the need for all clinical research investigations in NHS institutions to be referred to them. In the light of the recent report on research on children, the need to include up-to-date advice on the position of minors in research trials is also very much in my mind.

As things stand, all the available guidelines recognise the problems involved in considering research on children. However, there is a wide range of views about the type of research of which children might ethically be the subject and on questions about who can consent to a child's involvement in a research project. The Medical Research Council's advice issued in 1962 said:

"The situation in respect of minors (and mentally subnormal or mentally disordered persons) is of particular difficulty. In the strict view of the law parents and guardians of minors cannot give consent on their behalf to any procedures which are of no particular benefit to them and which may carry some risk of harm. Whilst English law does not fix any arbitrary age in this context, it may safely be assumed that the Courts will not regard a child of 12 years or under (or 14 years or under for boys in Scotland) as having the capacity to consent to any procedure which may involve him in an injury. Above this age the reality of any purported

[Mr. Barney Hayhoe]

consent which may have been obtained is a question of fact as with an adult the evidence would, if necessary, have to show that irrespective of age the person concerned fully understood the implications to himself of the procedures to which he was consenting.

Even when true consent has been given by a minor (or a mentally subnormal or mentally disordered person) consideration of ethics and prudence still require that, if possible, the assent of parents or guardians or relatives, as the case may be, should be obtained.

Investigations that are of no direct benefit to the individual require, therefore, that his true consent to them shall be explicitly obtained. After adequate explanation, the consent of an adult of sound mind and understanding can be relied upon to be true consent. In the case of children and young persons the question of whether purported consent as true consent would in each case depend upon facts such as the age, intelligence, situation and character of the subject and nature of the investigations".

There can be no question of purported consent in relation to premature babies.

That was the MRC's statement of the position in 1962. But legal advice coming to me now talks in terms of the maturity and degree of understanding that the young person demonstrates — a somewhat different concept. The implications of the House of Lords' judgment in the Gillick case will have some relevance in relation to consent for research, but clearly not in the context of premature babies. As a non-lawyer, I am straying on to dangerous ground and I shall return to the broader approach.

The World Health Organisation has accepted that the participation of children in research is indispensible for research on diseases of childhood and conditions to which children are particularly susceptible. It suggests that it is acceptable to allow children to participate in projects aimed at gaining knowledge on physiological or pathological conditions peculiar to infancy and childhood. The British Paediatric Association guidelines issued in 1980 assume that research which involves a child but is of no benefit to that child is not necessarily either unethical or illegal.

The Institute of Medical Ethics report suggests that the position should now be that the parent may consent to a research procedure if, when judged objectively, any risk involved in the research procedure is so small that it would not be against the child's interest to be exposed to that risk. It recommends that further efforts should be made to develop scales quantifying risk and benefit, as my hon. Friend said.

In an area which is governed by common law, and in the absence of any decided cases on the subject, it is not possible to be certain about how the courts would currently respond to this question. However, in view of the evident confusion that exists, I am sure that this must be carefully considered and these matters are included in the review of existing guidance I referred to a moment or two ago.

However, I receive very clear legal advice that, except in an emergency, a doctor may not lawfully give treatment which involves touching a person without that person's consent. And consent is valid only if it is given voluntarily by the person who has the capacity to consent and after appropriate information has been given to enable the decision of consent to be made. If a doctor fails to obtain a valid consent he will commit the tort and crime of battery and may also incur liability in negligence. It would also lay the doctor open to disciplinary action by the General Medical Council.

Early-day motion 916 of which my hon. Friends are co-sponsors also refers to the subject of this debate. It suggests that the existing law is inadequate in this respect. However, I hope that what I have just said makes it clear that the law as it currently stands would not sanction experiments on young babies without their parents' knowledge or consent.

Let me make it quite clear that research on young children should take place only in well understood and properly authorised circumstances. The Institute of Medical Ethics working party was not, I understand, set up because the institute had any specific reason to believe that breaches of existing guidelines or ethical standards were taking place. It has helped to identify the very real ethical difficulties which can confront researchers in undertaking research on children and in obtaining parental consent to research on young babies.

Let there be no doubt about the widespread public concern that would be aroused if investigators were to develop an inflated sense of the importance of research and place this above the rights of children and their parents. Let me quote again from the 1962 report of the Medical Research Council:

"It should be clearly understood that the possibility or probability that a particular investigation will be of benefit to humanity or to posterity would afford no defence in the event of legal proceedings. The individual has rights that the law protects and nobody can infringe those rights for the public good. In investigations of this type it is, therefore, always necessary to ensure that the true consent of the subject is explicitly obtained."

I hope that this short debate will have helped to clarify some of the confusion that undoubtedly exists. I also hope that the consideration that I have said is being carried out will help to put these matters on to a better and proper footing.

Reference was made to legislation dealing with the Warnock report and to experiments on the human embryo. It is appropriate for me to say again that on the crucial issue of experiments on human embryos the Government's position, as has been stated very many times, is one of neutrality and that legislation on these matters will be introduced by the Government as soon as practicable.

Question put and agreed to.

Adjourned accordingly at five minutes past Three o'clock.

House of Commons

Monday 14 July 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

Drink-Driving

1. **Mr. Dormand** asked the Secretary of State for Transport whether he has any further proposals to reduce the number of drink-driving offences; and if he will make a statement.

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): This year we have had the first-ever summer publicity focus. I am considering how to maintain the vital campaign against drunk driving. A quarter of all road deaths are drink related. About 5,200 people died on our roads last year.

Mr. Dormand: Does the Minister agree that drink-driving offences are a scourge of modern society, as is demonstrated by that horrible figure that he has just given? Reports show that the estimate that one quarter of road deaths are drink-related is a conservative one.

Mr. Peter Bottomley *indicated assent.*

Mr. Dormand: I see that the Minister agrees with me. Does he also agree that there is no excuse for drunken driving and that a conviction ought to result in a gaol sentence? What is he considering doing about that?

Mr. Bottomley: I do not want to take up the hon. Gentleman's point about an automatic gaol sentence, because that is not in my hands today. What is in my hands is a booklet called "The Facts About Drinking And Driving", which is available to anyone who rings 0200 234888. Anyone who reads the information in that booklet will suddenly realise that he has no need to join the 100,000 people who are convicted each year and that he should not be one of the larger number who put themselves and others at risk.

We must change attitudes. There is some wholly irresponsible public behaviour, and the interest that hon. Members in all parts of the House are showing may lead to the sort of action that the hon. Gentleman is seeking, but I can give no commitment on that.

Mr. Sackville: Does my hon. Friend agree that there is a growing problem of accidents involving not only drunk drivers but those who are either unqualified to drive or uninsured? Does he agree that people indulging in such criminally irresponsible behaviour should be more harshly dealt with, and that there should be a better system of compensation for their victims?

Mr. Speaker: Order. We should stick to the original question, which was about drunk driving.

Mr. Bottomley: Perhaps I may answer my hon. Friend briefly. Public reaction and involvement will make the greatest difference. Various things that we do on our roads are wholly unacceptable, including driving while unqualified, disqualified or drunk.

Mr. Nicholas Brown: Is the hon. Gentleman aware that the Transport Act 1981 does not specifically allow for drunk-driving convictions to be based on retrospective evidence and that the medical profession criticises such tests as unreliable? Will the hon. Gentleman amend the Act to prevent abuse and to confine such cases, if we must have them, to special circumstances?

Mr. Bottomley: Given the recent case, I had better not comment directly on that part of the hon. Gentleman's question. The point to remember is that people like us occasionally appear in court with the excuse that they went out for a social drink, even though they are convicted for having twice the legal limit of alcohol in their blood, which means that they have done a great deal of drinking. We must try to get away from our personal excuses for breaking the law and putting people at risk.

Mr. Peter Bruinvels: I congratulate my hon. Friend on his excellent campaign and I recognise that drunk-driving kills, but could my hon. Friend suggest ways of bringing in the breathalyser and random breath tests throughout the year? More than 1,600 people a year lose their lives in drink-related accidents, and something needs to be done. I know that the Government are committed to doing something.

Mr. Bottomley: Certainly something is being done, and it is worth remembering the summer publicity focus. Our campaign towards the end of the year appeared to be working, as the Home Office statistical bulletin showed. Police can administer breath tests when there has been a moving traffic offence, after an accident or when they suspect that a driver has been drinking. We cover all categories.

Mr. Stott: The hon. Gentleman may not be aware of the fact that my hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott) and I moved an amendment when the Transport Act 1981 was going through the House to apply what were termed the Blennerhassett provisions to give the police much more scope in evidential breath testing. Unfortunately, the amendment was not accepted by the Standing Committee, so we have the present system in operation.

The Minister and I are both concerned about road safety and about drinking and driving, but is he aware that his remarks about a recent case were a little precipitant? In view of what happened and what the hon. Gentleman said, it might be worth the House looking at the question again in a different light.

Mr. Bottomley: That may be so, but if the hon. Gentleman reads my remarks he will see that I avoided mentioning a particular case — *[Interruption.]* Despite laughter from the Opposition, I regard it as my job to bring down the number of casualties. The rate has dropped in the past 30 years, but the biggest remaining killer is drunk driving. I speak for the civil liberties of those at risk.

Drivers' Hours

2. **Mr. Bidwell** asked the Secretary of State for Transport what recent representations he has received concerning commercial vehicle drivers' hours.

The Secretary of State for Transport (Mr. John Moore): The road transport unions have made representations to me, both directly and through right hon. and hon. Members, and I met union representatives, together with the hon. Members for Glasgow, Shettleston (Mr. Marshall) and for Ealing, Southall (Mr. Bidwell) on 3 July.

Mr. Bidwell: Is the right hon. Gentleman aware that in a recent reply to my hon. Friend the Member for Liverpool, Riverside (Mr. Parry), the Minister responsible for road safety, the hon. Member for Eltham (Mr. Bottomley) said:

"There is no clearly established connection between driving hours and fatigue."

Did he mean that? Is the Secretary of State aware of the widespread concern that the new EEC regulations will lead exactly to that? We shall find out tomorrow.

Mr. Moore: The hon. Gentleman was involved in a delegation that he brought to me the other day. I listened carefully to what he said, but I do not accept his contention. The House will have the opportunity to debate the matter late tomorrow night when we discuss drivers' hours.

Mr. Gregory: Attention has rightly been drawn to drivers' hours. When a driver is not driving, is he not meant to be resting? Will my right hon. Friend consider introducing a personal log book such as that used by pilots so that a driver cannot continue driving for gain or profit? If we introduce such a system not the number of accidents be greatly reduced?

Mr. Moore: My hon. Friend will the opportunity to make that point in greater detail tomorrow night, but I shall certainly consider what he has said. We are introducing the new regulations to give greater flexibility, including less driving per fortnight, and more weekly rest, which is a critical factor.

Mr. Foot: Will the Secretary of State undertake to hold up the provisions that he plans to put before us tomorrow night until we have had longer to examine them? Has he met the drivers on the job? If he has, what did they say to him, and what did he say in reply? Will he exercise some authority and give the House of Commons a full chance of discussing this important matter—not late at night—because of the widespread concern about it?

Mr. Moore: I always listen with care to the right hon. Member for Blaenau Gwent (Mr. Foot), but the Minister responsible for roads, my hon. Friend the Member for Eltham (Mr. Bottomley), has had extensive consultation on the issue and it has been under discussion for a considerable time. I cannot give the right hon. Gentleman the undertaking which he seeks. So far my Department has received 130 letters from the public, compared with 45 letters from hon. Members. There will be an opportunity to discuss the matter again tomorrow.

Mr. Stott: Is the Minister aware of the written answer by his hon. Friend the Parliamentary Under-Secretary of State, to which my hon. Friend the Member for Ealing, Southall (Mr. Bidwell) alluded? He said:

"There is no clearly established connection between driving hours and fatigue." — [*Official Report*, 25 June 1986; Vol. 100, c. *242*.]

Is the Secretary of State aware that the Parliamentary Advisory Council for Transport Safety — an all-party group in the House and outside—estimates that 11 per cent. of PSV and HGV accidents involve driver fatigue? Will the Secretary of State ensure that his hon. Friend is further briefed before he comes to the House for the debate tomorrow night?

Mr. Moore: There is no difficulty in asking my hon. Friend the Under-Secretary of State for Transport, who is responsible for roads, to read briefs, because he reads them extensively already. We are proposing a new pattern of regulations which will provide for less driving and more weekly rest. It is the end product of a long period of consultation. I am sure that the House will find the regulations acceptable tomorrow night.

Driving Test Centres

3. **Mr. Amess** asked the Secretary of State for Transport what criteria are used to determine whether driving conditions are sufficiently difficult to justify the establishment of a driving test centre in a particular locality; and if he will make a statement.

Mr. Peter Bottomley: We need routes with the greatest variety of traffic conditions and hazards within the area.

Mr. Amess: I listened carefully to my hon. Friend, but does he agree that my constituency more than meets the criteria for a test centre? We have the greatest number of applicants for tests in Essex, we have to travel long distances to Brentwood and Grays, and our shopping centre is so successful that our driving conditions are more than testing.

Mr. Bottomley: The problem is not just the number of people who want to take the test. The problem lies in the Basildon one-way system, its wide and open junctions and well planned roundabouts. It has few traffic lights, and I understand that the town centre is a pedestrian precinct. I would have thought that the four test centres within 13 miles of Basildon, at Brentwood, Grays, Southend and Chelmsford, would allow someone who is about to be tested to relax as he drives there, and perhaps be more successful in his test.

Mr. Hardy: I am in no way suggesting that people drive tractors around Basildon, but I have a constituent who is seeking to get a driving licence to drive a tractor in the Rotherham area. He has been told that he must wait until there are several other applicants for tractor driving tests, and the delay is threatening his employment. Will the Minister look with a great deal of urgency at the letter I sent to him?

Mr. Bottomley: Yes, Sir. We are conscious that where employment is tied to passing a test it is up to us to ensure that people can take their test as soon as possible. We are also trying to reduce the general waiting list for tests.

Bath

4. **Mr. Chapman** asked the Secretary of State for Transport what proposals he has to remove trunk road through traffic from Bath.

Mr. Peter Bottomley: Trunk road traffic travelling in an east-west direction was removed from Bath when the M4

motorway was opened. We propose to provide a north-south bypass of Bath, linking the A46 and A36 trunk roads, in conjunction with the Batheaston bypass to the east of the city.

Mr. Chapman: Will my hon. Friend confirm that a north-south bypass for this historic city must remain a top and urgent priority? Will he confirm that it is also the Government's priority to see that bypasses are constructed around other historic cities and villages and that the additional cost of doing that is on top of, and not at the expense of, other parts of the Government's road building programme?

Mr. Bottomley: I accept both parts of my hon. Friend's supplementary question. Obviously, greater relief for Bath is important. We have added to the programme 81 bypasses and relief roads for historic towns and villages since 1979 and will continue to give high priority to the Government's bypass programme. The achievement of our plans will be greatly assisted by the increase in funds available for trunk road construction. The only difficulty would come, perhaps in Bath and certainly other places, if the national roads programme were dramatically reduced to what it was between 1974 and 1979.

Cyclists (Highway Code)

5. **Mrs. Virginia Bottomley** asked the Secretary of State for Transport what factors led him to bring forward amendments to the "Highway Code" relating to the safety of cyclists.

Mr. Moore: Both cyclists and other road users should be more aware of the vulnerability of cyclists in accidents. That is why we are proposing amendments to the "Highway Code".

Mrs. Bottomley: I thank my right hon. Friend for that reply and for the efforts that he and his Department have made to recognise more the needs of cyclists as fellow road users. May I remind him that cyclists still face around 300 deaths a year and 6,000 serious accidents or injuries? Will he look again at the investigations by the Transport and Road Research Laboratory and, perhaps more important, at the request by the Cyclists' Touring Club, which has its headquarters in my constituency, that greater diagrammatic emphasis should be given in the new Highway Code to the needs of cyclists, as all too many people learn through visual images rather than the written word?

Mr. Moore: I am conscious of the fact that my hon. Friend raised this important issue for her constituency and for the general public in an Adjournment debate on 16 May before my hon. Friend the Member for Wallasey (Mrs. Chalker). I am conscious of the important points that she has made. I shall certainly look at the points that she has made about graphical material, because that is a perfectly legitimate point to examine.

Sir Geoffrey Finsberg: Will my right hon. Friend look at the growing numbers of cyclists who are deliberately disregarding traffic lights, driving through them, driving without lights at night and contributing to the large numbers of deaths and accidents which my hon. Friend the Member for Surrey, South-West (Mrs. Bottomley) has just mentioned? Will he ask the police to pay particular attention to that as it is putting other road users at great risk?

Mr. Moore: If my hon. Friend is factually correct, he is right in saying that those who injure and create injuries must obey the "Highway Code." Clearly one of the changes to the "Highway Code" proposed by my hon. Friend the Parliamentary Under-Secretary is to include, for the first time, references with relevance to cyclists. Obviously that is an important change.

Mr. Tony Banks: Is the Secretary of State aware that since the abolition of the GLC's cycling project team there is no co-ordination and development of cycle lanes around London? How many miles of cycle lanes would the right hon. Gentleman make his objective? What is his objective? The GLC set a target of 1,000 miles.

Mr. Moore: The GLC set many targets and did many other things that I would not wish to go into now. There is no need for us to do other than delight at the demise of that erstwhile irrelevant organisation. Having said that, I am interested in cycle lanes and will consider the particular point that the hon. Gentleman has raised. I shall do so in the hope of coming up with a serious comment unlike the hon. Gentleman's supplementary question.

Mr. Couchman: In considering the dangers in which cyclists find themselves, is my right hon. Friend aware of the jeopardy in which they are placed by drivers who use hand-held radio telephones while driving? Will he take urgent steps to dissuade drivers from this extremely dangerous practice?

Mr. Moore: My hon. Friend is making a legitimate point. There are references to the problem of hand-held radio telephones in the new "Highway Code", and we must concern ourselves with the obvious vulnerability of cyclists. As my hon. Friend the Member for Surrey, South-West (Mrs. Bottomley) said, over 300 cyclists—345, in fact — were killed in 1984. The figure was slightly reduced in 1985, when 295 were killed, but it is still unacceptable.

Mr. Dormand: The Secretary of State knows full well that the main reason why he introduced these amendments to the "Highway Code" is that I persuaded him recently to join the all-party friends of cycling group. I am now awaiting the receipt of his £1. Will the right hon. Gentleman draw the attention of the Lord Chancellor to a deplorable accident that happened recently in which a cyclist was killed by a lorry, when the coroner said that cyclists should not be permitted on the road on which the accident took place? Cyclists have as much right to be on any road as any other road user. Will the right hon. Gentleman do something about that?

Mr. Moore: The hon. Gentleman will recall that cyclists must not use motorways. I have seen the hon. Gentleman pedalling around Parliament Square and I am conscious of his serious interest in the subject. I shall seek to draw the attention of my right hon. and learned Friend the Lord Chancellor to the point that he made.

Channel Tunnel

6. **Mr. John Hunt** asked the Secretary of State for Transport when he will make available the report on the impact of the proposed Channel tunnel on Kent.

The Minister of State, Department of Transport (Mr. David Mitchell): The preliminary assessment report was

published on 11 July, and copies have been placed in the Library. The second stage of the study will build on this initial report.

Mr. Hunt: As one who supports and applauds the decision on the Channel tunnel, may I ask my hon. Friend, in the context of the report, whether he has yet made any assessment of the likely effect of the construction of the cross-Channel link upon employment opportunities in Kent in the years immediately ahead?

Mr. Mitchell: During construction we expect an average of about 3,000 people to be employed on the project. About half of them will be recruited locally. In addition, there will be a substantial number of jobs north of Watford as a result of the purchasing of about £900 million worth of goods, many of them from the engineering sector.

Mr. Aitken: Now that the Japanese banks and the French investors have rather sensibly welshed on their commitment to produce even the first £200 million of equity for this $6 billion project, surely it is time to consider whether it is right for the taxpayer to continue to pay the bills for such expensive reports as the "Kent Impact Study", important though that is. Has not the time come to say that no more parliamentary time or public money should be spent on the project until the business men behind Eurotunnel have re-established their lost financial credibility?

Mr. Mitchell: My hon. Friend has somewhat exaggerated the position, and not for the first time. The timing of the decision when to go to the market for further equity is entirely a matter for the commercial judgment of the promoters and their professional advisers. They have decided that it will be best for them to do that after the holiday season, and that seems to make a lot of sense.

Mr. Robert C. Brown: Will the Minister start to understand that this monstrous scheme will have a severe impact on areas other than Kent? When will he decide to take the advice of his hon. Friend the Member for Thanet, South (Mr. Aitken) and scrap the whole damned nonsense?

Mr. Mitchell: The hon. Gentleman is misled to the extent that his fellow right hon. and hon. Members took a judgment on the matter by a vote of 309 to 44. I do not think that he should cast these aspersions on his colleagues and let them go unanswered.

STOLport (Sheffield)

7. **Sir John Osborn** asked the Secretary of State for Transport whether he will consider the feasibility of establishing a STOLport at Sheffield.

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): It is for potential developers to undertake feasibility studies for the establishment of new airports such as a STOLport at Sheffield.

Mr. Osborn: Is my hon. Friend aware that south Yorkshire and Sheffield is the biggest industrial area with the densest population in Europe without airport facilities? In the past the Government have worked with local authorities to provide the climate to develop airports. As Brymon and British Caledonian would like to go ahead, will he act as a catalyst with the Secretary of State for the Environment so that European funds can be made available to put Sheffield and south Yorkshire on the air map?

Mr. Spicer: I congratulate my hon. Friend on his persistance with this idea. As he may know, there are four airports within 40 miles of Sheffield-Manchester, Leeds-Bradford, East Midlands and Humberside. If a local authority asked us to agree to the necessary capital allocation for a STOLport at Sheffield, we would need to be sure that the investment met our normal criterion of a financial return of 7 per cent. If an application were made for European funds, that would be considered on its merits.

Severn Crossing

8. **Mr. Roy Hughes** asked the Secretary of State for Transport if he will now make a statement on the completion of the feasibility study into the proposed construction of a second Severn crossing.

Mr. Moore: The consultants are completing their study on time and their final report is expected any day now. It will be published and I shall be making an announcement shortly on its conclusions in consultation with my right hon. Friend the Secretary of State for Wales.

Mr. Hughes: Does the Secretary of State appreciate that the Welsh economy is in a parlous condition, with heavy unemployment? Is he further aware that he could ease the position with an early announcement authorising the building of a second crossing of the River Severn and by accepting the recommendation of the Select Committee on Transport calling for the abolition of tolls on estuarial crossings? A favourable announcement on both matters would be well received throughout Wales and in many other hard-pressed areas.

Mr. Moore: I cannot comment on the Government's position in advance of our response to the Select Committee about estuarial tolls. I can reassure the hon. Gentleman that my right hon. Friend the Secretary of State for Wales has made it clear that, above all else, he is aware of the critical nature for the Welsh economy of an additional link to south Wales.

Mr. Robert Hughes: Will the Secretary of State give a guarantee that as it is three or four months since the Transport Select Committee reported on tolls, he will give an answer while the House is sitting so that he may be questioned on it?

Mr. Moore: The hon. Gentleman is referring to the Government's response to the Select Committee report. I cannot give a guarantee at this stage, but I recognise the hon. Gentleman's point and I shall do everything in my power to ensure that the answer reaches the House while it is still sitting.

Motorway Repairs

9. **Mr. Knox** asked the Secretary of State for Transport whether he is satisfied with the speed with which motorway repairs are undertaken.

Mr. Peter Bottomley: No, Sir. The increased use of lane rental contracts, which give the contractor an incentive to

complete early, is enabling us to speed up major renewal schemes, achieving in some cases time savings of about 25 per cent.

Mr. Knox: Will my hon. Friend explain why it appears to take so long to effect repairs to motorways? Will he also explain why so much of the motorway network appears to be under repair?

Mr. Bottomley: Part of the reason is that people forgot that motorways eventually need replacing and that we are trying to deal with the legacy from before 1979. Cones are needed for various reasons which are not always obvious: to protect the concrete which is still curing; to protect excavated areas or damaged safety fences; to provide a safety zone for workmen; and to provide access for contractors or emergency vehicles.

Mr. Carter-Jones: Is the Minister aware of the hardship experienced by my constituents because of repairs to the Barton high-level bridge on the M62, which are likely to take three years? This is causing unnecessary hardship to people living in Eccles, Swinton, Pendlebury and Worsley. What will he do about that?

Mr. Bottomley: I am aware of the strong representations that the hon. Gentleman has been making on behalf of his constituents and others who have been held up by the necessary widening of the bridge. I have also been receiving representations from my hon. Friend the Member for Davyhulme (Mr. Churchill), whose constituency is nearby. I shall consider whether we can rearrange the work in any way, to allow all the work to be completed substantially faster. If I can, I shall make a public announcement and, I hope, send copies to the hon. Members concerned.

Sir Kenneth Lewis: Is my hon. Friend aware that there seem to be so many cones down our main roads nowadays that one wonders whether the Common Market is giving a subsidy on cones, just as it gives a subsidy on barley? Can my hon. Friend ask those concerned to cone off less of the road so that a longer distance than necessary is not coned off, because it is overdone?

Mr. Bottomley: I accept part of what my hon. Friend says. We are getting better each year. I should like to quote from a letter that I received:

"I should . . . like to congratulate the contractors and Department of Transport for keeping the traffic moving in all conditions during the work."

In this case the work was on the A6. The letter continues:

"That has been no mean achievement."

We need to congratulate people when they do well, and to chastise them when they do not.

Mr. Pike: Does the Minister accept that large sections of motorway are still coned off, with no workmen in sight, and in many cases it appears to happen week after week? Will the hon. Gentleman do something about it? Will he have a look at the M62 and M63, to which my hon. Friend the Member for Eccles (Mr. Carter-Jones) referred, because the chaos in that area is appalling and something needs to be done about it?

Mr. Bottomley: The chaos is far less than it would have been if we had not gone in for a massive publicity exercise. I congratulate the many road users, commercial and domestic, who have kept away from Barton bridge while some of the work has been going on. If they continue to keep away when they can, obey the direction signs and follow the advice, we shall be able to get the work done and allow traffic to keep moving. I appreciate the problems that it causes to some of the hon. Gentleman's constituents.

Road Safety (Coaches)

11. **Mr. Adley** asked the Secretary of State for Transport what further steps he proposes to improve road safety, particularly in relation to coaches.

Mr. David Mitchell: I shall be consulting very soon on requirements for new coach design and equipment. Later this year we shall be ready to consult on requirements for the fitting of devices to limit the speed of all coaches.

Mr. Adley: I thank my hon. Friend for that welcome decision. Has he seen the clever but misleading propaganda emanating from the Bus and Coach Council, which provides information on the number of people killed or injured in coaches? In spite of numerous requests, it refuses to give me the information on the number of people killed or injured by coaches. Does my hon. Friend agree that that shows unusual reticence on the part of an organisation, indicating either a lack of information or a deliberate cover-up? If the council cannot provide the information, will my hon. Friend do so, so that we may have some facts by which to judge the evidence of our own eyes?

Mr. Mitchell: I have not seen the exact publication to which my hon. Friend refers, but I understand that the Bus and Coach Council will shortly be replying to a letter that it received from my hon. Friend.

Mr. Frank Field: Given the importance that drunkenness plays in the number of accidents, will the Minister tell us which other Government Departments have an interest in reducing that problem? Can he tell us whether they attach the same importance as his Department does to that end? Is he happy with Government co-ordination on that front? Can he give the House an idea of when his Department will bring forward proposals that will attempt to reduce the number of accidents caused by drunkenness?

Mr. Mitchell: Among other Government Departments, the Home Office takes a special interest. I refer the hon. Gentleman to a question that the Prime Minister answered on 3 July. Needless to say, my hon. Friend the Parliamentary Under-Secretary, who is responsible for roads, takes a special interest in that and in co-ordinating activities concerned with drunken driving.

Disabled People (Driving)

12. **Mr. Stern** asked the Secretary of State for Transport what steps his Department is taking to advise disabled people about driving.

Mr. Peter Bottomley: The Department has set up MAVIS, the mobility advice and vehicle information service at Crowthorne in Berkshire, where disabled people can come for advice on their potential ability to drive and on finding a suitable vehicle. A wide range of adapted cars is available for test driving.

I shall circulate further details in the *Official Report*.

Mr. Stern: Will my hon. Friend congratulate the young lady concerned on her appointment? Can he tell the House

about the aims of the new initiative and how much it encourages disabled people to look at the possibility of being able to drive, something which they might not have considered previously?

Mr. Bottomley: I am grateful to my hon. Friend. This may not be a subject which gets people shouting across the Floor of the House, but it is important to develop disabled people's ability to drive. That often means explaining where they can go for specialist advice and to try out cars and controls. I do not want to exaggerate, but if people can see, and if their minds are working, they can probably drive. MAVIS is the person for them to talk to and she can be found at Crowthorne. Those who want to make inquiries should contact the Department of Transport and we will put them in touch with MAVIS.

Mr. Coombs: When does my hon. Friend expect to announce the results of the review that he has undertaken into the working of the orange badge regulations, which was announced in a recent parliamentary answer?

Mr. Bottomley: I cannot say precisely when, but I hope that it will be done without too much delay. If it is possible, I may circulate MAVIS' telephone number in some way.

Following is the information: MAVIS: Transport and Road Research Laboratory, Old Wokingham road, Crowthorne, BERKS 0344-77901/01-212-5257

Bus Usage (London)

13. **Mr. Tony Banks** asked the Secretary of State for Transport what are the latest available figures he has for bus usage in London.

Mr. David Mitchell: Provisional figures for 1985-86 show that some 1,150 million passenger journeys were made on all bus services operated for London Regional Transport.

Mr. Banks: Is it true that there has been a 10 per cent. decline in passenger mileage during the past 12 months? Why, when the London regional passenger committee, road users, bus travellers, bus drivers and the unions oppose the extension of one-person operated buses on the grounds that they lead to more traffic congestion and longer delays in journey times, do the Government insist on extending one-person operated buses throughout London?

Mr. Mitchell: As is so often the case, the hon. Gentleman is misinformed. London's buses now carry more passengers than they did in 1982 and 1983, and only 0·9 per cent. fewer than in 1984.

Mr. Banks: I was talking about this year.

Mr. Mitchell: These are the latest figures that I have. About 70 per cent. of buses are one-man operated. That figure is planned to increase to 74 per cent. by March 1987, but each stage is appraised on its merits. It is a management matter, not a Government decision.

Mr. Squire: Will my hon. Friend confirm, contrary to the impression created by the hon. Member for Newham, North-West (Mr. Banks), that many of the late GLC'S fears about bus services have proved groundless and that, since the disbandment of the GLC, LRT has been much more responsive to the needs of passengers? Is he aware that LRT is examining the possibility of providing minibuses and other variations which were not considered by the GLC?

Mr. Banks: Rubbish.

Mr. Mitchell: As my hon. Friend rightly said, this is only part of a national regime in which we are witnessing a considerable increase in innovation and initiative. As for LRT, professional management and improved efficiency have meant that revenue support has halved. The result is a lower burden on London ratepayers, for which I am sure they will be grateful.

Mr. Simon Hughes: Will the Minister look again at a matter to which I have brought his attention before—bus services in the docklands of London? He will know that there is grave discontent at the reduction in services, at enormous delays and often missing buses. It is an area of growing population. The Government say that the docklands are being redeveloped. It is no use, however, if they are redeveloped but there are fewer bus services to enable people to get around. Will the Minister please re-examine that, and can we have a better service?

Mr. Mitchell: The hon. Gentleman draws attention to the increasing population in the docklands, in regard to which I know he will welcome the Government's activities. I shall pass his comments on to the management of LRT.

Mr. Robert Hughes: Will the Minister consider the facts rather than the theory? Is it not a fact that, in certain areas of London, such as Stepney and Poplar, services are being cut? When asked why, local management says that it is overspending its budget and cannot afford to keep services going. Ministers set the budget for LRT, and it is then shared out. Is it not time that we had a re-examination of what is happening, instead of boasting about how much support is being provided, when funding is being cut at the expense of passengers, who desperately need bus services?

Mr. Mitchell: London Bus Ltd. is seeking to match supply and demand more closely. That means that in some areas where there is not much demand there are reductions, whereas in other areas there is an increase. Additional routes are being put into operation. It is just not the case that overall there is more than a very marginal reduction.

Channel Tunnel

14. **Mr. Waller** asked the Secretary of State for Transport if, when he next meets the chairman of British Rail, he will discuss with him the matter of rail links between the proposed Channel tunnel and the north of England.

Mr. David Mitchell: The question of rail links between the tunnel and the north of England is a matter for British Rail to decide, but I know that it is anxious to exploit all the commercial opportunities offered by the tunnel. I understand that it is already considering the scope for through services to destinations north of London, making use of the west London line via Kensington-Olympia.

Mr. Waller: Is my hon. Friend aware that much of the latent opposition in the north of England to the concept of the Channel tunnel would evaporate if people were made aware of the fact that there will be a fast and convenient link between the north of England—particularly the north-east—and the continent? As my hon. Friend said, British Rail is already planning a link via Kensington-Olympia with the west coast main line. Will

my hon. Friend ensure that Sir Robert Reid is very much aware of the considerable market that exists along the tracks of the east coast main line?

Mr. Mitchell: I shall certainly draw the attention of the chairman of British Rail to the point made by my hon. Friend. My hon. Friend will know that, as well as considerable benefits for the north of England as a result of faster through services, there are significant benefits for exporters in the north of the country in terms of freight.

ATTORNEY-GENERAL

Westland plc

37. **Mr. Dalyell** asked the Attorney-General if he was consulted prior to the decision to send the Solicitor-General's letter of 6 January 1986 to the then Secretary of State for Defence, the right hon. Member for Henley (Mr. Heseltine) relating to the legal position of Westland.

The Attorney-General (Sir Michael Havers): It is not my usual practice to disclose what communications take place between my right hon. and learned Friend the Solicitor-General and myself in relation to legal advice tendered to the Government.

Mr. Dalyell: Surely the usual practice is that Law Officers' letters are treated with extreme discretion and most gingerly by the Downing street machine. Why did the Solicitor-General's letter ever go near Mr. Ingham and the press office, unless there was a Prime Ministerial instruction that it was to be leaked?

The Attorney-General: I am quite certain that there was no such instruction.

Mr. Teddy Taylor: If there is to be a new political saga over the Westland affair, will the Attorney-General do all in his power to bear in mind that the company is now doing extremely well, is getting plenty of orders and has a very bright future? Therefore, will he do everything he can to make sure that Westland is allowed to get on with the job?

The Attorney-General: That is not a matter for me, but I welcome what my hon. Friend has said.

Mr. Nicholas Brown: The report of the Select Committee on Defence into this matter is due for publication on Thursday week — just in time for the recess. Has the Attorney-General seen an advance copy of that report, and does he anticipate at least the possibility of prosecutions arising from the report's findings?

The Attorney-General: I have not seen the report.

Mr. Dalyell: On a point of order, Mr. Speaker. In view of the nature of that reply, I give notice that I shall seek to raise the matter on the Adjournment.

Commercial Court

38. **Mr. Ottaway** asked the Attorney-General if he will make a statement on measures to reduce delays in the Commercial Court.

The Solicitor-General (Sir Patrick Mayhew): My noble and learned Friend the Lord Chancellor has warmly accepted the recommendations on changes in procedure and practice contained in the recent report of the practitioner members of the Commercial Court committee. It is intended to amend the rules of court before the end of this month.

Mr. Ottaway: That is a most welcome answer, but the truth is that some cases are taking up to two and a half years to come to trial in the Commercial Court. Given that the Commercial Court is a great foreign currency earner, will the Solicitor-General please ensure that the proposals are implemented as soon as possible?

The Solicitor-General: I agree that in extreme cases there is a delay of the order that my hon. Friend mentioned. I appreciate his knowledge of the subject from his professional association with that court. It is important that all that can be done should be done to speed up matters, and I am very hopeful that the report of the practitioner members will be very useful in that regard.

Mr. Carter-Jones: Is the Solicitor-General aware that the Lord Chancellor feels that some of the delay is caused by the delay in producing a transcription of the notes? Will he take into account the fact that the equipment used by my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) is useful in that respect, and will he look at it please?

The Solicitor-General: I shall see that the hon. Gentleman's point is referred to my noble Friend the Lord Chancellor.

Lloyd's

39. **Mr. Yeo** asked the Attorney-General how many prosecutions have been brought in the last 12 months against members or former members of Lloyd's.

The Attorney-General: I take the question to refer to prosecutions of members of Lloyd's arising from transactions undertaken by them in that capacity. There have been no such prosecutions by the Director of Public Prosecutions during the past 12 months. I cannot speak for other prosecuting authorities.

Mr. Yeo: Does my right hon. and learned Friend agree that by far the best possible deterrent to potential fraudsters is the likelihood of being prosecuted successfully, leading to a conviction? Is he aware that it is offensive to many members of the public and Lloyd's that there are still at large individual former members of Lloyd's who appear to have milked their members of enormous sums?

The Attorney-General: I agree with my hon. Friend that prosecution and conviction is a good deterrent. Steady progress has been maintained by the fraud investigation group, and I am satisfied that the length of time taken is attributable to the complexity of the case and the nature of the problems, particularly of obtaining evidence from overseas, which must be overcome. All those concerned are endeavouring to bring the investigations to a satisfactory conclusion as expeditiously as possible.

Mr. Bermingham: Does the Attorney-General agree that part of the problem has been the inadequacy and lack of legal back-up facilities of solicitors? Does he hope that once the Crown Prosecution Service is both fully staffed and manned in London that sort of support service will be available and will enable prosecutions to be brought far more speedily?

The Attorney-General: We have not had any lack of suitable solicitors available. On the fraud investigation group problem, counsel has been deeply involved throughout, as well as FIG itself.

Mr. Sackville: Does my right hon. and learned Friend agree that the matter of the PCW syndicate has been as scandalous as it has been damaging to the reputation of the City of London? Will he confirm that everything possible is being done to prosecute those who are responsible?

The Attorney-General: As I said, the problem has been one of obtaining evidence from overseas. That has been the most significant difficulty. We have now managed to overcome many of the problems that confronted us earlier.

Crown Prosecution Service

40. **Mr. Nicholas Brown** asked the Attorney-General to what extent he intends to answer parliamentary questions on the Crown Prosecution Service on behalf of the Director of Public Prosecutions.

The Attorney-General: I ask the House to forgive me for the length of the answer, as this is an important question.

I intend to adopt the proposals set out in the White Paper on "An Independent Prosecution Service for England and Wales". I shall therefore remain answerable in Parliament for decisions or actions that I or the Director of Public Prosecutions and his headquarters staff take on prosecution matters, and for the policy that is applied by the Crown Prosecution Service in the handling of particular cases. For the reasons given in the White Paper, however, I do not think it appropriate to answer in Parliament for the intrinsic merits of particular decisions taken by local prosecutors unless the Director's headquarters staff have in fact been involved in the case in question. In-so-far as cases in which the Director's headquarters staff have been involved are concerned, I propose to continue my existing practice, as a general rule, of confining answers to the basis of the decision in the particular case, without giving details of the evidence or other considerations which have led to a particular decision. In-so-far as cases which are handled locally are concerned, the Director has told me that he is prepared to inquire into the circumstances of particular cases to which his attention is drawn by hon. Members.

Mr. Brown: May I give a cautious welcome to that response? Is the Attorney-General aware that his recent convoluted written answer on the same subject to the hon. Member for Cannock and Burntwood (Mr. Howarth) caused some concern?

The Attorney-General: I hope that I have now cleared up any misunderstanding that there might have been.

Mr. Hind: When my right hon. and learned Friend considers the Crown Prosecution Service, will he bear in mind the present widespread disquiet among the Bar about the difference in payment for days of prosecuting in a magistrates' court between barristers and solicitors? Will he, together with the Lord Chancellor, have a look at the matter in the near future to see whether a more just settlement of that problem can be reached?

The Attorney-General: A great deal of nonsense has been talked about this. The figure of £250 a day has been widely quoted as being the sum that solicitors are likely to be paid. That is rarely paid, and when it is, it is to an experienced equity partner who takes a whole day to deal with difficult cases. Solicitors have higher overheads, and that has been recognised by the Bar.

Official Secrets Acts (Prosecutions)

41. **Mr. Dubs** asked the Attorney-General in how many cases since 1979 involving charges under the Official Secrets Acts he has personally taken charge of the prosecution.

The Attorney-General: Since taking office in 1979 I have personally conducted three prosecutions for offences under the Official Secrets Acts.

Mr. Dubs: Does the Attorney-General recall a film shown recently on Channel 4 called "Spying for the Comrades"? Is he aware that a Mr. Brian Gentleman, featured in that film, has since admitted on oath that he passed secrets that he obtained through his job at the Department of Trade and Industry to an official at the Czech embassy? Is he aware that, in the absence of any decision to prosecute that individual, there is a great deal of suspicion that there has been a cover-up because of incompetence by MI5?

The Attorney-General: I have not seen the programme, but I have read the exposé of the programme in *The Sunday Times*. I do not know of any occasion in which the person referred to gave evidence on oath. It is certainly not a cover-up.

EC Budget

42. **Mr. Teddy Taylor** asked the Attorney-General what was the outcome of the decision of the European Court on 3 July about the legality of the budget of the European Assembly; and if he will make a statement.

The Attorney-General: On 3 July this year the European Court declared void the adoption by the President of the European Parliament, on 18 December 1985, of the budget for 1986. The court further declared that this annulment of the President's act did not call in question the validity of payments made and commitments entered into, before the date of the judgment, in implementation of the purported budget. The remainder of the Council's application was dismissed.

Mr. Taylor: Following this welcome judgment about the illegality of an excess of about £400 million in the budget, will my right hon. and learned Friend say whether he was conculted by my right hon. Friend the Chancellor of the Exchequer before my right hon. Friend went along with the other Ministers four days later and approved a budget four times as great as that originally approved by the European Assembly?

The Attorney-General: That is a matter entirely for my right hon. Friend the Chancellor of the Exchequer. The most important point in this case was to establish that the budgetary procedure laid down by the treaty must be respected. This, in the court's judgment, has been done.

OVERSEAS DEVELOPMENT

Ethiopia

44. **Mr. Chapman** asked the Secretary of State for Foreign and Commonwealth Affairs how he proposes to

allocate the £3 million rehabilitation grant for Ethiopia, announced on 26 November 1985, *Official Report*, column 515; and if he will make a statement.

The Minister for Overseas Development (Mr. Timothy Raison): Some £0·9 million of the £3 million we set aside for relief and rehabilitation was used earlier this year to provide seeds and agricultural hand tools. An ODA team visited Ethiopia in May to discuss the use of the remaining £2·1 million. Following this, pesticides and spraying equipment to a value of £0·6 million were provided in June to counter an emergency pest outbreak. We shall also be providing some £1·5 million for a well rehabilitation programme and for seed production and storage.

Mr. Chapman: I am grateful for that answer and for the progress report. Is not the main problem the flight of so many Ethiopian refugees into Somalia and the consequent threat to the Somalian economy? Do we not have to face the problem that we must remove the fear of Ethiopians against the oppressive nature and policies of that regime? Does my right hon. Friend agree that for us to give money will not necessarily solve that particular and vitally crucial question?

Mr. Raison: There are many problems about Ethiopia and the nature of the regime. In the past year we have provided £750,000, through the United Nations High Commissioner for Refugees and Oxfam, specifically for refugees in Somalia. I have just allocated a further £800,000 for the same refugees.

World Bank

46. **Mr. Yeo** asked the Secretary of State for Foreign and Commonwealth Affairs when he last met officials of the World Bank.

Mr. Raison: My right hon. and learned Friend and I had meetings with the then president of the World Bank on 13 March. My officials have also recently had separate discussions here with the two senior vice-presidents.

Mr. Yeo: Bearing in mind that last year there was a transfer of resources from developing to developed countries, does my right hon. Friend share my concern at the implications of that position for debtors, creditors and the world economy? Will he undertake to support any initiatives proposed by the World Bank designed to reverse that position?

Mr. Raison: The World Bank is concerned with this problem, and so am I. We support a generous eighth replenishment for IDA and in due course there will be a new general capital increase for the bank. Also, we welcome the proposed role of the World Bank in implementing Secretary Baker's initiative, which is to make fast disbursing loans available to support the adjustment efforts of heavily indebted countries.

Mr. Beith: Does the Minister hope to have a meeting with the new president of the World Bank before very long? Will he take the opportunity to stress that it cannot be right for the Third world to be sending more money to the World Bank than it is getting from it and that therefore it is important to get new flows to the Third world—perhaps, for example, by increasing the involvement of Japan and Japan's surplus in the World Bank?

Mr. Raison: I hope to meet the president of the World Bank before too long. As I have just said, both the World Bank and the Government are concerned about this problem, and I have outlined some of the additional resources which we believe can and should be made available to the World Bank.

Mr. Bowen Wells: Has my right hon. Friend taken the opportunity to discuss with officials of the World Bank the problem that exists as a result of the debt problem, particularly in Africa, and the fact that the most optimistic forecast by the World Bank is that African countries will be in greater debt at the end of the next decade than they are at present? Is my right hon. Friend planning with the World Bank to make available additional funds on concessionary terms in an effort to solve that problem?

Mr. Raison: We are of course concerned about the problem. Our belief is that the best approach is to focus sums of aid on those countries that are able to make adjustments to their policies so that their economies can be made effective. We shall be very happy to support them.

Mr. Tom Clarke: Is the Minister aware that in its development report 1986 the World Bank referred to the need for an increase in bilateral aid and relief for sub-Sahara? Is the Minister's Department making progress in an effort to achieve those objectives?

Mr. Raison: I am very concerned about finding opportunities in Africa where we can give the kind of aid that will help to produce good results. Almost certainly that means aid that is matched by effective policy reforms.

Mr. Heathcoat-Amory: Before my right hon. Friend authorises additional credit for developing countries, will he examine the extent to which their economic plight has been self-inflicted by years of mismanagement? Will he be very careful not to underwrite mistaken policies or to bail out those who are responsible for them?

Mr. Raison: It is very important to match aid with policies that are likely to prove effective. The encouraging aspect of the special session of the United Nations on Africa that was held in May was that the African countries themselves were prepared to be analytical about their own policies and in some cases their own policy failures.

Central America

47. **Mr. Stuart Holland** asked the Secretary of State for Foreign and Commonwealth Affairs whether he intends to increase United Kingdom official development assistance to central America.

Mr. Raison: I have no plans to do so.

Mr. Holland: Does the Minister really think that it is right that inter-American Development Bank loans to Nicaragua should be frozen because of the concern of the United States to destabilise the democratically elected Government of that country? Further, does he oppose the United States Administration in their efforts now to gain a veto over all inter-American Development Bank lending? Does he think it right that a superpower should be able to dominate such a regional development bank, as if there had been no end to the Monroe doctrine? Will he take advantage of the coming recess to visit Central America, including Nicaragua, to evaluate the situation for himself?

Mr. Raison: I have no plans to visit Nicaragua, but our view about inter-American Development Bank loans has always been that they should be made on the basis of objective economic analysis.

Mr. Forman: Although it may not be appropriate to increase United Kingdom official development assistance to countries in that part of the world, does my right hon. Friend look favourably upon the prospect of increasing assistance through the European development fund or other European instruments?

Mr. Raison: The European Community is interested in giving aid to Central America and, among other countries, it gives quite a substantial amount of aid to Nicaragua. There is no doubt that the Community is looking in that direction, and with the accession of Spain it is likely that there will be more pressure to spend aid funds in Latin America.

Mr. Deakins: What are the obstacles to Britain giving more bilaterial aid to Nicaragua?

Mr. Raison: I do not think that there are obstacles, but it is a matter of priorities. Our priorities are to aid the poorest countries and Nicaragua is not one of the poorest countries. We focus our aid to a considerable extent on countries with which we have a long, traditional connection.

Gujerat

48. **Mr. Janner** asked the Secretary of State for Foreign and Commonwealth Affairs what proposals he has to provide aid for the state of Gujerat, India for the year 1986.

Mr. Raison: In 1986 we expect to complete expenditure of the £43 million committed to the construction of two fertiliser plants at Hazira in Gujerat. We shall also continue our £2 million support for the integrated rural development project in Anand, which is helping to improve community health and family welfare in some 200 villages in Gujerat.

Mr. Janner: Is the Minister aware of the great concern felt among the Gujerati community in this country at the suffering being experienced in the state of Gujerat due to the ravages of natural miseries that keep occurring, and to which none of the Minister's proposed resources apply? Is there no hope, for example, of matching aid being made available if the community in Britain raises money in order to help those who are suffering in the state of Gujerat?

Mr. Raison: We consider joint funding schemes from charitable organisations, and are always willing to do so but in respect of official aid we have to respond to the priorities set down by the Indian Government, and we cannot go behind their backs and come up with our own programmes.

Africa (Front-line States)

49. **Mr. Simon Hughes** asked the Secretary of State for Foreign and Commonwealth Affairs what proportion of the aid to Africa is designated for front-line states adjoining South Africa.

Mr. Raison: In 1985, 13 per cent. of gross bilateral aid for African countries was provided to those front-line states adjoining South Africa, Botswana, Zimbabwe and Mozambique.

Mr. Hughes: Might not one way of helping the situation in southern Africa be to increase the aid budget to the front-line states, which would then be better able to resist any action by South Africa, should that country feel itself to be under any pressure as a result of policies that the Government may then, we hope, be able to introduce?

Mr. Raison: We have recently, both through the Southern African development co-ordination conference and bilaterally, stepped up our offers of aid to exactly those countries. That aid includes, for example, important transport projects in Mozambique.

Sir John Biggs-Davison: Is it not preposterous of Opposition Members to call for more aid to states that are blackguarding Britain across the world? Will the Government give an assurance that there will be no extra aid granted because of sanctions against South Africa?

Mr. Raison: As I have said, our policy is to try to build up the economies of those countries in the region in order to decrease their dependence on South Africa. I expect that policy to continue.

MI5

3.31 pm

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Speaker.

Mr. Speaker: Does it arise directly out of questions?

Mr. Campbell-Savours: In the presence of the Attorney-General, I should like to give you notice, Mr. Speaker, that I wish to raise a point of order on the MI5 matter that was dealt with in the newspapers during the weekend.

Mr. Speaker: If points of order do not arise directly out of questions, I shall take them after the statement and the Standing Order No. 10 application.

Environmental Initiative (UK 2000)

3.32 pm

The Minister for Environment, Countryside and Local Government (Mr. William Waldegrave): With permission, Mr. Speaker, I shall make a statement.

My right hon. Friend the Secretary of State for the Environment has today launched, in association with my right hon. Friends the Secretaries of State for Employment and for Wales, and my right hon. and learned Friend the Secretary of State for Scotland, a new initiative to encourage more local environmental improvement work by both volunteers and Manpower Services Commission community programme teams. My right hon. Friend informed the House of the general terms of this initiative in answer to a question from the hon. Member for Copeland (Dr. Cunningham) on 20 June.

The initiative will provide a focus for new projects which improve the environment and create jobs. It will involve a wide range of environmental action. It will include the Government, voluntary organisations and the private sector and will link with other Government initiatives concerned with the environment and with job creation. It will tackle problems of the built and the natural environment, in both town and country, and be concerned with both improving the environment and enhancing people's enjoyment of it. It will aim to provide challenging work and training for those participating. It will also aim to create worthwhile new jobs, both in the improvement projects themselves and in the new enterprises that some projects will help to generate.

The right hon. Friend the Secretary of State has invited a number of established national voluntary organisations to act as agents in launching the initiative. These are the British Trust for Conservation Volunteers, The Civic Trust, Community Service Volunteers, the Groundwork Foundation, the Keep Britain Tidy Group, and the Royal Society for Nature Conservation. I expect that others will join later. My right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friend the Secretary of State for Wales will be holding similar discussions with appropriate organisations in Scotland and Wales.

The agents will promote programmes of work and assist the establishment of local projects. I hope that such projects will have the support of local authorities, local business and local residents. Initially, work will be concentrated on the five important themes of greening the cities, conserving the industrial heritage, tackling litter, helping tourists on the move, and making more of nature.

A new organisation is being established, outside the Government, to promote the whole initiative, to determine priorities, to seek business sponsorship and to monitor performance. This new organisation, to be called UK 2000, will be directed by a board on which participating voluntary organisations will be represented together with a number of independent members. Richard Branson, chairman of the Virgin Group, has agreed to be the chairman of this board. The other independent board members who will serve in a personal capacity, will be Jean Denton, head of external relations at the Rover Group; Ernest Hall of Dean Clough Halifax; John Pontin of Bristol 1000; and Stephen O'Brien of Business in the Community.

The Department of the Environment will pay grants to the participating agents and the new organisation to a total of around £750,000 in 1986-87, and at least at that level in the next two years. I am confident that business sponsorship will augment these resources. In addition, the Manpower Services Commission will contribute through the community programme the costs of providing temporary jobs for long-term unemployed people, which it is estimated will amount to £22 million in a full year.

Dr. John Cunningham (Copeland): Given the massive problems of dereliction, decay and neglect, additional initiatives, however modest, are worthwhile. We wish this one success, but it appears unlikely to have a major impact on the environment or the creation of jobs.

Is the Minister aware that there is little of substance in what he has to had to say to the House today? What, if any, additional financial resources, over and above existing departmental budgets, will be allocated as a result of the statement? How many additional places will the MSC create as a result of the announcement? Will any extra permanent jobs result?

Why, given that the local authorities are and will remain the major agencies for all the work, have there been no discussions or consultations of any kind with the local authority associations about the scheme?

Has not each of the policy areas—greening the cities, conserving our heritage, tackling litter and making more of nature, whatever that might mean — suffered dramatically because of the massive reductions, now totalling £17·5 billion, in rate support grant as a result of the Government's policies?

Does the Minister recall that the Secretary of State for the Environment, when Secretary of State for Transport, issued a circular, to take effect from 1 April this year, which urged local authorities to remove all litter bins from all-purpose trunk roads? Does he recall that the same circular recommended local authorities not to scavenge roads, not to sweep them and not to remove litter? That was Government policy announced in April. What has changed?

Will the Minister explain to the House what impact the initiative will have, given that the Government have reduced the three grant-related expenditure assessments for refuse collection, refuse disposal and environmental works by 10 per cent. in real terms in the past seven years?

Given that full-time jobs have been lost, particularly in the local authorities, is this not just another example of the Government undermining full-time employment and replacing it by temporary, lowly paid work of a part-time and non-permanent nature?

Finally, is it not inadequate in every sense to meet the real needs of any one of those policy areas to make this announcement today? Is it not totally inadequate to tackle all of them together? Why do the Government not restore some of the cuts that they have imposed on local authorities and let them get on with the job?

Mr. Waldegrave: If that was a welcome from the hon. Gentleman, I should not like to hear what he says when he is trying to send his guests away. However, I was grateful for the way in which he started. No one says that this initiative will solve all the problems, but it will be useful, and I am grateful to the hon. Gentleman for confirming that fact.

The hon. Gentleman mentioned the rate support grant and GREAs. As he knows, the Audit Commission has

[Mr. Waldegrave]

shown that there are enourmous savings to be made in local authorities' spending on refuse disposal and collection. We hope that those economies, without loss of service, can still be made.

My right hon. Friend the Chancellor of the Exchequer, in his Budget speech, announced 35,000 additional community programme places. This takes up 5,000 of those places.

Dr. Cunningham: New places?

Mr. Waldegrave: It is 5,000 of the additional places announced for next year. We aim to focus and use those in a coherent and sensible programme.

In addition, there are the lesser sums that I reported coming from the Department of the Environment——

Dr. Cunningham: New money?

Mr. Waldegrave: —from the Department of the Environment's budget for the grants to voluntary organisations and for the small central staff.

My hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold) has written to local authority leaders to urge them to participate in the scheme and to offer discussions about it. I hope that the leaders will take up that offer.

Sir Paul Hawkins (Norfolk, South-West): I am delighted that the scheme is getting off the ground, and I am sorry that the Opposition are so damning with faint praise about it. I am glad that the British Trust for Conservation Volunteers—an excellent body—is to be part of the new body.

Will my hon. Friend work closely with the Minister of Agriculture, Fisheries and Food to make sure that there is not only a thriving countryside, but a thriving agriculture, without which there is no possibility of the countryside being alive and available to tourists and holidaymakers to enjoy?

Will my hon. Friend work closely with the Council of Europe's Campaign for the Countryside 1987-88, in which, I believe, a member of his staff is taking part?

Mr. Waldegrave: The answer to my hon. Friend's final question is yes. I am grateful to him for emphasising the importance of work in the countryside. Earlier this year my right hon. Friend the Minister of Agriculture, Fisheries and Food and I jointly announced a farm and countryside initiative, using community programme places. That will run alongside the new initiative; a complementary programme is already in place.

I agree with my hon. Friend that it would have been nice if we had had a general welcome for the initiative. I hope that it will get a general welcome in the country, even if the professional Oppositions have to oppose it.

Mr. Simon Hughes (Southwark and Bermondsey): Does the hon. Gentleman not realise that while any initiative is welcome and partnership funding is welcome, we have so far heard that there is either no extra money or a minuscule amount of extra money, and that there will be no new jobs or only a minuscule number of new jobs? As long as announcements are all presentation and no policy, they are bound to be criticised. Can the hon. Gentleman tell us how many new jobs will be created and how much of the £22 million is new money?

Would it not have been better, more effective and less bureaucratic to put a new environmental programme into, for example, the urban programme and to use local authorities and their staff as part of the implementation process? Even at this late stage, will the hon. Gentleman guarantee that local authorities will be consulted so that the initiative can be effectively delivered, without bureaucratic and administrative diversion, and so that we can see an improvement in the urban environment and not just a method of publicising the Government's apparent but belated conversion to environmental policy?

Mr. Waldegrave: It ill-behoves a representative of the Liberal party to complain about something being presentation without policy, but I let that pass. It was slightly surprising that the hon. Gentleman should suggest that this small organisation would be a new bureaucracy and that it would have been better to put the money into the local authorities' pot. The new organisation will involve some very able people who are willing to give up time to do some useful work for the community. I hope and believe that it will be a success.

Mr. Paul Marland (Gloucestershire, West): Is my hon. Friend aware that his announcement will be warmly welcomed in Cinderford, a town in my constituency in the Forest of Dean? Is he aware that Cinderford is sorely troubled by marauding sheep and their droppings, which are deliberately scattered on the pavements and pastures? Can UK 2000 assist in clearing up the mess?

Mr. Waldegrave: I am baffled, because my hon. Friend tells me of the sheep's intentions by using the word "deliberately". I do not think that my hon. Friend's problem will be the first project for UK 2000, but I shall draw it to the attention of the chairman of the board to see whether he has any useful suggestions.

Mr. Allan Roberts (Bootle): Is the Minister aware that his Government are turning tragedy into farce? They have handed over their responsibility for foreign aid to Bob Geldof and cut foreign aid dramatically. They have handed over part of their responsibility for the National Health Service to Jimmy Savile, and are handing local responsibility for collecting refuse to Mr. Branson to cut the money needed for street cleaning. May we have an assurance that the Government do not intend to hand over responsibility for law and order to Perry Mason, to Kojak or to Boy George? Does the Minister realise that these ridiculous palliatives will be recognised for what they are by the British people?

Mr. Waldegrave: I am not sure whether it is all that clever to make jokes about Boy George, but that is for the hon. Gentleman to judge, with his usual good taste. I think that the hon. Gentleman is wrong. Some people with flair and imagination will be helping people to work at some of the problems which common sense tells us must be tackled.

Mr. Ivor Stanbrook (Orpington): Do the things about which my hon. Friend has told us come within local government responsibilities? Does he agree that we do not need more money to be spent, but that we need a bit more competence by local authorities and a bit more attention to their basic duties? On our doorsteps at Westminster, litter is a disgrace.

Mr. Waldegrave: The initiative will tackle matters which go wider than local authority responsibility.

Anyway, I think that it is thoroughly good to have some competition in these matters. I expect that the organisation will come up with some ideas about which local authorities have not thought. There is plenty of room for local authority participation, and I hope that some will participate.

Mr. Tony Banks (Newham, North-West): Is this not just a further example of Prime Ministerial gimmickry, which seems more likely to be geared to securing a knighthood for Richard Branson than to clearing the litter from our streets? Will the Minister answer the question asked by my hon. Friend the Member for Copeland (Dr. Cunningham)? Instead of indulging in gimmickry, why do the Government not provide extra resources for local authorities so that they can deal with the problems in the inner cities? However, if we are to have it, may I have an undertaking that at least one of the teams will be in Newham?

Mr. Waldegrave: That is usual. The hon. Gentleman says that a scheme is a disgrace from start to finish, but then asks for it to operate in Newham. I thank him for the compliment. I look forward to the hon. Gentleman refusing his knighthood in 30 years' time. Much of the initiative covers areas outside local government responsibility. Local government has plenty of resources, and this will add usefully to them.

Mr. John Mark Taylor (Solihull): Does my hon. Friend accept that a high proportion of litter on our suburban high streets is discarded food and drink containers? Will he reflect on the undesirability of eating in the streets and perhaps make regulations for fast food takeaways?

Mr. Waldegrave: The Keep Britain Tidy Group, which is part of the venture, has done a lot of work with fast food chains to ensure that litter bins are placed outside their shops. The board will be tackling such practical and sensible ideas.

Dr. Norman A. Godman (Greenock and Port Glasgow): How much of the £22 million will come to Scotland, and how many new jobs will be created in Scotland? How many of Mr. Branson's colleagues on the board—I did not catch the names—are Scottish and how many are Welsh? Do the Government intend to set up similar committees to manage the gimmick in Scotland and Wales?

Mr. Waldegrave: My right hon. Friend the Secretary of State for Wales and my right hon. and learned Friend the Secretary of State for Scotland are discussing the matter with voluntary organisations to see how best to pursue this in Scotland and Wales. Doubtless they will make some announcement in due course.

Mr. Michael Stern (Bristol, North-West): I congratulate my hon. Friend on this initiative, which will harness the undoubted goodwill that exists outside Government and quasi-government organisations towards environmental initiatives. May I ask my hon. Friend to reject the sour attitude of the hon. Member for Copeland (Dr. Cunningham) and others who believe that the only worthwhile environmental initiative is one that employs local government officers?

Mr. Waldegrave: I agree with my hon. Friend. However, I do not believe that the hon. Member for Copeland (Dr. Cunningham) takes the attitude that my hon. Friend says, because he welcomes the work done by the Keep Britain Tidy Group and others. This initiative is a useful focus for getting some of these groups together, providing some new community programme places and providing a focus for imaginative schemes. I do not see how anybody can think that it is anything other than a good idea.

Mr. Greville Janner (Leicester, West): Does the Minister not feel that this is a dim and distorted echo of the afforestation programme of the Roosevelt Administration, which did so much, so well, so long ago, but that in fact it will create a minute number of jobs? Will the Minister tell us how many of the 5,000 jobs which he says can be expected to flow from it will be permanent?

Mr. Waldegrave: We hope, as in all community programme schemes, that there are some permanent jobs. I am not making any unreasonable claims. Everybody in this country, in my experience, believes that there is a problem of clearing up the country. There are plenty of unemployed youngsters, so why not put the two together?

Mr. Michael Fallon (Darlington): Is my hon. Friend aware that one reason why the River Skerne in Darlington is so polluted and litter-strewn is that the task of clearing it up falls between the Northumbrian water authority and the Darlington borough council? If this sort of imaginative initiative can cut through those local bureaucracies it will be very welcome to my constituents.

Mr. Waldegrave: My hon. Friend is right. There are plenty of local authorities doing a good job, but there are plenty of others which use the sort of excuse that my hon. Friend mentions for not being as imaginative as they could be. I cannot see how anybody can do anything other than welcome an additional player with some additional money in this area.

Mr. Nigel Forman (Carshalton and Wallington): Is it not the case that all schemes to improve the environment, such as this or other schemes are welcome because it is a good cause in itself? Will my hon. Friend take note of the fact that the scheme must embrace a much wider area than simply litter, because clearly the main answer to that problem, as my hon. Friend the Member for Epping Forest (Sir J. Biggs-Davison) has said on many occasions, is a more aggressive policy on prosecution?

Mr. Waldegrave: My hon. Friend is right on that point. However, contrary to what the press has said in the leaks about this, it goes much wider than litter. I hope that we will soon get away from that and see some rather imaginative and different proposals which will take the initiative forward in the future.

Several Hon. Members *rose*——

Mr. Speaker: I shall call the three hon. Members who have been rising.

Mr. Nicholas Lyell (Mid-Bedfordshire): Is my hon. Friend aware that if those who are unemployed and work on these schemes are given help to get work that can often be very successful? Under the Bedfordshire rural community council, at one stage 58 out of 70 people on a similar scheme had been moved into mainstream jobs.

Mr. Waldegrave: My hon. and learned Friend is right. I have been associated with schemes in Bristol; for example, the Brunel engine shed, which has community

[Mr. Waldegrave]

programme volunteers working on it, some of whom have got permanent jobs out of it. It is always difficult to predict how many. However, they are valuable schemes in themselves and they often lead to good and permanent jobs.

Mr. Tom Sackville (Bolton, West): Is my hon. Friend aware that this initiative will be very welcome to the residents of Bolton, and especially to the Bolton chamber of commerce, which has repeatedly called for such an initiative, pointing out that cleaning up our inner cities is good for morale and good for inward investment in the parts of the country that most need it?

Mr. Waldegrave: My hon. Friend is right. People outside the Chamber listening to the sour response of the Opposition will say that they are listening to an example of the "not invented here" syndrome.

Mr. Richard Holt (Langbaurgh): Will my hon. Friend ensure that part of the remit of Mr. Branson is to ensure that some of his people go into schools and teach children not to throw litter, as the teachers have abdicated their responsibility in that respect? It would be a good thing if we eliminated the problem at an early stage, through the schools.

Mr. Waldegrave: For better or worse, I suspect that Mr. Branson has rather more pull when it comes to persuading youngsters to do things than have some of the distinguished Opposition Members who are facing me.

Commonwealth Games

3.54 pm

Mr. Dennis Canavan (Falkirk, West): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the threat to the Commonwealth games caused by the Government's continuing refusal to implement effective sanctions against South Africa."

You turned down a similar request last Thursday, Mr. Speaker, but the matter has become more urgent since then. Five countries have definitely withdrawn from the Commonwealth games — Ghana, Nigeria, Kenya, Uganda and Tanzania — and unless the British Government take action now against the South African Government there is a strong possibility of other black African countries and Asian countries, such as India, boycotting them. Indeed, the very existence of the games, which are due to start next week, could be endangered.

Yesterday the Commonwealth Games Federation took the correct decision of banning the South Africans, Zola Budd and Annette Cowley, but the black African countries are rightly demanding effective action by the British Government against the South African Government. The people of Scotland and other parts of the United Kingdom are demanding such action as well, and over 30 Members from various parts of the United Kingdom have signed early-day motion 1100, which stands in my name and which is to that effect. If we are to judge from the weekend statement by a former Tory Prime Minister, the right hon. Member for Old Bexley and Sidcup (Mr. Heath), there is at least some support on the Conservative benches for more effective measures.

In 1970, when the Commonwealth games were last held in Scotland, they were hailed throughout the world as the friendly games. Many young people, both black and white, came together at Meadowbank stadium from all parts of the Commonwealth in a spirit of sport and friendship. That friendship, which reflected the unity of the Commonwealth, is now endangered by a spoilsport at No. 10 Downing street, who is putting her misplaced loyalty to President Botha before the loyalty of the United Kingdom to its many friends throughout the Commonwealth. I ask you, Mr. Speaker, to consider my application.

Mr. Speaker: The hon. Member for Falkirk, West (Mr. Canavan) asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the threat to the Commonwealth games caused by the Government's refusal to implement effective sanctions against South Africa."

I have listened carefully to what the hon. Gentleman has had to say, but I must take into account the various criteria laid down in the Standing Order. I regret that I do not consider the matter which he has raised as appropriate for discussion under Standing Order No. 10 and I cannot, therefore, submit his application to the House.

Later——

Mr. Jeremy Corbyn (Islington, North): On a point of order, Mr. Speaker. Further to the application under Standing Order No. 10 by my hon. Friend the Member for

Falkirk, West (Mr. Canavan), can you advise the House of the best way in which to ensure that the Home Office re-examines the nationality status of Miss Zola Budd? Clearly the Commonwealth Game Federation has found something seriously wanting in her nationality status, and it has referred to the fraud by which she received that nationality. Can you advise us how the Home Secretary can be brought to the House and made to comment on this matter?

Mr. Speaker: It is not for me to advise the hon. Gentleman on tactics. There are many other opportunities for the hon. Gentleman to make his point.

Mr. John Carlisle (Luton, North): Further to that point of order, Mr. Speaker. Can you advise me on the matter of hon. Members making applications under Standing Order No. 10? The hon. Member for Falkirk, West (Mr. Canavan) has raised a matter which is not within the control of the House or the Government. Is it right that hon. Members should parade political views on the Floor of the House when the matters in question have nothing to do with the Government? If the Commonwealth Games Federation is foolish enough to expel various people from the games, that is not a matter for the House. The hon. Gentleman is wasting our time.

Mr. Speaker: Hon. Members frequently raise matters under Standing Order No. 10 about which they are deeply concerned. I have to rule whether such applications should have precedence over the Orders of the Day.

Social Security Bill

3.57 pm

Mr. Michael Meacher (Oldham, West): On a point of order, Mr. Speaker. Is it not an abuse of the prerogative of the House that the Secretary of State for Social Services is unwilling to make a statement and has instead been reduced to trailing in the press the concessions that he proposes to make in another place to stave off a further mauling of his Social Security Bill? Is it not a constitutional outrage that amendments which were debated in depth during 160 hours of committal proceedings in this place, and which were voted down by the Government, should now be dumped unceremoniously in another place cynically to try to head off another massive defeat over the ending of free school meals for half a million children of low-income families?

As the Bill is so shot through with inconsistencies and botched up compromises, is it not time that the Secretary of State had the courage to admit to the House that the Bill commands no writ beyond the confines of his party Whip, has no electoral mandate and is roundly detested by the majority of the population? Surely he should now withdraw it, or resign?

Mr. Speaker: The hon. Gentleman knows that none of this is a matter for me. The Bill is in another place, and no doubt it will return to this House with Lords amendments, but I do not know when that will be.

MI5

3.59 pm

Mr. D. N. Campbell-Savours (Workington): On a point of order, Mr. Speaker. I should like to raise the matter of the revelations about MI5 in the newspapers last week. At the beginning of this point of order I should like to make it clear that I do not intend to veer into areas in which you may want to rule me out of order, in so far as I may refer to matters specifically subject to the injunction.

Mr. Speaker: Order. Before we progress too far in this matter I must state that, initially, I cannot see that this has anything to do with me.

Mr. Campbell-Savours: There have been three successive hearings in the courts and the Attorney-General has succeeded in taking out injunctions against *The Guardian* and *The Observer* to prevent them from repeating allegations made in an article in *The Observer* on 22 June. That article was written by David Leigh and Paul Lashmar.

I have been informed—as all other hon. Members would have been informed if they had read the newspapers at the weekend—that last week an Australian journal—the *Australian Financial Review*—referred to MI5 activities at international conferences and in London. I have also learnt that the CBS, in a national radio programme in Sydney, made a statement in which Mr. Richard Hall discussed certain aspects of Harold Wilson's premiership.

This is a ridiculous situation. We are unable to discuss the buggings, yet the Australians can discuss the matter in their Parliament. They are free to discuss matters that are subject to court proceedings in this country, yet we are not allowed to discuss those matters here. Is it not time that the sub judice rule was examined as it relates to this House? Surely hon. Members should be unshackled and free to debate issues which are freely debated in other Parliaments—in this case, the Australian Parliament, which is a Commonwealth country?

I do not expect, Mr. Speaker, that you, will be able to rule precisely today. However, these are serious matters. It is fundamentally wrong that I, as a Back-Bench Member, and my hon. Friends cannot ask questions about issues relating to the activities of MI5 in this country, when politicians in the Australian Parliament are free to raise such matters and ask questions and receive answers in their Parliament. A distinction must be made, and we must examine these matters carefully.

Mr. Speaker: The hon. Gentleman must appreciate that I am not responsible for anything that happens in the Australian Parliament. He may be correct in his submission, but that is not a matter of order; it is a matter for debate. If the hon. Gentleman will try his luck in an Adjournment debate, I shall try to be present to hear him.

BILL PRESENTED

TELECOMMUNICATIONS (AMENDMENT)

Mr. Chris Smith, supported by Mr. Derek Fatchett, Mr. Doug Hoyle and Mr. Ian Mikardo, presented a Bill to amend the Telecommunications Act 1984 to give the Director of OFTEL the power to publish reports and to make recommendations and to give him the duty to secure compliance with his recommendations: And the same was read the First time; and ordered to be read a Second time on Friday 24 October and to be printed. [Bill 206.]

STATUTORY INSTRUMENTS, &c.

Ordered,

That the Draft Development Board for Rural Wales (Extinguishment of Liabilities) Order 1986 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Maude.]*

Agriculture and the Rural Economy

4.5 pm

Mr. Andy Stewart (Sherwood): I beg to move,

That this House notes the uncertainty felt by agricultural and related industries due to the need to reduce the production of commodities in surplus, and the problems that reduction in agricultural activity and employment can cause to the rural economy and rural infrastructure generally; and urges the Government to set out its policy towards agriculture and the rural economy in a White Paper or similar document.

Last week, my hon. Friend the Member for Lincoln (Mr. Carlisle) remarked that if an hon. Member was lucky enough to win a ballot allowing him to introduce a motion, he would become a statistic. Having won a similar ballot 18 months ago, I suppose that I am a statistic twice over. Some would say that I am lucky. Indeed, Mr. Speaker, I must be extremely lucky winning two ballots and representing England's most famous constituency, with its renowned coalfield, agriculture and heritage.

Today's debate on agriculture and the rural economy is timely because Britain and our European partners, along with the other major food-producing nations, face a surplus of unwanted food. The production record of British farmers during the past 45 years is unrivalled by any other industry in this country. Can any hon. Member honestly say that 10 years ago he would have predicted this crisis of over-production? Today our vital agriculture industry is marking time at the crossroads, waiting patiently for a directive from the Minister, on which road to follow.

Looking beyond today, what will we see? Will there be production quotas for farm products in surplus or will we see land set aside, or alternative uses? Perhaps a lower input system of farming will be considered alongside the demand for organically produced food. My hon. Friend the Parliamentary Secretary need only remember one thing in making a decision and that is to sustain farmers' incomes at a viable level.

Last year's 43 per cent. fall in net farm income brought 20 per cent. of British farmers to near bankruptcy. That must not be repeated unless we wish to see the complete destruction of the rural economy and ancillary industries. Many of those industries, especially the machinery manufacturers, are already suffering through lack of orders. This, plus agriculture's uncertain future, could threaten the jobs of the 800,000 people employed in the supply and processing industries, which are largely dependent on agriculture for their inputs or outputs.

The traumatically imposed milk quotas in 1984 clearly showed the dangers to our ancillary industries by the closures of creameries in the traditional dairying parts of Britain with the resulting loss of jobs. The dairy industry — the farmers and manufacturers — is dreading the consequences of a further 3 per cent. cut in milk production. The European Community buying-in programme at 18p a litre will meet a lack of response. Why sell one's right to a steady income when the alternatives are in surplus? I hope that my hon. Friend the Minister recognises that and ups the figure to at least 27p per litre. That will have the required effect and give the Minister an additional quota to redistribute among the small and medium-sized dairy farmers hardest hit by the imposition of dairy quotas in 1984.

For grassland farmers, the alternatives will possibly be beef or sheep production, but with the review of the

variable premium scheme — which is under discussion and on which the outcome is uncertain—this is not the time for such farmers to make a fundamental change in farming practice. During the past three years' Community price-fixing negotiations, our variable scheme has been protected by the Minister, but at what cost to the other commodity sectors?

In the subsequent trade-off, the imposition and acceptance of milk quotas by some member countries was achieved only after accepting some of our production quota in return for Britain's retention of the variable premium scheme. Does my right hon. Friend intend the results of the beef and sheepmeat review to become a permanent feature of the common agricultural policy instead of accepting the trade-off with our partners, who know only too well of our commitment to this scheme, which gives consumers the advantage of cheaper lamb and beef instead of putting it into further store?

The problems of agriculture are not confined to the livestock sector, but face the arable farmers as well. Cereal over-production is currently being pursued by a lower price mechanism; a 20 per cent. price reduction during the past two years has resulted in increased yields compensating the loss in price. That has exacerbated the problem. In addition, we have the iniquitous 3 per cent. co-responsibility levy, introduced on 1 July. A similar levy on milk production failed miserably, so why compound the failure rate — or is it, as producers suspect, the means of sustaining the gravy train for the fat cats accommodated in Brussels?

I can tell my hon. Friend the Parliamentary Secretary that farmers prefer an honest, straightforward price reduction that can be understood and seen to be fair throughout the Community. The present confusion in the cereals market as to who should be paying the levy is only the beginning of another sorry saga, part of which was revealed last week when the Commission decided that Scottish farmers rolling their own oats for making porridge would be subject to the levy. First it was whisky, now it is porridge, and before December we shall have a levy on catching haggis.

The Minister must surely recognise by now that the only way to contain the cereal mountain is by quota or annual licence. It is madness to spend on storage money intended for producers. Simple common sense tells me that we can pay farmers more for producing less, thus eliminating the storage charges and have millions of pounds left over to pay farmers to go into other types of farming, instead of paying farmers to go out of certain products, which then upsets those traditional producers and markets. The inability of the EEC to manage the common agricultural policy properly and efficiently has brought agriculture into disrepute with British taxpayers, and will eventually see the end of the CAP in its present form.

I now refer to the subject of sugar beet and the important matter of the future of the United Kingdom sugar industry, currently being considered by the Monopolies and Mergers Commission. While I do not wish to comment on the British Sugar ownership issue itself, other than to say that I see an overall benefit in EEC terms in a unified United Kingdom sugar industry, I want to speak on the position of beet growers, whatever the eventual outcome of the present situation. Given any practical solution that I can foresee, our 11,600 beet growers will still be selling their beet to a monopoly processor. They have no other outlet for their beet, which is a vital break crop in the arable rotation, and vital also to the many people associated with its production cycle.

That, of course, has been the situation ever since the Government divested themselves of their shareholding in the original British Sugar Corporation some six years ago. My beet-growing constituents tell me that the generally harmonious relationship that they have subsequently enjoyed with the present owners, S. and W. Beresford, was largely based on a series of undertakings offered by Beresford at the time, to both the Ministry of Agriculture, Fisheries and Food, and to growers through the National Farmers Union.

However, other than an undertaking to operate British Sugar as a separate business within the Beresford group, those undertaking have no legal basis, and as things now stand, any new owner of British Sugar could change those arrangements substantially, with growers powerless to stop them. That possibility could represent an intolerable abuse of a monopoly position, and it can be resolved only by those same undertakings, details of which I understand have already been submitted by the NFU in its evidence to the MMC, being incorporated as legally binding on whomsoever eventually gains control of British Sugar. Only in that way will the legitimate long-term rights and interests of beet growers and those who work in the processing factories be adequately safeguarded and protected.

While growing food will remain the prime job of the farmer, food production is not the only demand that the public have of the countryside. We need to create income and jobs through a network of small businesses in the rural communities. There are opportunities, to be developed by farmers, providing facilities for tourism, recreation, and farm shops based on the existing farm businesses. Farmers represent a large proportion of established rural businesses and as such have a head start in seizing a wide range of new business opportunities in the countryside. Those opportunities will lead to a requirement for more Government support in the form of development and advice. I am sure that we have the right vehicle for that through our Agricultural and Development Advisory Service. The initial message surely must be to diversify and prosper.

Agriculture in England and Wales is faced not only with short-term economic problems but with long-term uncertainty. I accept that the Government cannot make individual decisions on cropping and stocking for 200,000 farmers, but such decisions are heavily influenced by Government policy. I believe that it is reasonable for the Government now to give farmers a clear lead as to the direction in which they will be expected to go in future.

4.17 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): I congratulate my hon. Friend the Member for Sherwood (Mr. Stewart) on the choice of motion for this afternoon's debate. He has chosen an important issue. I can see that a large number of hon. Members wish to speak on it.

I start by assuring my hon. Friend that the Government fully recognise the pressures that the farming industry is facing, and the challenge that they present. In the main, as my hon. Friend admitted, those pressures flow from the need to control the production of commodities in surplus within the Community, as the motion recognises. The

[Mrs. Peggy Fenner]

problem has arisen as a result of the success of agriculture in applying advances in technology and techniques. That has happened not just in Europe, but around the world, so that countries such as India and China, which once appeared to be large export markets, are now self-sufficient or even exporting.

Europe's surpluses are a major burden on the Community budget. The stocks include: almost 18 million tonnes of cereals, 1·2 million tonnes of butter, 800,000 tonnes of skimmed milk powder, and 600,000 tonnes of beef. The Community cannot afford to allow the surpluses to continue. The budgetary cost, the problems of disposal and the adverse effect on our relations with third countries all make it essential that we bring supply into better balance with demand. That is now being widely recognised throughout the Community. At its recent meeting in The Hague, the European Council agreed that the Community "must continue to adapt the CAP to the changed circumstances".

The Council continued:

"a better control of total production must be ensured so that it is better adjusted to the market situation with the result that the share of public expenditure claimed by agriculture can be reduced".

These views of the European Council will be important in the approach which the Community adopts to the CAP in the coming weeks and months.

The pricefixing this year has sustained the tough measures which started with milk quotas in 1984, followed by restraint on wine in 1985, and now cereals where support for feedwheat has fallen by as much as 7 per cent. and where a co-responsibility levy is being applied. Year by year, support prices in real terms have been cut—on average by more than 3 per cent. a year in the past three years.

Mr. Robert Maclennan (Caithness and Sutherland): When will the Government bring to the House the order under which we shall have the opportunity to debate in detail the co-responsibility levy on cereals? Why has the matter been put off so long when there is great uncertainty about how it is to be operated?

Mrs. Fenner: When answering questions last week, my right hon. Friend said that it will be brought forward just as soon as possible. The EC directive was ambiguous. Until it is clearer, we cannot bring it to the House.

The price fixing also included tough measures for other commodities with cuts for products such as olive oil, tobacco and fruit, which are a charge on the Community budget ranging up to 7 per cent. Taking all of the changes to support measures into account, expenditure this year was reduced by 320 million ecu or about £200 million, and next year by 457 million ecu, or £286 million.

At the same time, we ensured that United Kingdom producers had the benefit of modest green pound devaluations, and we avoided discriminatory limits on the beef and ewe premiums and discriminatory exemptions on the cereals co-responsibility levy.

We want to ensure that our farmers can continue to prosper from their own efforts and enterprises. Our continuing commitment to agriculture is demonstrated by the positive steps we take, including spending £2·2 billion on agricultural support last year and introducing substantial improvements in the hill livestock compensatory amounts arrangements. We have extended the scheme to pay HLCAs to farmers in the new less-favoured areas for the first time. I know that that has been of considerable help to farmers in the marginal areas. We have also this year increased overall HLCA payments by some 11 per cent. Total Government support in this financial year is expected to be about £110 million throughout the United Kingdom. This is a very significant contribution to ensuring the continuation of livestock farming in the hill and upland areas, thereby helping to sustain the rural economy.

We took special action last year by making available some £16·9 million to assist those livestock farmers who had been most seriously affected by the exceptionally bad summer weather. As a result, suckler cow and sheep producers in many parts of the less favoured areas and dairy farmers in certain more limited areas benefited from a significant injection of cash to help them through the winter. We have also sustained the variable premium scheme for beef.

Mr. Charles Kennedy (Ross, Cromarty and Skye): The Minister has detailed the Government's spending record, but does she agree that, at the end of this financial year, less will have been put into agriculture than last year? Will she take this opportunity to answer the important point raised by the hon. Member for Sherwood (Mr. Stewart), who said that it is important for the development of agriculture that as much advantage as possible should be taken of research and advisory services? How do the Government hope to sustain agriculture in marginal areas such as mine when they are introducing a charging system for advice for the very marginal farmers who need it most? Surely that flies in the face of what she has just argued.

Mrs. Fenner: Perhaps I might develop my argument in support of the Government's commitment to agriculture and pursue the hon. Gentleman's comments on research and development a little later.

As my hon. Friend the Member for Sherwood said, the measures that I have outlined did not prevent farm income falling by 43 per cent. last year, but that was mainly the result of the bad weather, and it followed an increase of 35 per cent. in 1984 when we had exceptionally good weather. We do not pretend that agriculture is having an easy time, but the need to change has to be faced and we are only part way into the readjustments which are needed.

Farmers everywhere—in Europe, in the USA and in other major producing countries—face the same need for change. Our farmers must play their part, but we will not accept measures which discriminate against us because our industry is efficient. We believe that, with a fair application of restraint measures, our agriculture will respond with vigour and continue to prosper.

We recognise that price policy alone is not enough in securing the necessary adjustments. This is why we want to have the idea of taking cereals land out of production fully examined within the Community. That could help to speed the necessary changes and help the producers worst affected by price restraint.

We already help farming to adapt to new and changing circumstances through the farm capital grant schemes. That support has been continued in substantial form in the present agriculture improvement scheme, which we introduced last autumn and which puts emphasis on helping smaller farmers and farmers in the less-favoured areas.

An important new strand in our policy for securing the future of farming—and one which recognises the strong link between agriculture and the rural economy—is, of course, that of farm diversification. The new agriculture improvement scheme already incorporates a totally new grant for farm tourism and craft investments. This grant covers a wide range of projects from tourism and recreation to crafts and light industry in the less-favoured areas. It is based on the premise that farmers possess the buildings, land and collateral which can be developed to the benefit of the rural community as a whole. This aid is backed by advice from the ADAS socio-economic group.

The recent debates on the Agriculture Bill have also shown that there is very strong support for the idea of aid for an even wider range of ancillary farm-based businesses. The Government have recognised that support, and responded to it positively by introducing their own amendment to the Bill which would permit Agriculture Ministers to make grants towards ancillary businesses defined by order. I very much hope that the availability of such a power will provide a valuable extension of our support for farming and the rural economy.

Sir Paul Hawkins (Norfolk, South-West): Can my hon. Friend assure me that, even if research is cut in some areas, that into alternative crops will be stepped up? We may find, for example, that converting areas from wheat growing into woodland might produce a saving by the time that storage costs and the cost of maintaining woodlands have been calculated. We should also consider land for industrial uses. Crops for plastics, for example, might not be wanted at the moment, but will my hon. Friend at least assure me that research into such matters will be stepped up?

Mrs. Fenner: We shall rely on the advice of the priorities board, which is establishing priorities for research. The Centre for Agricultural Strategy recently had an interesting seminar which we supported. The priorities board will take account of alternative uses of land.

We must avoid putting unnecessary impediments in the way of farmers who wish to diversify. I have mentioned our amendment to the Agriculture Bill concerning ancillary services. Indeed, my right hon. Friend the Secretary of State for the Environment has taken very positive steps to encourage local planning authorities to consider sympathetically applications to use redundant farm buildings for minor industrial and craft purposes that are compatible with rural surroundings. This is a further valuable contribution to our overall efforts towards the diversification of farm incomes, and the strengthening of the rural economy generally.

Further opportunities for farm diversification are being explored. My Department is sponsoring considerable research in this area. As I have said, we recently funded a most successful seminar organised by the Centre for Agricultural Strategy, which considered a range of alternatives to existing systems of agricultural production. The results of this seminar are now publicly available.

My hon. Friend referred to forestry and farm woodlands. These are one of the more promising alternatives. For this reason, late last year we issued for consultation a report by officials on the potential for "Woodland as a Farm Crop". Since then the EC Commission has produced its own consultation paper on forestry measures, and the NFU has issued a policy paper under the heading "Farming Trees". This indicates the strong and still growing interest in the possibilities for the expansion of forestry on farms.

The main problem is that the income that trees produce is not likely to be available until perhaps 50 years or more after planting. The difficulty lies in finding some means of bridging this gap. But at the same time, it may be more cost effective to encourage farm woodlands and timber production than to maintain land in agriculture. This is an issue to which we are giving the closest attention, as we fully recognise the economic and—particularly in the case of broadleaves—the environmental benefits that can flow from an increase in farm woodlands.

Agriculture, of course, forms a key part of the rural economy, and its continued strength is therefore of great importance in this respect. But additional support for rural communities generally is provided through the Development Commission, for which my right hon. Friend the Secretary of State for the Environment has responsibility. The work of the Commission has assumed even greater significance at a time of uncertainty for agriculture, when new job opportunities are now needed more than ever.

The Development Commission has a wide range of activities, ranging from small factory and workshop construction to provision of grants for the conversion of redundant buildings. It also offers a range of advice, training and assistance to small firms. This activity is backed up by a range of social policies to promote self-help through community and voluntary work.

Some rural areas have a greater concentration and range of problems than others, and that is why nearly 80 per cent. of the Commission's resources are directed to the rural development areas which were designated in 1984. Over the past year, the Commission has launched a co-ordinated approach towards the problems in these areas in close consultation with local agencies. In recognition of this valuable work—I hope that my hon. Friend will be reassured of this additional work which makes a contribution to the rural economy—the funds available to the Development Commission have been substantially increased over the past two years from £21 million to £29 million.

Of course, our policy for agriculture and the rural economy generally must take account of the need to conserve the countryside. It is vital to care for the countryside, its landscape and its wildlife, not only for the people who live and work there but for the millions of visitors who enjoy the countryside on a pleasant day out or on holiday.

The countryside is what it is because of the activities of generations of farmers. It is a managed countryside in which agriculture plays the leading role. We are therefore committed to striking the right balance between all the diverse interests in rural areas and to gearing our agricultural policies towards the achievement of wider environmental, social and economic goals.

We have already gone a long way down this road. Many of the activities with which agricultural Departments are involved are not solely, or even mainly, concerned with agricultural efficiency. For example, the MAFF and the Countryside Commission are jointly sponsoring an experimental scheme for protecting the traditional landscape of the Broads, and the response from farmers has been very positive. Recently, the capacity of

[Mrs. Fenner]

ADAS officers to offer conservation advice has been greatly expanded and the Ministry has already played a leading role in the development of the highly successful Farming and Wildlife Advisory Group movement.

Mr. Tam Dalyell (Linlithgow): In relation to the whole saga that surrounded Halvergate, what has the MAFF and the Department of Environment learnt from this episode?

Mrs. Fenner: I am sure that we have learnt the basics for protecting the traditional landscape of the Broads. If Halvergate is among the designated areas, I have no doubt that that will be as successful as the rest of the Broads scheme.

That is our commitment, and the next step is to write it into legislation. As hon. Members know, the Agriculture Bill includes a clause that will require Agriculture Ministers to endeavour to achieve a reasonable balance between the interests of agriculture, the economic and social interests of rural areas, conservation and public enjoyment of the countryside. As a result, not only will this be our policy—which it has been—but it will be our duty. We recognise that this is no easy task, but we have already gone much of the way to achieving it in practice. That clause in the Bill will bring our existing policy into a new and sharper focus.

We are also taking more specific steps to encourage farmers in the achievement of wider environmental goals. Clause 17 of the current Agriculture Bill will empower Agriculture Ministers to designate areas as environmentally sensitive. Within such areas emphasis will be placed on encouraging farmers to maintain and adopt practices that better protect the needs of the environment. We shall do this by asking farmers to enter into agreements whereby they abide by conditions such as restrictions on the use of fertilisers, stocking limits, number and timing of hay cuts, maintenance of hedges and stone walls and so on. Such conditions inevitably have financial implications, and in recognition of this we intend to make payment to farmers who agree to enter our schemes. I know that this new initiative has received a welcome reception among the farming community, and I believe that it represents a most important positive step towards a wider, more integrated approach to support for our valuable rural areas.

Mr. David Harris (St. Ives): Is my hon. Friend yet able to say when the first batch of these ESAs will be designated? We seem to have been waiting a long time for that announcement.

Mrs. Fenner: I accept my hon. Friend's criticism of the time lag, but this is a first experiment, as it were. We hope to be able to announce very shortly the areas that have been accepted. I cannot define it more closely than that. My hon. Friend will have to be patient for a little while longer.

Mr. John Home Robertson (East Lothian): Will it be this year?

Mrs. Fenner: I said very shortly.

I have at some length set out our commitment to agriculture and the rural economy. I hope that the House will agree that the record shows that the Government retain a positive commitment to agriculture, the rural economy and the environment. But we cannot be complacent. The agricultural environment will continue to change. Indeed, the pace of change seems likely to accelerate in the years ahead. We cannot predict in precise terms what the changes will be, and we know from experience that we cannot predict in detail what measures will be agreed in the European Community as a whole to tackle the continuing problem of agricultural surpluses. The detail is often an important part of that.

It is against that background that we must look at the idea of a White Paper or a similar document. I respect what my hon. Friend the Member for Sherwood said about the uncertainty felt in agriculture, but it would help no one if we tried to produce a plan for agriculture that was in danger of being out of date.

I have noted what my hon. Friend said, and I shall also listen to what other hon. Members say during the debate. I know that my right hon. Friend the Minister—who regrets that he is unable to be present today because of his duties as President of the EC Council of Agriculture Ministers—will be paying similar particular attention to them. I can assure the House that we shall continue to bear this issue very much in mind as the situation develops.

4.40 pm

Mr. Geraint Howells (Ceredigion and Pembroke, North): I thank you for calling me so early in this debate, Mr. Deputy Speaker. I should also like to thank the hon. Member for Sherwood (Mr. Stewart) for giving us all the opportunity both to discuss this important subject and to bring to the Government's attention the great anxiety felt by all hon. Members who represent rural constituencies. I know that the hon. Gentleman and other Conservative Members are worried about what the future holds for them, because the Government's agricultural policy has had a disastrous effect on every Conservative candidate in by-elections during the past three years, when the results are declared.

A long time ago, or so it seems, the Conservative party liked to portray itself as the champion of rural Britain and claim that it alone understood and was able to interpret the voice of the countryside. Today, as the Conservative Government preside over a declining rural economy and the dismantling of the many services and facilities previously enjoyed, that claim sounds extremely hollow.

Mr. Paul Marland (Gloucestershire, West): Before the hon. Gentleman starts on the apparent benefits of his policy, may I ask whether he is aware that the alliance party on the Gloucestershire county council has just voted in favour of rating agricultural land? Will he temper his remarks bearing that in mind, and will he let us know whether that is now alliance policy?

Mr. Howells: With respect, I shall come to the rating of agricultural land later in my speech and I shall address myself to the specific point raised by the hon. Gentleman.

Agriculture is going through another period of crisis, and more and more farmers are finding it difficult to make a decent living. Opportunities for new entrants into the industry are becoming fewer. With the decline in farming there follows the disintegration of the supporting industries and the structure that upholds and assists the community. They are gradually whittled away until the community disappears. Some of the blame may well be laid at the door of the common agricultural policy, which has encouraged lakes and mountains of produce that cannot be sold. I have always believed that the

Government's insensitive handling of agriculture and unwise panic measures have exacerbated the position unnecessarily and caused an unprecedented loss of morale throughout the industry.

The difficulty started in 1984, when the Government introduced milk quotas in a panic. It is a great pity that farmers and agriculture have never got over that sudden shock.

Mr. Harris: Perhaps the hon. Gentleman could throw some light on alliance policy on milk quotas and say whether the hon. Member for Brecon and Radnor (Mr. Livsey) is no longer the Liberal spokesman on agriculture. Can the hon. Gentleman say whether the Liberal party still has no policy on milk quotas, as that hon. Gentleman said?

Mr. Howells: I am surprised that in 1986 Conservative Members are so keen to know what alliance policies are, but of course are doing well at every by-election and they are getting worried, week in, week out. My hon. Friend the Member for Brecon and Radnor (Mr. Livsey) has apologised for the fact that he is unable to be present today, and I am deputising for him. Milk quotas were introduced in 1984, and the hon. Gentleman will agree that the Government rushed them through in a panic. If my colleagues and I had been in office at that time, we would not have introduced them as the Government did.

Agriculture, which was encouraged to become efficient and produce more food, should now be given much more backing to help it through this difficult period in 1986-87. What alarms me and many of my colleagues is that the Government seem intent on doing exactly the opposite. The industry needs help to diversify, and every farmer needs advice relevant to his or her position, but what are the Government doing? They are cutting the advisory services, undermining the work of the Agricultural Development and Advisory Service, reducing its effectiveness, cutting staff and then charging for advice. That is not good policy for agriculture. At this time there should be an entirely different approach and a much more supportive attitude from the Government in the form of more advice and assistance, given free. Agriculture needs a 10-year policy so that farmers know exactly where they are going.

I am also alarmed at the way in which the Government are cutting research related to agriculture. In my constituency the Welsh plant breeding station at Gogerddan near Aberystwyth, which is renowned throughout the world for its work and for the way in which it has promoted and developed crop production, recently received news about its recurrent expenditure for 1987-88. It is estimated that there will be a deficit of about £260,000, which is equivalent to 9 per cent. of the budget. Not only will that mean that several posts will be lost in addition to those already lost in the past year or two, but it will lead to a severe loss of morale and a greatly reduced capacity to carry out what has proved to be vital work for the farming community.

Those involved in agriculture in Wales and elsewhere are horrified at this attack on a greatly respected institution and see the same gradual erosion extending throughout all agricultural research and development organisations in Wales and Britain as a whole. We need a radical change of approach to agriculture to match the changed circumstances. There must be more support for the rural economy, and measures should be introduced to support the family farm, to encourage young farmers, and to provide credit facilities and favourable interest rates through an agricultural or land bank. We should give increased support for development and advisory services and for improved marketing schemes, and, generally, provide a suitable environment for diversification.

That cannot be done overnight, but we need to start now to plan for the next 10 years. Do not let us carry on, as we have been doing, going from one crisis to another, with the Government inventing policies as they go. Farmers are tired of uncertainty and changes of direction. Give them more stability and purpose and, by doing so, save the rural economy from decline.

Mr. Robert Key (Salisbury): Sceptical as I am of some of the things that the hon. Gentleman is saying, I believe that both he and I have the interests of the rural economy at heart. Will he develop his theme of a land bank for young farmers to promote the family farm? One of the main problems in the crisis that our farming community has faced in the past few years, particularly since the milk quotas, has been that banks have let young farmers get into tremendous debt, and they have suffered most. The hon. Gentleman seems to be suggesting that we have an institutionalised form of debt creation for the very people whom we are trying to help.

Mr. Howells: Let us put the record right once and for all. It has always been the policy of the Liberal party that we should have a land bank. That is also the policy of the alliance. The bank is not for young people to buy land, but to give them the opportunity to start. The Labour and Conservative parties are now in favour of a land bank, on similar terms to that which we envisaged in the first place.

Over the years, I have said that we are fortunate that we have a capital grants scheme, which has operated well for years. However, our counterparts in Europe also have a cheap credit facility. We do not have that choice. Our friends in Europe are willing for us to pursue a policy if it is the wish of the Government that we should have a capital grant scheme or cheap credit facilities. The door is open for us to accept such a policy, and I am sure the hon. Gentleman will agree that that is the way to help young farmers.

The hon. Gentleman should divert his mind to another policy. Many smallholdings are owned by county councils. It is a pity that, because of the shortage of cash, many county councils are having to sell these farms. It is the duty of the Government of the day to give extra financial aid to those county councils to make sure that such smallholdings remain.

I feel strongly on this issue. This Government are the worst since the war for ignoring the urgent needs of agriculture. It needs help, and many farmers need to be saved from financial difficulties and ruin. The most effective industry in Britain has been brought to its knees by unwanted Government policies during the past three years. Many farmers have asked me and others how long Ministers will ignore them. It all started in 1984 with the milk quotas. If the Parliamentary Secretary is to wind up the debate, will she answer this question? Do the Government intend to introduce quota systems for any other commodities during the next few years? I can give the answer. As an election is pending, the Government will not do so.

It has been said that the Government have helped farmers for a long time, but farmers are aware that the

[Mr. Howells]

grants are slipping away quietly and that instead of having 50 or 60 per cent. they are getting 20 or 30 per cent. That is a great shame. If the Government want to help hill farmers and marginal farmers, they can give extra funding under EEC rules, but the grants have never been paid in full, as they should be. No one in Europe is opposed to such grants. It is only the Government who have kept down grants and the hill compensatory allowances.

I am sure that hon. Members on both sides of the House will agree that many sheep producers have applied for the ewe premium under the sheep regime, but many have been refused. Many have been refused the ewe premium because they have not applied in time. Many farmers in England, Scotland and Wales have been denied the premium because their application was 24 or 48 hours late. Nobody disputes that they are honest people, and for the sake of a few hours they should not be deprived of the money that is theirs by right.

The Minister did not tell us what we should do about marketing surpluses to the Third world and other parts of the world. The Government should have a plan for marketing. They should be able to persuade our counterparts in Europe what should be done with the surpluses. We do not need to penalise successful British agriculture. How many times have the Secretaries of State for Wales or for Scotland, who have full responsibility for agriculture in those countries, been in Brussels in the past three years? They have admitted on the Floor of the House that they have not been there to protect our rights during negotiations. It is time that they went there. They have the full responsibility for looking after their people and are duty bound to go.

Many of us on both sides of the House believe that we are Christians. We are all aware that we, together with the rest of the world, spend $17·5 billion a fortnight on arms. If that $17·5 billion were spent to help those in the Third world, every person would be fed, educated and housed. The Government and hon. Members on both sides of the House should give more thought to those people in other parts of the world who are less fortunate than we are.

The hon. Member for Gloucestershire, West (Mr. Marland) asked me about land rating. I do not know why so many Conservative Members want to find out whether the alliance is in favour of the rating of agricultural land. The hon. Member for Southend, East (Mr. Taylor) last year introduced a Bill to rate agricultural land. He was supported by other Conservative and Labour Members. It was I and one of my colleagues who spoke against the hon. Gentleman. With the support of many Conservative Members we destroyed the Bill. It has been our policy that we have no intention to rate agricultural land.

I had thought that the Minister would say something about the radioactive fallout in Wales, north England and parts of Scotland. Many people have asked whether there was any need for such lamb restrictions. Perhaps the Minister will tell us later. I know that the National Farmers Union of England and Scotland, and the Farmers Union of Wales have been in touch with her. What is the hon. Lady's latest information on the radioactive fallout and on the compensation to sheep producers?

My hon. Friend the Member for Caithness and Sutherland (Mr. Maclennan) asked about cereal farmers. Two years ago, the dairy farmers went through agony, but now the cereal farmers are in dire trouble, and they are getting worried. They are more worried than the dairy producers, and I hope that the Minister will announce when a statement will be made on the Floor of the House of Commons to ensure that the morale of the cereal growers will not be dented, as was that of the dairy producers. I hope that a prepared statement will be made soon.

The hon. Member for Sherwood (Mr. Stewart) said that it is now reasonable for Governments to give farmers a clearer lead on the direction in which they will be expected to go in future. If the Government will not do it, the alliance will.

5 pm

Sir Peter Mills (Torridge and Devon, West): I welcome this debate and congratulate my hon. Friend the Member for Sherwood (Mr. Stewart) upon his choice. He is a true friend of British agriculture and the rural scene. Unlike others, he speaks from experience, and that is important.

I was amazed by the phrase that was used by the hon. Member for Ceredigion and Pembroke, North (Mr. Howells). He said that this Government were inventing policies as they went along. That is an extraordinary statement to make when one considers all the debates that take place in Brussels and the policies that are formulated there as well as by the Ministry of Agriculture, Fisheries and Food. The Government do not invent policies as they go along. It is the Liberal candidates who are inventing policies at they go along, and they vary from constituency to constituency. The hon. Gentleman must check up on what is being said by Liberal candidates. I assure him that they believe in agricultural rating.

Mr. Geraint Howells: Is the hon. Gentleman aware that the Secretary of State for Wales apologised on the Floor of the House—as did the Minister of Agriculture—for misusing words and for saying to the public that we are in favour of agricultural rating? That is wrong, and the hon. Gentleman knows that it is wrong.

Sir Peter Mills: That is not so. The hon. Gentleman ought to go to the constituencies and listen to what the candidates are saying.

Farmers are very concerned about the future. All of them understand the problems involved in dealing with the surpluses, as well as the tremendous cost and the reluctance of taxpayers to pay for the storage of surpluses. The hon. Member for Ceredigion and Pembroke, North kept on about agricultural aid and said that far more should be given than is already being given by his Government, but he said nothing about the cost to the taxpayer and about taxpayers' reluctance to pay for it. However, the Government ought to provide guidance and help to agriculture. The industry does not want to be provided with firm guidelines, but it wants to know what will be required in the future. I hope that my hon. Friend the Parliamentary Secretary will take that on board.

Swine fever is causing a great deal of concern in the south-west of England. It poses a very serious threat. I ask Ministers to redouble their efforts to ensure that only non-infected meat is allowed into this country. It is absurd that our pig farmers should be put at risk.

Will my hon Friend also note that there is a staffing problem at Weybridge? Of the 220 samples that were sent to Weybridge by veterinary officers, only 70 had been dealt with after 10 days. Testing must be speeded up so that we

can get on top of this problem. The results of tests must be made available quickly. The National Farmers Union is pressing for a ban upon all imports of pigmeat. It says that the Government have the power to impose a ban, but legal proceedings could be taken against this country if a ban were to be imposed upon imports of pigmeat. The NFU has prepared a good brief which I shall send to my hon. Friend. I ask the Government to check up on the legal points. If we were to impose a ban on pigmeat imports, it would be ridiculous if then we had to pay a very heavy fine and compensation. But if such a ban could be imposed, I believe that it should be imposed.

As for the future of a great British agricultural institution, the Milk Marketing Board, for many years the board has provided stability and confidence for milk producers. Consumers have also benefited from the board's activities. They have been assured of constant supplies of milk that is pure and of good quality. We must ensure that the board continues to function. Some would disband it. Europe is not too happy about the Milk Marketing Board, and I must confess that some Conservative Members wish the MMB to be disbanded, but that would be a tragedy for all concerned. The Touche Ross report must be implemented and the Dairy Crest problems must be solved. The MMB has provided a great service to both the consumer and the farmer.

We cannot just say that more and more aid must be given to solve the problem of surpluses. That would produce even more surpluses. Alternative crops are essential. A desperate search must be made for alternative miracle crops. The combination of small changes and new enterprises adds up and must be used. I trust that the Government will provide every encouragement to the various agricultural colleges and research establishments to continue the search for alternative crops.

Mr. Maclennan: The hon. Gentleman asks the Government to continue to provide help for the agricultural colleges. Is he not aware that the Government are slashing the assistance that they give the agricultural colleges and that in Scotland the assistance they provide has been reduced by more than 50 per cent., just at the time when help is most needed for those purposes?

Sir Peter Mills: It is not true to say that the Government have slashed assistance. The Government want value for the money that they give to the agricultural colleges, and that is absolutely right. Instead of research covering a very wide area, the colleges should concentrate upon the kind of research that is needed. The need at the moment is for research into alternative crops.

It is important to warn British agriculture of some of the serious problems that it may face in the future. Agriculture has to deal with many problems caused by nature but there are also political problems. I wonder whether the Opposition's proposal to introduce yet further taxation and a wealth tax and to withdraw from Europe is the way to give confidence and help to British agriculture. I doubt it. It is no use the hon. Member for East Lothian (Mr. Home Robertson) shaking his head. The Opposition's policy is that this country should withdraw from Europe and renegotiate. If the hon. Gentleman wants this country to become the dumping ground for European food surpluses, it will do untold harm to British agriculture and, more than anything else, it will sap its confidence.

I do not intend to say any more about agricultural rating. I do not believe that the alliance will ever get the chance to put its policies into operation. However, we have to take seriously what is being said by the Socialists about these matters. I hope that no more nonsense will be talked about our withdrawal from Europe. Membership of the Community has been of great benefit to British agriculture.

As I read the press and survey the rural scene, I come to the conclusion that there has been far too much gloom and doom in some magazines and newspapers. Of course it is true that profits are down, except in the dairy industry. Again, the hon. Member for Ceredigion and Pembroke, North, who spoke for the alliance, does not know his facts. The costings of the Milk Marketing Board and of the British Oil and Cake Manufacturers show that, under quotas, the margin over costs per cow is the highest that it has ever been. It is more than £700 a cow. It is absolutely ludicrous to talk as the hon. Gentleman has done. It is true that profits are down in agriculture generally, and that borrowing is rising, but there are pluses too. Costs are down, farm inputs are down, productivity measures are increasing and many farmers have learnt how to manage in areas where they never thought of doing so before. Interest rates are down and every 1 per cent. reduction in interest rates means £50 million off the burden on agriculture. Long may they continue to fall.

Prices have been good. I do not know what is happening in the constituency of the hon. Member for Ceredigion and Pembroke, North but calf prices and store cattle prices have never been higher, and early lambs are fetching the highest prices ever. Some lambs have been fetching £60 each. It is nonsense to talk about the entire industry being on its knees. The prospects for 1986 seem much better. Agriculture should be praised for the way it is adjusting to the difficult circumstances of tremendous surpluses. Agriculture needs some guidelines, support and confidence from the House. The Conservative Governments offer that.

5.11 pm

Dr. Roger Thomas (Carmarthen): Welsh agriculture contributes nearly 4 per cent. to the Principality's gross national product, which is about twice the amount that agriculture contributes to the United Kingdom's GNP. Compared with the United Kingdom, nearly twice the percentage of the working population in Wales is directly dependent upon the industry for employment. The grassland sector, and with it the dairy sector, is the backbone of our rural economy. In a country that is predominantly hilly or even mountainous, that has a well above average rainfall, and where four fifths of the terrain now has, thankfully, less-favoured status, the dairying enterprise is imperative.

Wales has a relatively small arable sector. Income trends in that sector have, overall, been rather more favourable. Even before the badly rehearsed, badly researched quotas were brought into being, restrictive price awards and levies kept incomes to only modest improvements, and that at a time of a general drive for expansion. But it proved to be impossible to throw a dynamic industry into reverse without widespread damage being inflicted. At the time of that expansion drive, there was an exceptionally high financial commitment with record levels of bank borrowing. Welsh farmers realised that allowing production to increase as demand was falling

[Dr. Roger Thomas]

throughout the Community needed positive steps, but penalising a country such as Wales—and Great Britain is more than 10 per cent. short of self-sufficiency in milk and dairy products — would lead to widespread and severe hardship, and there was a rural outcry of unprecedented proportions. That was at the same time as, across the St. George's channel in Eire, the Government there, fully represented at Brussels, could afford and was given extra quota and general preferential treatment.

It is not unnatural, perhaps it is only to be expected, that the wrath extended to the favoured position of New Zealand imports, and to the continued favoured position of New Zealand dairy imports. Even now, dairy producers in Wales and other parts of the United Kingdom—some struggling successfully; alas, many struggling unsuccessfully—must witness the continued importation and the carrying round the world of 80,000 tonnes a year. That appears to Welsh farmers to be shrouded in irrationality.

The farming unions of Wales are now opposed to the continuation of that level of importation from New Zealand. They have recently been joined by the Milk Marketing Board and the Dairy Trade Federation. In 1973 it was agreed that New Zealand would be doing well if in 10 years' time it received just under 25 per cent. of the United Kingdom market. The real figure is now nearer to 40 per cent. The farmers of Wales are very irate that that high level of New Zealand importation should continue.

Our agriculture must contend with a continuing state of affairs whereby measures that appear to favour our national position when imposed by the Community, are inexplicably held back or are only partially enforced by the Government. Yet other countries are prepared to modify, even to reverse, Community measures which, if implemented nationally in that country, would be socially harmful. Not every country in the European Economic Community is fighting by the Queensberry rules.

When some commodities are produced in excess we take a short-sighted and almost miserly attitude towards research and innovation. There is an abject lack of an overall agenda for the future. The Government appear to prefer to leave things to chance.

Of the United Kingdom farmers that employ labour, 23 per cent. account for 80 per cent. of farming output. Since the second world war, the larger farms have ridden the storms better and, in general, have done better and been more prosperous than the smaller farms. Far too few of the grants, the guaranteed prices and the deficiency payments have percolated through to the farm workers. There is annual indignation from farmers who employ labour when the wages board announces modest annual pay increases. Farm wages urgently need to be brought into line with the wages of other industrial manual workers. That is how agriculture can influence and improve our rural economy.

The farming community still has the largest occupational group claiming family income supplement. That should not be allowed to continue. During the past 15 years the number employed in agriculture has continued to fall sharply and, with persistently high rural unemployment, there has been far too great a tendency to call upon casual and part-time labour. With the loss of farming jobs, the whole non-farming rural economy suffers. Village and hamlet life loses essential facilities and unfortunately, in many of the remoter rural areas there is hardly any infrastructure to which small-scale industries can be attached. Job creation is stagnant.

Well before the end of the century, Britain will have a new commodity surplus. There will be a surplus of rural land. An area equivalent to the size of Wales or East Anglia will be surplus to agricultural needs. Years of heavy investment and improving efficiency will have by then taken their toll. Many hon. Members have mentioned the mounting surpluses and they are a continuing embarrassment, with millions of pounds of national taxation being used to pay farmers for crops for which there is either no market or a diminishing market. Those which are not used have to be stored at equally escalating and prohibitive costs. We have had dairy produce surpluses, and now cereals are being vastly over-produced. Farmers who were induced or forced to give up milk production, turned to beef and sheep, and it is likely that within a few years those commodities will be yet further examples of surpluses.

Much innovation and enterprise has been focused upon the alternative use of surplus land. It appears that the land must be used, come what may. The solution may lie in further afforestation, and there would appear to be a social as well as an economic advantage, because timber imports would be reduced and local jobs would be provided, thus countering the depopulation that follows land becoming surplus to conventional usage. We must support areas of localised afforestation. It is hoped that such afforestations may include the lowlands, the broad-leaf woodlands and farm forestry, as opposed to landowner and specialised companies. The needs of the former must be subsidised.

The contribution that forestry can make as a fuel as well as a chemical resource should not be forgotten, and could form part of a sensible non-nuclear strategy. We hope that that is what will finally emerge. The redundancy of agricultural land is not a limited farming interest. Such a situation might be immensely challenging. Both the countryside, and jobs in the countryside, could be protected, as many aspects of rural life could be thrown open to the people as never before.

At a more parochial level, farmers, and particularly hillfarmers, need to be reassured following the ban on sheep, their movement and slaughtering. There must be adequate and honourable compensation. Last summer's poor weather and cash flow problems form the background to the recent disasters afflicting the farmers on the hillsides of Wales. Others, too, must not be forgotten, such as those who work in abattoirs and those who are employed in the haulage industry.

Farmers must ensure that they keep accurate records of costs and losses associated with those restrictions. They must be prepared to present adequate, substantiated proof of their damaging effects. We must not leave our farming community or our hillside farmers high and dry on that issue.

We are passing into an era in which a highly sophisticated food-buying public is developing. There is a general and developing interest in organic farming. The public is becoming aware of the dangers of, for example, the irradiation of food, the contamination of food by agrochemicals, and the indiscriminate use of pesticides, many of which have been banned in other countries and in other EEC countries as well.

We are moving in the right direction. As a result, some sectors of the conventional agricultural community will be adversely affected. Hence the need for a rolling

programme, and for a comprehensive forward review of agriculture. The Government are reticent and reluctant to bring that forward, but, unless they do so, displeasure with them will continue. Indeed, that has already been witnessed in by-elections during the past two summers. Unless the Government do something about agriculture, and particularly grassland agriculture, they will suffer even more electorally.

5.24 pm

Mr. Paul Marland (Gloucestershire, West): To be on the safe side I should declare an interest in this subject, as I am a working farmer.

In the time scale of farming and food production, the current crisis of surpluses has hit farmers in this country very quickly. Only three and a half years ago they were being urged to produce more and more food at home. Many geared up to do that, often with borrowed money. In this debate, it is important to recall much of the cause of today's dilemma in the countryside.

Farmers and the ancillary trades face the future with apprehension and uncertainty. They are inevitably looking more and more to the Ministry, not to tell them precisely what to do, but to lay down some rough guidelines for the future. A rigid and unswerving devotion to price cutting will claim many victims in the countryside on the way, and at the end of the day it will solve nothing and will serve only to accelerate the exodus from the land and to destroy rural communities.

Currently, 80 per cent. of the EEC budget is spent on buying, storing and disposing of surpluses. Agricultural support in the United Kingdom now costs the taxpayer twice as much as the total net income of farmers. As prices fall, farmers seek to produce more and more. We are all being urged on by the ancillary industries, which are also feeling the pinch. As a farmer, I have never had so much literature through the post before from various ancillary trades suggesting how I can increase the output of my farm.

The present policy of trying to control over-production can be described only as crisis management. It concentrates minds on only one product at a time. The aim is to smooth out a bulge here, which inevitably produces a bulge there. As has been said, sheep farmers used to ask us to urge the Ministry not to reduce the price of cereals too far, for fear that the prosperous arable farmers of East Anglia would all go into sheep production, leading to a crisis in sheep production. They therefore understandably ask what they can invest in with any certainty.

In fairness, I should perhaps have asked this question six months ago, but I wonder whether there is a forecast or model at the Ministry or anywhere else giving the long-term effects of continuing to cut the price of cereals and of buying in beef. Production restraint through co-responsibility levies—which is what we have—has been tried in the past and has failed. Does any hon. Member imagine that price restraint will encourage farmers to produce less? With a 43 per cent. drop in incomes in the past year, farmers of all sizes are fighting back as best they can by producing more and more. They are all doing it to the very best of their ability. Sadly, some of them will fail. I believe that they will be mainly those on poorer land, and on the western side of the country.

Many hon. Members have probably read about the plight of Mr. Stewart Thomas, which was mentioned on the front page of this week's *Farming News*, but many others will follow him if we continue with a policy of price restraint. Price restraint will inevitably lead to more intensification in the eastern counties. Conservation will suffer, as farmers struggle to stay in business. The EEC budget will continue to demand more and more finance to purchase, store and dispose of surplus production. At the end of the day, none of us will be better off. It is a pretty depressing picture.

Nevertheless, as has been said, farmers are great entrepreneurs and are looking everywhere for new crops. Many of them are trying new crops on a small scale, but the only real alternatives to cereals, for those who are tooled up to cope with them, are oilseed rape, beans and peas. Other farmers have tried different crops, such as flax, linseed, evening primrose, domestically produced snails for home consumption, and even—as I heard the other day—ducks' feet for export to China, but those can only be described as exotics and at best may make only a modest contribution to farmers' incomes. The hon. Member for East Lothian (Mr. Home Robertson) has tried growing evening primrose and has warned me of it, saying that there is no money in the job.

Forestry has already been talked of as an alternative. It will take root only on the poorer land to the west of the country—for example, in some parts of the Forest of Dean, and in the Cotswolds, where my farm is located. Those areas already have sufficient trees. Farmers in East Anglia, who have highly productive land, should be encouraged to plant more trees, which we need for many purposes, yet they show no interest whatsoever in doing so.

Another suggestion is set-aside. A proposal to leave land barren will not find much sympathy with today's ramblers and the other urban visitors who seek to make the countryside agreeable to themselves. Farmers will not favour such a suggestion. I should not like to set my farm aside and see it taken over by thistles and weeds.

Other farmers are trying to cash in on leisure, with holiday cottages, shooting, fishing and caravans. I am trying to grow a crop of caravans, but am severely restricted by the local planning authorities, which have other ideas.

The answer for the farmers, and also for the taxpayer, is to extend the system of quotas to all products currently in surplus. That would be the quickest and the surest method of control. It would allow each farmer to tailor his production to suit his own farming practice, just has been done in the dairy sector.

Quotas will not encourage inefficient production, as is often said, because each farmer will want to maximise his return. As a result of quotas, land will become available for alternative production and more attention will be paid to producing products which are in deficit; for example, flax, evening primrose, and ducks' feet for export to China. More new markets will be explored by farmers, who will operate from a base of strength and confidence, rather than having continually to look over their shoulders and wonder whether the new enterprise in which they have invested will be the next to have the price of its end product cut by EEC Ministers.

Another advantage is that all the land will be cared for and farmed. I genuinely believe that the farmers of this country have been in conservation for a lot longer than have most of the Greens. People will be retained on the land in the smaller family units mentioned by some hon. Members, rather than holdings becoming larger, with

[Mr. Paul Marland]

management and directors operating at arm's length from the land and sitting in offices many miles away from the farm. We have already seen this starting in the United Kingdom, and I do not want to see it encouraged.

A system of quotas would maintain agricultural incomes, albeit at a lower level and at much less cost to the taxpayer than in previous years. Last year there was a 43 per cent. drop in incomes. As we saw last week, maintaining agricultural incomes is one of the main objects of the common agricultural policy. Quotas will give farmers confidence and provide better opportunities for young people to assess a farm's real worth before tendering a rent or entering any other form of farming enterprise. At the end of the day, quotas will save the EEC budget literally millions of pounds.

Some will say that quotas would be impossible to operate and police. However, can that be true in this age of the computer, satellite photographs and the Land Registry? Others will ask how we can get the French, the Germans and the Italians to co-operate. Why could national quotas for guaranteed Community buying not be set, based on past performance, and each national Government left to sort out their own surpluses, and to do what they will with their own taxpayers?

National quotas should be based on acreage rather than on tonnage produced. Quotas should apply to everybody. It is not true to say that because a farmer feeds home-produced foodstuffs on his farm he is necessarily more sociable or desirable than a cereal farmer, such as myself, who produces only cereals.

A quota approach to surpluses is not a piecemeal approach, such as has caused problems in the past and will cause more problems in the future. The present policy of forcing down cereal prices may appear a boon for livestock feeders in the short term, but in the medium term it will produce an explosion in intensively produced pigs and poultry. This will further undermine the price of beef and lamb and put more pressure on EEC funds.

West Gloucestershire is a rural constituency. I have experienced at first hand much of the excellent work that is going on there and elsewhere, as the Minister mentioned, to develop rural businesses and to keep rural communities alive. Agriculture is the engine of the rural economy and we must seek to keep it in balance, in the long-term interests not only of the farmers and those who live in the countryside, but of all the taxpayers of this country.

5.35 pm

Mr. Tam Dalyell (Linlithgow): The hon. Member for Sherwood (Mr. Stewart) will acquit me of discourtesy if I do not congratulate him on winning this ballot. By rights, the motion should have been that standing in the name of my hon. Friend the Member for Middlesbrough (Mr. Bell). It is a matter of supreme irony that, as I understand it, the application was put in not by the hon. Member for Sherwood, but by the Minister of State for the Armed Forces, the right hon. Member for Tonbridge and Malling (Mr. Stanley), who should have been answering the debate on 6 June, the loss of which made it possible to have this extra time for private Members' business.

However, the hon. Member for Sherwood has chosen well because this is an important subject. I am, therefore, in no way curmudgeonly about his choice of subject, and should like to raise specific issues with the Minister.

My first point relates to the ongoing saga of the destruction, for that is the right word, of the Macaulay research institute at Aberdeen, which I visited with some of my hon. Friends. I would pray in aid, not any Opposition Members, but the former Minister of State, Ministry of Agriculture, Fisheries and Food, who is now the Minister of State, Department of Energy, who has close links with the Macaulay institute, and who is continuing the fight inside the Government.

Hon. Members who have visited the institute are absolutely appalled at what is happening to the concentration of agricultural research in the Aberdeen area. I can say this the more strongly because, although I am a Scottish Member, I have no constituents nearby. However, the Macaulay and the Rowett combine to make a major European centre for agricultural research, and that is being destroyed. I ask the Government what they intend to do about it, not least because of the representations which I understand have been made by the Minister of State, Department of Energy, who is a local Member of Parliament. I am dismayed at the cuts that have taken place at Rothamsted relating to soil research. I do not know how the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food could comment on the health of agricultural research in the United Kingdom at present. Her remarks do not correspond with the facts.

Secondly, the Parliamentary Secretary referred to grants to ancillary industries. How much money was she talking about? It may be justified, but I wonder whether grants to ancillary industry are as worth while as the money that is being taken from agricultural research. The Government should at least justify their policy.

My third point is relevant to my constituency, but it is even more important to Clydeside and to other areas of the country. I am not alone in believing that glasshouse owners are no longer crying wolf. Meeting their fuel expenditure is a very real problem. The hon. Member for Dumfries (Sir H. Monro) knows the problems at first hand.

What is being done in all the discussions with the EC about what can properly be described as unfair competition from Holland? The Europeans go on and on subsidising their glasshouse owners, particularly their tomato producers, and ours get very little. Many are being driven out of business. Glasshouse owners tell me that they cannot do the repairs and maintenance that are necessary if they are to continue in business.

My fourth point is a bit different. I interrupted the Minister when she talked about what was being done in particular conservation areas. I shall not go into the details of Halvergate that so exercised the Committee considering the Wildlife and Countryside (Amendment) Bill other than to say that it seems to some of us that marshland is being drained, moorland is being cut back and the surpluses are getting ever bigger. Does that form any kind of a rational approach?

I repeat the question that I put in the intervention. What has been learned since Halvergate? If I am told that the Government will never do any such thing again and that grants are being withdrawn for the drainage of ecologically valuable marshes, so be it, but that is not the information that comes to us.

I remain with the Wildlife and Countryside (Amendment) Bill, on which some of us spent 100 hours in Committee, and return to the old question of the

Sandford amendment and the Sandford money. I see the hon. Member for Dumfries smiling. He was the competent Minister who dealt with all this. In Committee some of us said that we wanted to monitor, year by year, how much Ministry of Agriculture, Fisheries and Food money is going into conservation. We have been told hitherto that it is difficult to identify it. Forgive me for being cynical, but I suspect that very little of MAFF funds is going into identifiable conservation causes. If the Government think that we are wrong, let us be told when the Minister replies.

My penultimate question is about marine nature reserves. I understand the difficulties about Lundy. However, other areas were designated. Why are we taking so long? If Ministers accepted the reasons for marine nature reserves five years ago, why are we dealing with the circumlocution office in getting things done—I will not say on the ground, because that would not be an appropriate analogy? Those of us who five years ago argued the case, and rightly, are greatly disappointed.

I understand that the Salmon Bill will not now be taken in the last week before the recess but in the week that we come back in October. If the Government have plans to do it next week, fair enough. However, those of us who spent a long time discussing it in Committee—I am not just talking about my hon. Friends but about a number of Conservative Members as well, particularly the hon. Members for Crawley (Mr. Soames) and for Wealden (Sir G. Johnson-Smith)—put forward strong arguments, the better briefed we became, that something should be done about the drift netting position.

If that Bill is to remain until the hang-over of the Session, I ask the Government, for heaven's sake, to pay some heed to what was said in that Committee and reflect on whether the weight of argument suggests changes in the Bill. No one on that Committee will come and poke a finger and say, "We told you so," or make any political capital. It is not that kind of a Bill. Surely the purpose of House of Commons Committees is that there should be time for reflection. The Government may not have got it right, but that is not entirely the fault of present Ministers. The Bill goes back to the noble Lord Mansfield and the briefing that he received a long time ago. The fact is that basically much of the Bill is flawed and fundamentally wrong. If it is to be taken in the autumn, there is some time to do something about it.

Finally, I had the honour of attending the annual conference of the National Federation of Site Operators this year. It invites politicians of different parties. Have the representations that Mr. Spencer and his colleagues have been making to MAFF on the difficulties of site and location policy and rating been accepted and what does MAFF think should be done to help the site operators who, after all, are an important part of the rural economy and British industry?

5.45 pm

Mr. Jack Aspinwall (Wansdyke): First, I thank my hon. Friend the Member for Sherwood (Mr. Stewart) for creating this opportunity to outline some of the unease and uncertainty expressed by many farming communities about the future of the rural economy.

Agriculture, as has been illustrated this afternoon, is in a state of flux. The development of technology in areas of specialisation and modernisation, and the requirements of the CAP, all herald change for rural society and industry. The increase in farm costs of some 22 per cent.—more than farmgate prices over the past seven years—is also worrying. It has been estimated that to bring supply in line with demand, 14 per cent. of land now devoted to agriculture will have to be put to some other use, and, in the next decade, 10 per cent. of our agricultural land could be looking for alternative uses.

That readjustment threatens the very existence of the rural community and the village idyll. Agriculture is crucial to the rural economy. For every job in farming, which now employs about 620,000 people directly, four or five jobs exist in industries connected with it. A lack of jobs discourages young people from staying in villages and their places are taken by people retiring to the countryside and by second-homers.

Rural Britain should not be a dormitory area which does not contribute to the well-being of the nation as a whole. Those areas should be full of appropriate vigour and activity, and, in a country which is in reality a crowded island, it is illogical not to use the potential that this valuable asset represents.

Changes are taking place in the way that we view the countryside and the agricultural community is changing too. In this, the Government must play their part in grasping the nettle and giving a clear commitment and guidance for the future of agriculture and the rural economy, assisting the farming community to be successful and moving towards exploiting the enormous potential in growing and providing food of greater variety.

There are three broad areas in which positive measures can be taken. I am heartened to see that certain steps are already afoot. Initially, there is room for development in marketing. The era of guaranteed high prices for unlimited agricultural produce is disappearing, the free market environment is becoming more a fact of life. The British farmer is responding to that demand and in so doing ensures top quality produce for the discerning consumer, properly graded and packaged.

It is on the demand side that action can be taken. Some of us are familiar with the Agricultural Marketing Act 1983 which established Food from Britain, a central co-ordinating agency to promote and improve the marketing of British agricultural produce. I have been heartened by the fact that the Government saw fit to provide £14 million initial funding during is first five years. I hope that that important organisation will continue to receive Government encouragement. The quality of products has now been given a degree of assurance under the British food quality mark scheme. That is soon to be extended and will, I hope, eventually cover most of the essential British foods to aid the discerning housewife.

Locally grown food must be promoted. There is considerable scope for marketing co-operatives — a recent example being the "Taste of Somerset" group which was set up three years ago, covering South Avon in which my constituency lies. It returned in triumph from the Royal Show this year with valuable orders for the future. With the farming community continuing to take the initiative, supported by the Government, I am sure that marketing will make a fundamental contribution to ensuring that a healthy rural environment is maintained.

Secondly, new ideas for crops should be looked at more positively, not merely shrugged off as irrelevant. Farms can become more varied, interesting and accessible, thereby finding new ways to earn money. Enterprising farmers have found ingenious ways to meet the challenge. In the west country there have been many reports of such

[Mr. Jack Aspinwall]

entrepreneurial activities. One farmer has recently planted new cider orchards, because of the demand for cider and the huge demand from health food shops for English apple juice. On hearing the news that a great deal of apple juice was imported from France, I wondered why. Another farmer has begun specialising in worm farming. The worms turn muck into high quality compost and are themselves turned into protein feed additives.

There are many markets to be exploited. We spend about £30 million per annum on imported herbs. That must be a market to go for. We can grow all those herbs and there is a need for co-operatives and marketing co-ordination to take advantage of the opportunity.

There is also a growing demand for fresh, organically grown vegetables and health products. One notable farmer is selling sheep's milk cheese to Harrods and another has just doubled his organic vegetable business because the market is crying out for more produce, particularly mushrooms and other vegetables.

Another entrepreneur has decided to take on the French by going into snail farming, and British and English wines are beginning to take off in the world of the grape. The traditional Somerset crop of teazles is also taking on new life. The dried teazle head brings up the nap on high quality cloth, the demand for which is growing because of the current snooker boom.

Another opportunity exists in farm forestry. Our import bill is over £4 billion per annum and we import more than 80 per cent. of the timber that we use. With land being available, opportunities to develop forestry as a general farm enterprise must be encouraged. Such a long-term activity must receive realistic and continuing income support. There could be many more job opportunities in timber processing, too. The environmental impact on our landscape would be appreciable.

Those are just a handful of ideas. There are many more and a great deal is being done. The signs are that, with proper guidance and encouragement, British agriculture is taking on the future and adapting to a changing scenario, as it has always done.

The third area where positive steps can be taken is the encouragement of alternative strategies in the countryside. I stress that I do not advocate the permanent loss of our countryside to the property developer, but we must not let rural planning policy stand in the way of small-scale housing projects, the development of light cottage industries and the conversion of farm buildings. That point was adequately made by my hon. Friend the Member for Bristol, West (Mr. Waldegrave), the Minister for Environment, Countryside and Local Government, at the 40th Oxford farming conference earlier this year.

As early as 1984 the Development Commission urged the conversion of farm buildings and proclaimed the idea a "splendid success", asserting:

"conversions fulfil . . . the aim to make the countryside a place where local people can live and work, bringing back economic vitality to villages and small towns — and thus helping to keep open the local village shop and school."

In the west country such conversions have included local craft and furniture workshops and small food processing centres for locally made jams, cider, wines and real dairy ice cream. However, there are still too many local authorities that do not recognise that an unobtrusive rural conversion from a disused farm building to workshops, manufacturing units or recreational facilities will make a contribution to the local economy, providing jobs and enabling other functions to be done better, because more resources are available.

The growth of tourism and leisure activities also must be supported. A number of farmers and land owners have proved themselves to be most enterprising. One farmer who has converted some of his land into a lake lets out rights to trout fishermen, selling the supply to the market and providing a recreational amenity. There have also been conversions to golf courses, ski slopes and many other appropriate uses.

Other suggestions have involved the development of farm holidays and tourism and the opening of farms to the public. All those ideas have one feature in common — the aim of keeping the countryside active and vital. I trust that the Government will continue to give their support and encouragement to that aim.

The farming community has to face many problems. The recent hippy invasion cost farmers in my constituency many thousands of pounds. There have been high legal bills, including costs of £1,544 and £750 in legal charges alone. That is an enormous burden added to the damage costs, which I believe that the Government should cover on behalf of the general community. I shall be pleased to hear the views of my hon. Friend the Parliamentary Secretary when she replies.

Many other frustrations are suffered by enterprising country people, including red tape, especially in planning. I am sure that the saga of the simple bed and breakfast sign, with the frustration of endless paperwork, delays and confusion, is not an unfamiliar experience.

It seems that inflexibility about the prospects for change needs a thorough review. With the farming and rural communities taking the lead, supported by the Government encouraging and supporting marketing initiatives, new ideas for new crops and strategies, and perhaps even a differential rating system for some of the rural facilities and services such as small shops and the important village post offices, I am sure that agriculture and the rural economy can face the future with greater hope.

I received a letter recently from the secretary of the south-west branch of the Women's Farming Union and I think that the House would be interested to hear the heart of the letter. Mrs. Norah Pow wrote:

"Our brief, in the past few decades, has been to put food in the shops, in plentiful supply, at prices the consumer can afford. By our skill and use of grants from government we have fulfilled that order.

By telling us at a stroke to cease production as we have come to understand it, we shall denude the countryside of its traditional inhabitants, and fill it with trendy, commuter-type people, who have no real understanding of the countryside. To keep our nation strong, we must keep a strong presence of food producers in the countryside, give them a sensible price for producing less food, but make sure the people of the nation are warned that we shall keep those people there only if we are prepared to eat what they produce.

Coupled with this, we must tell the people that trendy, imported lentils, muesli etc., is not the answer to good health. Take a look at diet in this country 50 years ago. Both milk and meat formed a good proportion of our daily diet. Above all, let the government get its facts right concerning diet. Milk is an important health food, and contains ONLY 3·8 per cent. fat. If they must attack bad diets, take a look at the fried chip, and sweet biscuit industry, at chocolate and . . . fizzy drinks, etc. — or are they afraid of the response of those manufacturers and marketers?

Farmers have been asked to produce meat with less fat, and have responded admirably to this request. Yet persistently we hear through media and papers that eating meat is bad for people. A sensible amount of meat is vital for a balanced diet, and stories to the contrary lead once more to loss of livelihood for livestock producers at the same time robbing third world countries of their own produced food, vital to their own peoples . . . Turning defunct farm buildings into rural workshops for the production of stained glass, pottery, and furniture will only slightly correct the loss of livelihood in villages. The answer should be to let agriculturalists continue to feed our own people, but let us get into the schools and hospitals, and tell them to feed people on locally produced, fresh, healthy food . . . Rice may be good for Indians, but jacket potatoes grown locally are the answer to both our rural, health, employment, and balance of payment problems."

The farming industry has a history of responsibility and an ability to respond well to change. The signals at the moment point to diversification, the mobilisation of entire farm resources, a more varied use of land and buildings and improvements in marketing. I feel confident that, with the Government's help, the British farmer and the rural community, will take on the challenge and win — preserving the rural environment, improving opportunities for employment, ensuring that the rural economy is sound, producing good British food at reasonable prices and making a vital contribution to the nation's quality of life.

5.58 pm

Sir Paul Hawkins (Norfolk, South-West): I congratulate my hon. Friend the Member for Sherwood (Mr. Stewart) on his good fortune in the ballot and on the way in which he moved his motion.

Unfortunately, I cannot declare an interest. I should have liked to be a farmer many years ago and would like to be one now, but I was never allowed to be a farmer, because I was told that I did not have enough brains and my father did not have enough money.

I wish to say a few words to some of my hon. Friends who seem always to denigrate East Anglia. I was told by my hon. Friend the Member for Gloucestershire, West (Mr. Marland) — I think that Gloucestershire is the second best county in England—that we in East Anglia had no woodlands, but I think that Thetford forest in my constituency is the largest forest in England.

Many farms in East Anglia could do well with more woodlands. If more of our better lands—not the best—were put to woodland or forestry we would create a variation in the countryside and improve windswept areas with few hedges. Most places did not have hedges for many thousands of years. Part of Norfolk had no hedges because it was a sheep walk. Hedges were introduced in the 17th and 18th centuries. Now, most of the hedges have had to go.

Some people seem to think that too many trees in East Anglia have been cut down and that the area is inhospitable to those who want to walk and ramble in the countryside. East Anglia is an arable county. Apart from the woodlands at Thetford, crops of sugar beet and wheat are produced, and they cannot stand large numbers of people tramping through them.

Town-based organisations are rightly interested in the countryside, but ' ·st impress upon them that unless farming is reason..ly prosperous the countryside will suffer. Farmers and farm workers might leave the land, leaving possibly the most scenic areas as deserts, to which no one will want to come from the towns or from other countries.

Town-based organisations often criticise farmers, but if they constantly attack farmers they are unlikely to gain their co-operation. Most farmers who live on their farms and whose families have worked their farms for generations are the best carers of the countryside. Their care has made our countryside what it is today — a wonderful and beautiful part of the world to visit for holidays and recreation.

I spent a week in Turkey. I could not have been received more hospitably. When I came back, even though in one weekend I had to attend five fetes within five miles and it poured with rain, I thought that green England was one of the loveliest countries in the world.

The main problem over the last few years has not been production. The greatest problem for farmers, particularly those who have entered farming during the last 20 years, has been over-borrowing. Each time the price of land goes up farmers tend to borrow against the increased value of the land, but when the land goes down in value farmers experience difficult times. When the value of land decreases and rents come down — as come down they must — younger farmers will have the opportunity to enter the industry once again. The Government must do all that they can to help.

I am glad that my hon. Friend the Member for Sherwood mentioned sugar beet. It is probably Norfolk's most useful crop. It provides employment in the factories, in the haulage industry and, although not as much as in the past, on the farms. Sugar beet puts more money into the rural economy—into the shops and villages—than any other crop. We are all extremely worried about the British sugar beet crop. I urge the Minister to try to speed up the inquiry to clear up the doubt and worry.

I do not care a damn who runs the British sugar industry, although I am in favour of a certain company which has pulled round other industries. I do not care a damn, so long as the sugar beet industry is looked after, and so long as whoever is in charge stands up for it against the machinations in Brussels. I do not want a monopoly in Europe. We must guard against that. British sugar must remain an important industry. I hope that the Minister realises how important it is, not only as a change crop in East Anglia with barley and wheat, but as a crop which creates employment and money for the countryside.

As I tried to say in my intervention, it is essential that research is concentrated on what worries farmers today. What further help can be given? Will research take into account the pros and cons of putting woodland on to farms, the pros and cons of the industrial use of farm crops and the pros and cons of any other farm crops that might be grown in Great Britain?

In the past 20 years the population of Norfolk has grown faster than that even of the south coast. East Anglia produces all forms of food for our own people. We must not dilute the area because it is of great benefit to townspeople who want to visit the countryside and the coast.

Because blight has hit so many of our industrial cities, many people want to return to the countryside. I hope that those cities will be made better so that people are content to retire to them, and to holiday in Norfolk. I do not want every village in Norfolk to become a settlement for retired townspeople. If that happens, an antipathy will grow among those retired people who think that the countryside

[Sir Paul Hawkins]

is heaven but do not realise the realities. Food is just as expensive in the countryside as it is in the towns. There is no doubt about that.

We want Norfolk to remain an area which produces food but to which people will be pleased to come. We want people to visit our seaside, the countryside and the woodlands of Thetford. We want Norfolk to be a holiday place.

Once again I plead with the Minister to give us some ideas about which way we are going. We cannot have detailed plans. We know that most farming plans are made in Brussels, but the Minister must be able to say to British farmers, "This is the way we hope we will go. This is the way in which we will help farmers to go, subject to what happens in Brussels, and we shall try to persuade Brussels that this is the way we want Europe and Great Britain to go in the future."

6.10 pm

Mr. John Corrie (Cunningham, North): I congratulate my hon. Friend the Member for Sherwood (Mr. Stewart) on securing this debate today. I should declare an interest in that I am a practical farmer. How long that continues depends on how right my hon. Friend the Minister gets the policy over the next few years. There is no doubt that we are discussing this at a dramatic time for rural areas. I do not need to talk about the glut of food or the huge bank indebtedness because the Minister knows that very well. However, there has been a change in the past four or five years. Before that time all sectors could buy themselves out of a problem by simply producing more food on their farms to pay for their extra costs. Now, of course, all sectors where we have quotas, such as the dairy industry, can no longer do that and, as the costs increase, the lid is on the income of the farm and the pressure is on.

I, like my hon. Friend the Member for Gloucestershire, West (Mr. Marland), sincerely hope that the Government are looking at quotas for all products in the future because as the pressure increases for one product with quotas such as milk at the moment, people will simply jump from that to other sectors within the industry, such as beef and lamb. The sooner we bite the bullet the better.

We have to take about 2·5 million hectares out of production in this country. That does not necessarily mean that it goes out of production completely. There are ways of taking it out by going for extensive farming rather than intensive farming. The real answer to our problem is that the common agricultural policy has been too efficient. Many people say that we were wrong to encourage production as we have done. I would not agree with that. I hope that the Minister will agree that if we are to have quotas throughout Europe we have to reach the high figures in all products so that as a nation we start well up the league when that time comes.

I believe that we are going through what we might call the third industrial revolution. In the 1930s and 1940s we saw the move from horses to tractors. In the 1960s, 1970s and 1980s we saw a tremendous move forward in fertilisers, chemical sprays and modernisation of equipment. We have now reached the crunch time, when we have to cut back. I was pleased to hear my hon. Friend the Minister saying that the cutback would have to take place throughout Europe because there is no way in which farmers in this country will have their highly efficient industry cut just to please other nations throughout Europe.

As many people have said during the debate, it is not only the farmer who is affected when agriculture hits bad times. It is the machinery companies, the seed merchants and the fertiliser companies, which are now waiting on their money. The local blacksmith, the local post office, the local school and the local bus service are all parts of a rural economy. Empty farm cottages, which are lived in for only two months of the year because they have become second homes, reduce the rural economy.

It is no use simply looking at the agriculture industry in isolation. It is now a rural problem. Country life needs a viable agricultural industry to sustain its families or they drift to the towns and urban areas and cause problems there. It is no use tinkering with the system any longer. I believe that some drastic changes are needed and I am sure that the Minister is wondering why I do not suggest something.

I suggest that it is no use any longer having production subsidies when we have mountains of food and lakes of wine and milk. Therefore, those production subsidies should be changed in some way. I suggest that we should move from a headage payment to a hectarage payment. If we are to diversify into different sorts of industry within our agricultural industry or if we are to move to forestry on a small or large scale, we shall need some sort of social payment to farmers as the changeover takes place. Getting a hectarage payment would take the pressure off producing too much beef or lamb. In that way we may be able to hold on to the viability of our agricultural industry.

The problem is not the fact that we do not have enough money poured into the industry. Billions of pounds are poured in from Europe each year. The problem is the way in which the money is being spent. In fact, if we got rid of our surpluses now agriculture, would have billions of pounds to spend in a way that would certainly keep it going.

There is a second thing to be done which has already been mentioned. We should move away from grants of any kind and towards an agricultural bank with low interest rates. The Government would have only to pick up the bill between the low interest rate and the standard rate of interest. Of course, the lower the Government could keep the rate of interest, the better it would be. That would mean that we would not have people borrowing money to top up the grants that they get to put up buildings that they do not need, to grow a crop that probably nobody wants anyway. We have to find some way of keeping the industry viable and, at the same time, keeping a rural economy going.

The only answer to over-production is not to produce goods in the first place. The more one produces the more it costs to save the produce. We are simply wasting billions of pounds in storage costs. It would save us that vast amount of money if we dumped the entire lot in the sea. However, that is not morally acceptable. Of course we shall see a move to forestry but I believe that it will not be on a small scale because it will be extremely difficult to integrate that on smaller farms. However, there are vast areas throughout Scotland, England and Wales where woodland could be planted. As timber is one of our biggest imports, that would be no bad idea.

Leisure and recreation will play a much bigger part in the future because we have many people unemployed and,

if we face hard facts, that will continue. Properly planned and integrated into the countryside, leisure and recreation can do the rural areas no harm whatsoever. I suggest that we have to look at relaxation of some of our planning laws. I could have 100 new families building houses on one of my islands off the west coast of Scotland which would regenerate that island. However, because of planning restrictions, only four houses are allowed to be built. We want conservation but we want it in a sensible manner, not on a blanket scale which sterilises huge areas of the countryside.

I said at the start that we are facing dramatic changes. We must sort out the future. It is no use just burying our heads in the sand and saying that we have to wait until the EC sorts it out. It is time that we as a Government showed a lead in this matter. We must sit down with the National Farmers Union, landowners, Government bodies and conservationists because it is our rural economy that depends on the outcome. Any delay will only pile up the problems more and more. I hope that the Government have taken on board how difficult the situation is just now and how much more difficult it will become if we delay any longer.

6.18 pm

Mrs. Elizabeth Shields (Ryedale): This debate is one of considerable interest to my constituents in Ryedale, as about 20 per cent. of the community are involved in farming or in the many allied industries that are the backbone of our small market towns.

More individuals would like to be involved in agriculture. Although the proportion of the rural population working on the land has fallen dramatically since the war through increased use of advanced machinery, there still exists a strong desire among those who have grown up in the country to seek a living from the land. One has perhaps to live in a hamlet or village oneself fully to appreciate the kind of love that people have for the land. Sadly, the kind of small farm or smallholding that would provide an entrance to such a living is difficult to come by in Ryedale, and no doubt that is true elsewhere too.

A few years ago North Yorkshire county council sold off many of its smallholdings, which became part of the larger estates, thus effectively preventing new and young entrants from gaining access to agriculture. In seeking to revitalise the role of the rural economy, we should look for ways to encourage the young to return to the land. Local authorities generally should stop selling off the smallholdings, and perhaps should increase the stock of land that is available for prospective smallholders. Authorities should be discouraged from pursuing an amalgamation policy unless that is essential.

I reiterate the statement of my hon. Friend the Member for Ceredigion and Pembroke, North (Mr. Howells) about the need for an agriculture land bank. Such a bank would provide long-term, low-interest credit to enable small and new entrants to farming to stock and modernise their units. It would not be intended to provide finance for the purchase of land.

Farming cannot be changed overnight, as it needs long-term policies. That is something that the farmers among whom I live have told me repeatedly during the many years that I have lived in Ryedale, and not only recently. If they are to grow and prosper, they do not need policies that are made on one day and changed by a Minister on the following day, such as we had with milk quotas years ago.

Whatever emerges from the debate, I hope that policies will be forward looking and that we shall have a five to 10-year planning policy for agriculture.

6.22 pm

Mr. Michael Lord (Suffolk, Central): I am delighted to have the opportunity of contributing briefly to the debate on agriculture and the rural economy. A large part of my constituency is agricultural and Ipswich, of which I represent a quarter, is much dependent on successful agriculture. I should like to rephrase the title of the debate, for I believe that agriculture is the rural economy. It is the mainspring that drives everything else along. If it slows, it has an effect on all the ancillary industries in rural towns and villages. That is an effect that can quickly be seen, and it is starting to be seen already.

I wish to raise only three issues. First, I want the House and my hon. Friend the Parliamentary Secretary to reaffirm their faith in farming. I am sure that my hon. Friend will do so. Secondly, I believe that we need an urgent commitment on the part of the Government to help to find ways of maintaining the dynamism of agriculture. Thirdly, I urge my hon. Friend the Minister to do all that she can to ensure that, however complicated the framework may become in which our farmers have to operate, the rules and regulations will be enforced fairly on everyone.

We do an enormous disservice to our farmers if we fail to recognise all that they have done in the past and are doing now to produce our food as efficiently as possible, and in looking after our countryside, for which, sadly, they receive more brickbats than compliments. We owe our farmers a great deal, and we should acknowledge that.

Currently, we have surpluses. That means that we have too much food. I acknowledge the existence of surpluses in some commodities and in some areas, but something inside me tells me that it is a bold nation, or perhaps even a bold world, that says that it has too much food. Setting aside the needs of those parts of the world that are desperately hungry, I have a real fear that if we are not careful the day may come when we do not have too much food. It is one thing to have too much food to feed the nation, and an entirely different thing to have insufficient.

Many years ago, when I studied agriculture, there was a nasty disease about that was called "take all". It meant that if a farmer was not careful he could wake up one morning and find that all his cereal crop had been destroyed. That disease seems to have been conquered by breeding and sprays. However, we are still vulnerable to some extent. In the 1960s, Dutch elm disease first came to our shores in its present form, and I was much involved. Since then that disease has almost completely destroyed our elm population. Perhaps the finest tree that we had in our landscape has almost disappeared for ever. It might still survive in isolated pockets, but, broadly speaking, it has been wiped out, and nowhere more so than in East Anglia. I suspect that in many instances farmers have been blamed for the changing landscape, when they have had no control over the change. I was especially involved with Dutch elm disease because of my then occupation, and 20 years later we do not have the slightest idea how to

[Mr. Michael Lord]

conquer the disease. I do not want to sound alarmist, but sometimes it is right for us to remember that we are not entirely invulnerable.

I have had the gravest and the most specific forebodings about an industry which has been driving forward so well for so many years being put into neutral or, worse still, into reverse. Two things must be tackled simultaneously. First, we must struggle with our European partners and the common agricultural policy to endeavour sensibly and at a reasonable pace to reduce and balance our food production. Many have suggested how that can be achieved. It is essential if we are to curb over-production and contain expenditure, but we must remember that from agriculture's point of view that is a negative approach. Secondly, it is vital that positive measures are taken to stimulate and encourage diversification in as many areas as possible as a way of maintaining the industry's momentum.

A way must be found of achieving international co-operation, both to help the hungry nations of the world and to avoid an international food price war, which would hurt everyone. If certain land is not to be used to produce current crops, as most seem to agree must happen, a much canvassed alternative is tree planting, in which I confess I have an interest. It seems to be a sensible solution, because it would improve the appearance of our countryside, and the land involved, although not available immediately for food production, could be cleared and used again for that purpose reasonably quickly if that were required, and we never know exactly what the future holds. Our huge import bill for timber is well known, and anything that reduced it would be to the country's advantage. Several of our farming organisations and the Ministry itself have produced publications on forestry and woodland management. If this activity is stimulated, it will do nothing but good for the nation.

Many new crops are being experimented with and several hon. Members have referred to the work that has been undertaken. The experimentation should be encouraged. More important in the long term, both cereals and sugar may be used in a variety of industrial processes in manufacturing various chemicals. These may prove important outlets in future.

My last subject is fairness, which is the issue that leads to constant complaints from farmers and various parts of agriculture in my constituency. Whether we are talking about the effect of CAP measures on Britain as a whole and the way that they are implemented in various member states, or whether we are talking about how CAP measures affect us internally as a nation, such as the problems that the co-responsibility levy is causing among cereal growers, compounders and feeders, it is essential that we do everything in our power to ensure that fairness prevails.

If we are not careful, there is a great danger that we shall talk ourselves into a depression. That is easily done, and we must avoid doing so at all cost. It is essential that we pledge our faith and confidence in our farmers for what they have done for us in the past and for what they will continue to do for us in future. We must do all that we can to keep the industry moving forward to prevent stagnation and decline. Finally, we must ensure that the rules, however complicated, are obeyed by everyone so that our farmers get a fair deal. If we do these things, we shall be doing all that we can to preserve the future of farming, and with it the fabric of our rural communities.

6.29 pm

Sir Hector Monro (Dumfries): I have agreed with many of the things which have been said in the debate, but I want to touch on a crisis that is affecting my constituency and the constituencies of other hon. Members in the north of England and Scotland. The crisis has arisen since the ban on the sale of lamb because of radioactivity. I accept that Ministers have done their best in the circumstances, and I accept what they have done, but I must press my hon. Friend the Parliamentary Secretary on compensation.

I have received letters from my right hon. and learned Friend the Secretary of State for Scotland and I noted the replies by my right hon. Friend the Minister of Agriculture, Fisheries and Food last Thursday, relating to compensation. The key issue upon which both Ministers are resting their case is

"compensation for severe loss in particular circumstances to specific farmers."

That could mean many things, but the key question which farmers in the North and Scotland want answered is, will compensation be paid? I hope that my hon. Friend the Parliamentary Secretary will respond to that when she replies.

The sale of lambs was banned in certain areas for three weeks from 1 July. Fortunately that ban was eased in some areas of low ground last week. In the areas where the ban has been lifted, some 15 per cent. of lambs have failed to pass the grade because they are too fat. This position will deteriorate where the ban still exists and where the lambs are growing fatter.

I went to market on Friday to check and I found that lambs which were not graded in the 22 kilo range, were sold for about £26 or £28. They therefore lost the subsidy of about £15 per head. That is a severe loss to the total profit of the farmers and this has occurred, through no fault of the farmer, on account of events in Russia.

I was glad to see that the Meat and Livestock Commission, Ministers and the graders have accepted this point and have ensured that the lambs which have failed the grade because they are too fat, have been marked in the left ear. This leads me to hope that an administrative solution to the problem is being prepared. Once the lambs are marked in the left ear, purchasers will know that there is no conceivable way that the animals can be graded in future. That tends to lower the market price immediately.

Many farmers in my constituency, in the constituency of my hon. Friend the Under-Secretary of State for Employment, and in the constituency of my hon. Friend the Member for Cunninghame, North (Mr. Corrie) and elsewhere in Scotland, now have large numbers of lambs to sell. The farmers, the markets and the hauliers are all losing out.

In the past two weeks the position has been complicated through no fault of the Ministers'. The compulsory dipping regulations came into force on 28 June. While the three-week ban was in place, farmers employing good husbandry dipped their lambs because the weather was appropriate for that. The farmers have therefore been unable to sell the lambs for two weeks as that is normal practice. That means that, although there have been relatively few lambs coming on to the market over the past week or so, there will be a flood of fat lambs next week

which will have a severe effect on price. I hope that my hon. Friend the Minister will not delay in giving a firm assurance that compensation will be paid in appropriate cases where lambs have failed to pass the grade on account of being overfat as a result of the recent ban on sales. The sooner that he gives that assurance the better. There is much dissatisfaction among farmers who have been caught out through no fault of their own.

Several hon. Members have claimed that farmers require confidence for the future to invest and prepare long-term plans. I do not wish to overplay the matter but I cannot understate the present difficulties. There are vast overdrafts, falling land values and there has been a big drop in income over the past farming year. I am glad that inflation has fallen to its present low level and that is a great help for farmers. As hon. Members have said, the reduction in interest rates is worth a tremendous amount to farmers.

The debate about the future of the industry has been going on for several years since surpluses became more and more apparent. Although there were tremendous problems about milk quotas and subsequent difficulties facing the milk industry, there is no doubt that the industry can now see a way ahead, and credit is due to the Milk Marketing Boards of the four countries involved. The main grain and livestock sector needs a clear way ahead and a light at the end of the tunnel. Many of the suggestions put forward have been on the fringe, but we must keep our thoughts at the heart of the matter—basic livestock and grain farming at which farmers are expert and have staff of equal efficiency. Craft workshops, tourism and forestry are welcome but represent only fringe elements to the farmers' income, not the part of his farm work which has always provided the main production.

My hon. Friend the Member for Cunninghame, North raised an important point. Positive planning in the countryside is vital. There is no doubt that, without affecting the environment, we can do an immense amount in the countryside to keep people living there, to give them the chance to build houses in the right setting and in the right density and help small developments in very small towns. We must keep a close eye on the rural communities if we wish to maintain the population in the countryside and ensure that facilities are as good in the small towns as they are in larger towns. We must consider the retention of the village hall, the village school and church, its shops and post office which constitute the rural community. We must work towards a rural policy for the future.

The Select Committee on Scottish Affairs investigated the Highlands and Islands Development Board and recommended very strongly that a rural development fund should be set up for the rest of Scotland to perform many of the duties carried out by the Highlands Board in Scotland which are carried out more effectively in England by the Development Commission than the Scottish Development Agency in Scotland. The Select Committee made an all-party recommendation to set up the fund with £25 million and that would do an immense amount of good for the rural economy in Scotland and a similar fund would benefit England and Wales.

We must pay a great tribute to what the Government have done to keep money in the hills and the less-favoured areas through the hill livestock compensatory amounts, the suckler cow subsidy and through the many grants available to farmers. I accept that grants have decreased especially in the case of the farm improvement scheme. I must tell my hon. Friend the Parliamentary Secretary, as I have told my right hon. Friend the Minister on more than one occasion, that when reducing drainage grants we must not muddle the normal replacement of drains in arable fields with those drains which might affect the conservation through draining wetlands. That is an important difference as we want to encourage tile drainage in cultivated land.

As my hon. Friend the Member for Cunninghame, North, said, there is a great future for agriculture. However, we must make firm decisions about the Government's lead and we must bear in mind that mainstream agriculture is important and that the fringe benefits to be gained by the alternatives which have been suggested—including, of course, forestry, which has a low cash flow and low input of employment — are secondary. We must concentrate on the main stream and I hope that the Government will do that in the immediate future.

6.39 pm

Mr. John Home Robertson (East Lothian): I am glad that the hon. Member for Dumfries (Sir H. Munro) was able to make his speech, particularly in view of the tantalising trailer in today's issue of the *Glasgow Herald*, which said:

> "Sir Hector Monro, Tory MP for Dumfries, is expected to press another little thorn into the side of the Scottish Office . . . Sir Hector will be an embarrassment to Mr. Malcolm Rifkind."

I am not sure whether the hon. Gentleman lived up to those expectations, but I intend to refer to the point that he raised about the rural development fund for the parts of Scotland that are outside the Highlands and Islands Development Board area. I agree with the points that he made about the need for compensation for sheep farmers who have been affected by the ban that was imposed following the pollution from Chernobyl.

I congratulate the hon. Member for Sherwood (Mr. Stewart) on his double good fortune in securing the debate. He was doubly fortunate because the debate should have gone to my hon. Friend the Member for Linlithgow (Mr. Dalyell) a few weeks ago, but it was talked out by devious tactics by some Conservative Members. Nevertheless, I join my hon. Friend the Member for Linlithgow in congratulating the hon. Member for Sherwood on raising this important subject. We for our part would support the terms of the motion, not least because it highlights the Government's failure to give a proper lead to the agriculture industry at a time of radical changes in the circumstances facing the industry. The motion also recognises the existence of a range of special problems in rural Britain, which have been getting considerably worse throughout the seven years that the Government have been in office.

The hon. Member for Sherwood calls for a White Paper on agriculture. Some of us have been calling for that publicly for some time. The Minister fell a little short of refusing it yet again, but we shall see what comes of that in due course. There is no doubt that the industry needs a positive lead to get it out of the mess that it is now in.

The fact that the hon. Member for Sherwood has consistently supported the Government on these and other issues is something that he will have to explain to his constituents some time next year, according to all the leaks. With the best will in the world, I suggest that he may

[Mr. John Home Robertson]

have more time to consider the problems of agriculture after his constituents have delivered their verdict than he has at present, but we shall see.

The debate has rightly centred on the agricultural industry. It has to be said that the industry has been drifting into chaos, along with the common agricultural policy, which is supposed to be supporting it. Some £15 billion was spent last year on the CAP, and the amount is going up again this year. That was 70 per cent. of the Community's budget. In spite of all the resources that are supposed to be supporting the rural economy and agriculture throughout Europe, we have falling employment in agriculture and rising indebtedness for many farmers in this country, as several hon. Members have said.

The CAP is a fairly ham-fisted instrument. It provides an open-ended artificial market for a range of agricultural commodities. We all know what is happening. It is supposed to be helping small producers, but inevitably it is providing a substantial incentive to larger farmers to fill the Community's intervention stores with vast quantities of junk cereals and other surplus stock. I do not necessarily criticise the farmers who are filling those stores—indeed, it would be the height of hypocrisy for me to do so, because I am one of them. But we all must recognise that the system that provides such incentives for people to do such things must be absurd.

Last year the European Community was the proud possessor of about 16 million tonnes of cereals in store. Here in the United Kingdom we started this year with 85,000 tonnes of beef, 240,000 tonnes of butter and other milk products, and no fewer than 5,700,000 tonnes of cereals in intervention store. Make no mistake, there will be more this year because, in the absence of a positive lead to the industry to get away from that farce, it is inevitable that production will continue to increase.

The Government and the Commission keep putting off the decisions that should be taken to control that situation, but there is a growing awareness that something will have to happen. The trouble is that neither the Government nor the industry has a clear picture of what that something will be. The only thing that we are all absolutely clear about is that the common agricultural policy is not working. The hon. Member for Gloucester, West (Mr. Marland) pointed out the amazing fact that last year we spent £2·2 billion on agricultural support in the United Kingdom, but the net farm income of all farmers in the United Kingdom was only £1·1 billion, so obviously there is something far wrong with the targeting of the resources.

The Minister of Agriculture, Fisheries and Food spent his first year or so in office saying that price cuts were the right way to control the production of surpluses. He is wrong, for the very reasons that the hon. Member for Gloucestershire, West, among others, gave. A marginal cut in prices would be a spur to increased production. It is possible that the proposed co-responsibility levy will add to the spur to increased production whereas the massive cuts in prices that would be required to suppress production would probably bankrupt a large number of smaller producers. I was delighted to hear in the Parliamentary Secretary's speech that the Government, as of this debate, intend to abandon the ludicrous position of using the price-cutting mechanism to deal with the problem.

The other alternatives are much more specific constraints. Quotas are the obvious one. There has been some support for that idea during the debate. We have heard about the imposition of milk quotas. Even the most fervent supporters of the Minister of Agriculture, Fisheries and Food would admit that he was rushed into that decision and did not act cleverly. It was a panic decision in its implementation in Britain. It has given rise to unforeseen problems. The most topical one must be tenants' rights to the value of quota when they give up their tenancy on farms. However, I agree with several hon. Members that the system is working. There may well be a case for quotas in other sectors. However, the Minister and the Parliamentary Secretary have been talking about set-aside. We are longing to find out exactly what that means. If it means some sort of subsidy to encourage farmers to fallow some of their land, there may be a case for it. But if it means a longer-term abandoning of land, which was suggested in the structures proposals from the European Commission which we debated last week, there would be much opposition to that suggestion.

Let us emphasise the fact that the delay and uncertainty surrounding the industry just now are extremely damaging. My hon. Friend the Member for Carmarthen (Dr. Thomas) emphasised that. Against that background, we see the massive cuts in research and advisory services — £16·5 million slashed off the budget of the Agricultural and Development Advisory Service, 800 fewer advisers in England and Wales, and a 41 per cent. cut in the funding of the Scottish agricultural colleges. This is no time to be cutting back on the research back-up and advice available to farmers. For the Minister to talk about value for money in such circumstances is absurd.

The Opposition say that there should be three fresh approaches within the CAP. First, we emphasise the need for structural change. That means alternative land uses, alternative crops, alternative stock and in particular the cultivation of trees on agricultural land.

Mr. Mark Hughes (City of Durham): It is very good to say that we want alternative uses. Given modern technology producing more food, whether from livestock or grain, to pretend that the way out of excess production is by growing trees is to delude ourselves. We have too many people, too much land and too much technology. We cannot pretend that we get out of that by growing trees.

Mr. Home Robertson: We are trying to be constructive. The growing of trees is one of several alternatives. What the industry needs above all is a positive lead, which it is not getting from the Government. The National Farmers Union has admitted that between 100,000 and 150,000 hectares will have to be taken out of production of existing crops. It is time for positive guidance on that. That is one of the things that the Ministry of Agriculture, Fisheries and Food should be doing.

The second area on which we want to concentrate is the need to negotiate a major shift from the intervention system to alternative support mechanisms, which would help the consumer as well as the farmer. The obvious examples of that are the beef variable premium and the sheepmeat regime, or our old deficiency payment system. There are signs that the French and the Germans may be moving in that direction. We should encourage them.

Thirdly, there should be better targeting of support, especially for smaller farms and less-favoured areas. To

achieve that, we must repatriate many of the nuts and bolts of the CAP. We must get the local decision-making done in Britain rather than Brussels.

At national level, we must restore ADAS and build up a rather different land bank from that which has been talked about today, to make more land available to let to people who want to come into the industry. My hon. Friend the Member for Pontypridd (Mr. John) has talked of that before. It is a scandal that it is so difficult to start a career in farming.

The Labour party has an excellent record when it comes to our relationship with agriculture. It was a Labour Government who brought in the Agriculture Act 1947, which provided the basis for the industry's recovery after the war. When we were in office until 1979 we tried to guide the industry on the way ahead by publishing White Papers setting out our general objectives. There has been no White Paper on agriculture since 1979.

The industry does not know what it is supposed to be doing. The National Farmers Union of Scotland says in its journal this week:

"the British Government's attitude — so far as we can discern it—seems less than lukewarm and is uncertain.

This is part of the general complaint that the Government has no strategy for the countryside, that there is no sense of purpose for producers in the more peripheral regions, and policy makers have no clear notion of how we shall enter the next century with a countryside as a place in which wealth is created".

The industry does not know what direction it is supposed to be going in.

Mr. Lord: Will the hon. Gentleman give way?

Mr. Home Robertson: No. I am sorry, but there is not time and the Minister wants to reply.

There is more to rural Britain than agriculture. There are many long-standing problems in rural Britain which have been aggravated by the Government's economic policies and other aspects of Tory dogma. Rural unemployment is a growing problem in many areas. We have the problems of conservation and the environment, the rural housing crisis and the disruption of already poor transport services by the Transport Act 1985 and perpetually high fuel costs. Government spending cuts and successive rate support grant cuts have had an impact on a range of services and on schools, which are important in rural communities.

It is in response to that challenge that organisations such as Rural Voice, in England and Wales, and the Rural Forum, in Scotland, have been set up to try to fight the corner for rural communities. I have experience of the threat through the proposed closure of my village school, which my children attend. I am acutely conscious of how fundamentally important such services are to rural communities. I am delighted to say that people in my constituency have succeeded in fighting off the efforts of the Liberal chairman of the education committee and the former Conservative administration in Lothian regional council, which wanted to close rural schools. One cannot over-emphasise the importance of schools and housing in rural communities.

It is important to emphasise the serious poverty that is to be found in many rural areas. In its spring edition of "Poverty", the Child Poverty Action Group says:

"approximately 25 per cent. of households"

in rural Britain

"were living in or on the margins of poverty."

In such areas, costs, including transport costs, are higher than elsewhere. Much work must be done to sustain services to create jobs and to make life more tolerable in rural areas.

The hon. Member for Dumfries mentioned the need for a rural development fund. We both represent part of the rural south of Scotland which does not have the benefit of a specialist rural development agency. The Select Committee on Scottish Affairs, of which he is a member, and the Confederation of Scottish Local Authorities presented a powerful case, supported by the Rural Forum, for a modest rural development fund to help the Scottish Development Agency and local authorities to promote services and employment in those areas, but they were rejected out of hand by the Government on the most spurious grounds. The hon. Gentleman and I can make common cause on that. There is an urgent need for a development initiative to create jobs and sustain services in rural areas.

There is a serious crisis in rural communities today. It takes an insidious form and we cannot leave it to market forces to find a resolution. It will take a Socialist Government, who are prepared to intervene, to overcome those problems.

6.55 pm

Mrs. Fenner: With leave of the House, I should like to reply to the debate. In view of the shortage of time, hon. Members will have to rely on getting a note from me.

I again congratulate my hon. Friend the Member for Sherwood (Mr. Stewart). I am aware of the anxieties that he expressed, especially in regard to getting some forward plan. As for a White Paper or a similar document, I said earlier that a great deal is going on in Europe at the moment and we would want to set out such a document only if it were not in danger of being changed immediately.

I listened with some interest to the hon. Member for Ceredigion and Pembroke, North (Mr. Howells), who would spend a great deal of money. He mentioned marketing, but obviously failed to take account of the fact that we promoted Food from Britain with £14 million. We are the first Government to have promoted a marketing organisation. We are continuing to put our money where our mouth is by giving £1 for every £2 which comes from the industry.

Several hon. Members were worried about research and development, but £200 million on agricultural research and development and food development is not a measly sum. I understand that a letter from the alliance was sent around, saying that a spending standstill would be imposed on agriculture under alliance policy. The hon. Member for Truro (Mr. Penhaligon) admitted in the House on 6 May during a debate on the Finance Bill to my hon. Friend the Chief Secretary to the Treasury that that letter had been sent out and that there would be a spending standstill. I do not therefore plan to take instruction from the hon. Member for Ceredigion and Pembroke, North about how to support agriculture when he would put a freeze on support for it.

Does the hon. Member for East Lothian (Mr. Home Robertson) believe that the Labour Government's policy of fixing land tenancies for three generations did anything to make rented land available? That is why we introduced the Agricultural Holdings Act 1984——

Mr. Home Robertson: It does not work.

Mrs. Fenner: It has not been working long enough for the hon. Gentleman to make such comments.

My hon. Friend the Member for Dumfries (Sir H. Monro) is anxious about the marketing of lamb. My information is that the average market price continues to strengthen—over last week's price, and over that for the same week last year. The general picture is that trade is improving. Rejection rates have been falling. If my hon. Friend has additional information, we must examine it, and I should be obliged if he would supply me with it.

The hon. Member for Linlithgow asked about the comments of the National Federation of Site Operators. I shall ensure that the hon. Gentleman's comments are drawn to the attention of my right hon. and noble Friend the Secretary of State for Employment, who is apparently responsible for these matters. The hon. Gentleman also mentioned horticulture. I assure him that the Dutch have stopped support for their glass horticulture industry—it is not necessary with reduced energy prices. The case is being presented in the European Court. If it succeeds, we shall press for recovery of the money that has been paid. The hon. Gentleman also asked about the Salmon Bill. The business for next week has not yet been announced, so I cannot say when it will return to the House.

My hon. Friend the Member for Torridge and Devon, West (Sir P. Mills) was worried about swine fever. He realises that we have to determine the origin before we can seek any banning operations. He complained about the delay in obtaining samples from Weybridge, and I shall have to look into that specific point.

Many questions and points were posed by two of my colleagues who have apologised because they have had to leave the Chamber, and perhaps I shall have to write to them as well.

This has been a useful debate. Hon. Members have had the opportunity to express the concerns that farmers have clearly expressed to them. I congratulate my hon. Friend the Member for Sherwood on choosing a subject of such interest to so many hon. Members. We have noted his request for a White Paper or a similar document.

It being Seven o'clock, proceedings thereon lapsed, pursuant to Standing Order No. 6 (Arrangement of public business).

Felixstowe Dock and Railway Bill

Order for consideration, as amended, read.

Motion made, and Question proposed, That the Bill be now considered,

7.1 pm

Mr. Ken Weetch (Ipswich): I beg to move, That the Bill be considered on this day six months.

The consideration stage of this Bill has been given quite and exciting send off. It is not often that I read what I have always loosely regarded as being an up-market newspaper —*Lloyd's List*. It is not essential reading for me, but I read it today and it gives an exciting trailer about the Bill. It states:

> "It has been one of the hardest fought non-Government Bills to have come before the House of Commons in recent years, involving issues of fundamental difference for the two sides of the House — private versus public enterprise, a planned economy versus laissez-faire, and to some extent, the position of the trade unions, particularly in the dock industry".

As part of this exciting preliminary, the article names the hon. Member for Bury St. Edmunds (Sir E. Griffiths) and myself as two of the leading dramatis personae in the debate. Therefore, whatever the course of the Bill, we can at least say that it has had an exciting introduction.

In opposing this consideration in principle, and in debating the Bill on Report, one is for all practical purposes doing two things. The first is making a judgment on the Committee's conclusions after that Committee had heard weeks — in fact, months — of evidence and a variety of sumbissions from the promoters and petitioners. Secondly, this stage of the legislative process offers the House an opportunity to argue detailed amendments now that we have seen the Bill as amended. As the debate progresses, my hon Friends and I will speak in more detail to the new clause and the amendments that have been selected.

The Bill is likely to prove a watershed in private Bill history, because during its legislative passage there was dissatisfaction in some quarters as a result of certain things that occurred during the procedure on the Bill. That has prompted thoughts which I understand may assume more formal procedural shape about the whole privatte Bill procedure.

At present, the point I am making is that careful scrutiny is needed because the whole procedure enables commercial companies, such as the Felixstowe Dock and Railway Company, and absentee landlords, such as Trinity college, Cambridge, to make a profit out of commercial development while at the same time they are able to circumvent normal planning procedures.

I have formed the conclusion that this Bill and others can be a backdoor way around normal planing obligations that a developer would have to undertake through the normal framework of planning procedures. It is my view that the entire private Bill procedure, as experienced from the history of this Bill, ought to be examined.

Mr. Jonathan Sayeed (Bristol, East): Did the Felixstowe Dock and Railway Company have the option of taking any course other than through the private Bill procedure?

Mr. Weetch: I would have preferred the whole thing to go through the normal local planning procedures, but I appreciate that intervention. I should point out that I took

no part at all in the Committee debates. I did not even go to hear evidence, because as the main opponent I kept out of it altogether. I believe that the advantage of the normal local planning procedures is that they enable more local people to be involved.

Mr. Andrew F. Bennett (Denton and Reddish): Surely the company could have put the outline in the Bill and proceeded with it following a local planning inquiry if the go-ahead was given. That would have offered the objectors the best of both worlds. They could have objected to the principle on the one hand and the details at a planning inquiry on the other.

Mr. Weetch: My hon. Friend is authoritative on these matters. I certainly accept that his suggestion would have been a much better alternative. However, there is consensus about the fact that we should have procedures under which the maximum number of people can give opinions and make objections if they wish to do so. There should also be the maximum local involvement in a development such as this.

Mr. Allan Roberts (Bootle): As I understand it, the Bill gives general development order status to the Felixstowe Dock and Railway Company so that it becomes its own planning authority. I hope to speak later about the virtues of the port of Liverpool. One of the problems there is that the same powers exist. That has resulted in a scrap shredder being erected opposite residential properties without the need to consult the local community or the local authority. That proposal has been opposed not only by myself and the Labour party but also by local Conservative Members of Parliament. It has also been unanimously opposed by the local authority, yet there is nothing that we can do about it.

Mr. Weetch: My hon. Friend is anticipating a number of points that I shall make later.

I have tabled amendments that indicate that for a long time the Felixstowe Dock and Railway Company has been exempt from planning procedures. I shall quote chapter and verse from schedule 12 to a planning and development order dated 1977 to show that that is so. At this stage I content myself by saying that my hon. Friend has a point that will be developed later in the debate.

There is no need to go over much of the old ground. I say that because many issues arising from the Bill provide new subject matter for fresh debate. That brings me to the brass tacks of my case. I dispense with further preliminaries and come to the main conclusions that were announced at the Committee Session on Wednesday 12 March this year. In stating the main conclusion, the Committee said, in essence, that the Bill should proceed and made several other points that would command general assent in the House.

First, on page 2 of the minutes, the Committee stated:

"The Committee believes that for commercial and strategic reasons Britain must have ports which are capable of providing the service that is expected of them in the market place by the users."

That is absolutely right and a conclusion of fundamental truth. Secondly, the Committee said that there had been a strategic shift of port capacity to the east coast, and that is absolutely true. Thirdly, it said that since the port was due to expand in a north-westerly direction up the Orwell estuary in an area of outstanding natural beauty, a higher standard of proof was needed than in an average case. The Committee made those three points well, and they are all unexceptionable. The main pronouncement certainly was not.

The crux of the case for the Committee's conclusion is given on page 4 of the Committee's minutes, in the penultimate paragraph, which states:

"The only real alternatives, it seems to us, to Felixstowe are Southampton, London and Harwich; but these ports have a variety of problems which discourage their growth and they have not shown any active intention to expand the provision of container berths. It therefore appears that there is no alternative port to Felixstowe."

If that is the substance of the case, the proposition does not reach the first fence because, apart from any interpretation of the evidence, it is factually untrue. The proposition from the conclusion is that Felixstowe is the only real practical possibility for the expansion and development proposed in the Bill. That contention is so manifestly unsound that it might have been proposed in error. However, it is on the record, so I shall examine it closely.

According to the Committee, Southampton, London and Harwich are not suitable for this type of growth because certain problems discourage their growth and they have no active intention to expand. During the debate, hon. Members will speak in favour of ports in other parts of the United Kingdom and the Committee's contention will be examined in rather more detail than I can examine it now. I can give the House only one example, which related to Harwich and the Harwich Parkeston Quay Bill which is now in Committee.

On Second Reading of that Bill the hon. Member for Harwich (Sir J. Ridsdale) said:

"the principle of the Bill is to create new quays, vital for our growing trade, with no damage to the environment and to reclaim land which will become valuable industrial land with admirable port facilities."—[*Official Report*, 28 April 1986; Vol. 96, c. 718.]

That seems strangely at odds with the Committee's main conclusion that Harwich has no intention of expanding, therefore leaving Felixstowe as the only alternative. Not only is that contention unsound, but it is factually inaccurate and does not stand up to the evidence. At the end of the day we are arguing about a more fundamental principle, because a private Bill should stand the test of an examination of realistic alternatives, which there never was because of the Committee's faulty conclusions.

7.15 pm

Quite the reverse is the case in respect of Harwich and Parkeston quay. Three hundred and thirty acres of mud-flats are to be reclaimed, a substantial sea wall is to be constructed, and four deep-sea container berths are to be created for handling 100,000 containers a year. The overall cost of the investment is £100 million. If I relate that factual information to the Committee's conclusion, far from being discouraged, and far from being devoid of an intention to expand, the evidence suggests that Harwich has every intention of expanding and that there is the intention of creating a deep-sea container complex that will rival Felixstowe itself. I am on record as supporting the Harwich Parkeston Quay Bill. If we are to have a substantial deep-sea port in East Anglia, it should be at Harwich, not on the Orwell estuary, because there are few, if any, environmental problems in Harwich.

All my argument stems from the factually incorrect information in the Committee's minutes. The conclusion reached on the evidence about a central problem, which

[Mr. Weetch]

this Bill and other Bills like it set out to explore, is at issue and is critically important. I and many other hon. Members were seeking guidance from the Committee on the problem. It is the Government's overall intention, from a general statement of their environmental policy, that this and other developments like it should not go ahead where environmental matters are at stake, unless there are overriding reasons of national importance. What is the flow of evidence and reasoning for overriding national importance in this case? What development should be allowed in the Orwell estuary to be consistent with it and with its designation as an area of outstanding natural beauty? That question should have been answered, but was left as much unanswered at the end of the Committee's proceedings as it was at the beginning. The Committee gave us no guidance whatever.

I remind the House of the factors that come together in the Orwell estuary. Besides being an area of outstanding natural beauty, it has been designated as a site of special scientific interest, a site of international importance under the Ramsar convention on international wetlands and an area identified under European legislation as of importance for bird conservation. The key question for the Committee, which is not only of particular interest but of general principle, is: what economic case can override environmental factors of that order and significance? It has to be pretty formidable before we can accept that there is such an overriding national interest.

Mr. Sayeed: That point is dealt with on page 2 of the evidence given on Wednesday 12 March 1986 to the Committee, in paragraph 4. Both the petitioners and the promoters agreed, although there was disagreement as to the exact figures, that there would be a need for three deep-sea container berths by the mid-1990s, if not sooner. As the hon. Gentleman well knows, the Harwich and Parkeston quay, even if that Bill is passed, will not have been built by then. It was accepted by both petitioners and promoters that there was a national need. Given that only Felixstowe was prepared to fulfil that need, the Committee decided to allow the Bill to proceed.

Mr. Weetch: I thank the hon. Gentleman for that information. Although I do not agree with the conclusions of the Committee, I pay tribute to the hon. Gentleman and his colleagues for the diligence with which they examined the information. There was a mountain of work, to which they stuck to the end. Credit is due to them. The hon. Gentleman's intervention may help to underline my next point.

The conclusions revolve around what is the overriding national interest in the matter, and this was the central point of argument in the Committee. Critical evidence on the subject was given and argued in the sitting of Tuesday 25 February this year. The argument was not only of particular importance. It was of general importance. I have looked carefully at the evidence. When we debated the Bill some months ago, I gave my opinion on what the Felixstowe Dock and Railway Company had put forward and I shall not go over that again, but certain things emerged.

First, what was being argued by the company was not in the national interest, but was in the commercial interest of the shareholders. It is not to be assumed, even in an emerging laissez-faire economy, that the interests of shareholders are always identical with those of the community. Secondly, the national interest could never be determined because there was never any yardstick by which to measure it. All the evidence as to future trends and variables, such as alternatives to Felixstowe, contained a vast amount of speculation in which one person's statistics were often as good or as bad as those of another.

Mrs. Ann Clwyd (Cynon Valley): Have the Government not consistently withheld information on their calculation of what a fixed Channel link will mean in terms of taking container traffic from the deep-sea ports? The Minister has repeatedly been asked that question and has refused to give an answer.

Mr. Weetch: I thank my hon. Friend for that intervention. I shall come on to deal with what the Committee did and did not do in debating the fixed link and cargoes of transhipment. Some of the evidence gives at least a partial sign of lack of thinking on that point.

On balance, this is a matter of one overriding national interest against another. Port facilities are a national interest, as are conservation, an area of outstanding natural beauty, an SSSI, international wetlands and bird conservation. The company never demonstrated, because Solomon himself could not have demonstrated, the balance of interest between those two factors. At the end of the day, it is a matter of judgment and opinion. The company could never prove beyond all reasonable doubt that there was a case for expansion, because it is not possible to prove it. What is more, the company could not even prove the case on the lower standard of the balance of probabilities, given the evidence that it submitted.

Given that statistical and economic trends turn on matters of opinion, where the company has a commercial axe to grind anyway, an examination of the evidence shows certain things. The main aim is said to be the development of deep-sea container facilities, but the main growth of deep-sea trade has been due to the penetration of containers into deep-sea cargo, most of which, according to the economic ports experts, is virtually complete. Development can come about only from substitution and intrusion into the employment and trade prospects of other ports.

Secondly, as time passes, less containerisable cargo remains, and at the end of 1984 only 1·8 million tonnes remained to be containerised. In terms of port capacity, this represents between two and three deep-sea container berths. Not only have I looked at the evidence, but I have had a number of people who are quite used to port and traffic statistics looking at what the Committee had before it. In coming to its conclusion the Committee ignored other factors — for example, the Channel tunnel fixed link, which will consume a good deal of political time in the House before we are finished. The Committee ignored transhipment via France, which at present is not important but will be an unpredictable factor when the Channel tunnel opens. There is no consensus on what will happen if that ever sees the light of day.

Mr. Sayeed: If the hon. Gentleman reads the evidence given to the Committee, he will find that the Committee asked specifically for figures after allowance was made for traffic going via the Channel tunnel.

Mr. Weetch: I am just about to quote from the evidence given by the managing director of the Felixstowe Dock

and Railway Company in response to the questioning by my hon. Friend the Member for Leeds, Central (Mr. Fachett) on 4 December 1984. On page 15 my hon. Friend asks Geoffrey Parker, the managing director:

"Before we leave the point about the Channel Tunnel, whatever form that takes, I assume that the company has made some projections as to the likely impact of various schemes upon your trade at Felixstowe."

That was a good question.

The Felixstowe Dock and Railway Company had come to prove its case for an overriding national interest, but had made no projections about the possible effect of the fixed link on trade. I do not know whether people who read these things and who are experts in port matters think that the company put up a strong case. When one complicates the case and asks why Felixstowe and not somewhere else, given the environmental obstacles to development, the case for the expansion of Felixstowe becomes pretty gimcrack.

Too many environmental questions have been left unanswered. This expansion in the Orwell estuary should not proceed, because too many environmental factors come together all at once. Even if it were only an area of outstanding natural beauty, that would be enough to throw great doubts upon it, but since it is a site of special scientific interest and has been indentified under the Ramsar convention, and since the European directive is also involved, all these other aspects are also involved. If ever there were a case for the environmental interest, on the balance of advantage and the evidence, being stronger than the economic and commercial interest, this is a clear example of it.

7.30 pm

The Felixstowe Dock and Railway Company does not have a very strong case. I relate that to the Government's written answer on 29 July 1982 about areas of outstanding natural beauty, when the right hon. Member for Henley (Mr. Heseltine) said:

"The Government agree with the commission's view"—

that is the Countryside Commission—

"that, in general, it would be inconsistent with the aims of designation to permit the siting of major industrial and commercial development in AONBs. Only proven national interest and lack of alternative sites can justify any exception." — [*Official Report*, 29 July 1982; Vol. 28, c. 708.]

Nobody can argue that the Felixstowe Dock and Railway Company proved its case beyond all reasonable doubt. Emphatically that was not the case.

A good deal of the environmental evidence was put to the——

Sir Eldon Griffiths (Bury St. Edmunds): Before the hon. Gentleman reaches what I divine to be his peroration, does he not think that the statutory duty that is laid upon the county council and the district councils to look after environmental matters has been effectively discharged, in so far as those local authorities are now satisfied and have withdrawn their objections to the Bill? Why does he think that he knows so much better than the elected local authorities of the area?

Mr. Weetch: I can answer that question directly. To its shame and eternal discredit, the local authority that had most of the responsibility for scrutinising this legislation which short-circuits the planning procedures —namely, the county council—never even petitioned against the Bill. To go back a little into the history of the county council's scrutiny, the county council's planning committee rejected the whole idea because it was contrary to the terms of the Suffolk structure plan. However, by political jiggery-pokery the county council managed to get it pushed into a siding and then agreed not to petition.

The county council stands accused of dereliction of duty. At the end of the day, it had a responsibility to scrutinise the legislation on behalf of the ordinary people but it never did so. It is also a fallacy to argue that just because Suffolk coastal district has dropped out it is satisfied with the Bill. It may have been satisfied with the compromise that was reached, all in all, but that is not the same as saying that the authority is satisfied with the Bill. My view is that it will come to regret the fact that it did not scrutinise the matter more closely.

Mrs. Clwyd: I am most interested in my hon. Friend's account, but does he not think that the question of the hon. Member for Bury St. Edmunds (Sir E. Griffiths) was most peculiar? It seemed to imply that it is wrong to criticise conclusions that are reached, however they may be reached, by a local authority, be it a district council or a county council, because it consists of elected representatives. Does my hon. Friend think that the hon. Gentleman would show the same restraint and would fail to criticise Labour local authorities for their actions, because they, too, are composed of elected representatives? Does he not think that it was a very odd question?

Mr. Weetch: Yes, I do indeed. Right from the start there have been all sorts of odd things about the Bill, and I have no doubt that there will be odder things about it before it is finished.

Mr. Derek Fatchett (Leeds, Central): Before my hon. Friend leaves his point about the planning requirements, although he has dealt effectively with the attitude of the Suffolk county council to the Bill, surely the crucial argument, to which he may be about to refer, is that, because of the private Bill procedure, those who would have objected under the normal planning procedure have had an incredible cost and burden imposed upon them and feel very unhappy about the fact that they have been deprived of the ability to make their case effectively. I think my hon. Friend will agree that those who have petitioned against the Bill are still very unhappy in many respects about it.

Mr. Weetch: Yes, that is a fair point. The private Bill procedure that was used in the 18th century for the various enclosure Acts has not changed very much. It is antiquated and is not consistent with the standard of democracy that we are entitled to expect in 1986. I am advised that the private Bill procedure is to be looked at critically, so I shall not stray further down that path.

When one considers the effect that the expansion of this port will have on the environment, however gallant, imaginative and expensive may be the efforts that are made to landscape, ameliorate and disguise the effects of the intrusion by this commercial development, they can never restore the quality of the environment that will inevitably be lost. At best, the landscaping will be only limited in value. It will require half a generation to take effect. Even though it will create peripheral screening, it will be something that is quite unnatural in an area of outstanding natural beauty, with estuarial scenery that is

[Mr. Weetch]

of critical importance to East Anglia. Whatever is done, it cannot alter the change that will take place to the view from the river.

Finally, on ecological grounds, Trimley marshes, with the qualification about their development — this is the area that is to be substituted for what will be lost—will never be a substitute for Fagbury flats. As the Bill is an environmental disaster, my hon. Friends and I have concentrated upon tabling a series of amendments which might yet, if passed, limit some of the environmental damage to the area. I oppose the Bill.

Sir Eldon Griffiths: As I understand it, the motion before the House is

"That the Bill be considered upon this day six months."

I am not sure whether that is the motion to which we are speaking at the moment.

Mr. Peter Snape (West Bromwich, East): Wrong again.

Mr. Deputy Speaker (Mr. Ernest Armstrong): The motion before the House is that the Bill be considered. It is now being considered.

Sir Eldon Griffiths: I am obliged. I wished to be clear that it is not the dilatory motion that we are debating. As the promoter of the Bill, I am anxious that it should be considered and completed as soon as possible. It is right that I should comment on some of the extraordinary allegations by the hon. Member for Ipswich (Mr. Weetch). Not to put too fine a point on it, his speech and the efforts of his colleagues tonight are designed not to protect the environment, to advance the cause of the other Suffolk ports, or to protect the national interest, but to wreck it for the worst possible reason—revenge.

Dr. Oonagh McDonald (Thurrock): Will the hon. Gentleman give way?

Sir Eldon Griffiths: No, not until I have made my point.

Mr. Fatchett *rose*——

Sir Eldon Griffiths: I shall also give way shortly to the hon. Gentleman. There is plenty of time this evening.

I said that the principal motive of the hon. Member for Ipswich and his colleagues is revenge, and the reason is clear. The militant London end of the Transport and General Workers Union has never forgiven the port of Felixstowe, the dockers of Felixstowe and the local branch of the TGWU of Felixstowe and East Anglia for having worked during the abortive dock strike. It cannot forget that, and it is determined, if it can, to get its own back on a private enterprise port that continued to work and on the dockers who continued to assert their right to go to work during a strike when there was no proper ballot. That is the principal motive of the hon. Gentleman and his colleagues. There is no argument about that. The hon. Gentleman is trying to wreck the Bill out of spite.

Dr. David Clark (South Shields): On a point of order, Mr. Deputy Speaker. Is it in order for the hon. Member for Bury St. Edmunds (Sir E. Griffiths) to cast aspersions and to allege that Labour Members are not interested in opposing the Bill for environmental reasons but oppose it only at the behest of a trade union? May I ask what your ruling is on that point, Mr. Deputy Speaker?

Mr. Deputy Speaker: That is a matter for debate. Various allegations are made every time I take the Chair. It is a matter for debate, and certainly not a matter for me, fortunately.

Mr. Fatchett: Further to that point of order, Mr. Deputy Speaker. Is it in order for the hon. Member for Bury St. Edmunds (Sir E. Griffiths) to attribute motives to my hon. Friend the Member for Ipswich (Mr. Weetch)? I listened to my hon. Friend's speech carefully and I enjoyed it thoroughly, but at no stage did he refer to the London docks or the TGWU——

Mr. Deputy Speaker: Order. It is a question of alleging various motivations behind speeches. That is not a matter for the Chair.

Sir Eldon Griffiths: I now give way to the hon. Member for Thurrock (Dr. McDonald).

Dr. McDonald: I thank the hon. Gentleman for having the decency to give way at last. He made some utterly disgraceful allegations — allegations that were without substance — about our motives. Many of us have a constituency interest in the matter, because we represent dock areas where jobs may be adversely affected. What right has the hon. Gentleman to suggest that we are not acting properly in our capacity as constituency Members of Parliament, and only in that capacity, in raising issues which will seriously affect our constituencies? What right has the hon. Gentleman to make such absurd and disgraceful allegations? After all, let us face the fact that many of the hon. Gentleman's speeches are made because he is a paid representative——

Mr. Deputy Speaker: Order. The hon. Member for Thurrock (Dr. McDonald) will be trying to catch my eye, but she has made her first speech.

Sir Eldon Griffiths: I was referring primarily to the hon. Member for Ipswich, but if the cap fits the hon. Lady, she should wear it. I now deal with the hon. Gentleman's speech before I come to the substance of the matter before us.

Mr. Fatchett: We shall all enjoy the hon. Gentleman's speech but it would be helpful if he could clarify his preamble before he deals with the points raised by my hon. Friend. In that preamble he said that the motive was to wreck "it". I was not sure, because the sentences got mixed up, whether the reference to "it" was to the Bill or to the national interest? Or does the hon. Gentleman equate the Bill with the national interest?

7.45 pm

Sir Eldon Griffiths: I have not yet reached the national interest, but I assure the hon. Gentleman and the House that I shall.

I was dealing specifically with the motivation of the hon. Member for Ipswich. I have been at a loss to understand why he still tries to wreck the Bill. If I believed for one moment that he had the support of the people of Suffolk, I would understand it, but of course the local authorities, the county council and the Suffolk Coastal district council in whose territory the port lies, have all considered the matter in the greatest detail and with the greatest care. They are clear that it is in the interests of the people of their areas that the Bill should become law. There can be no suggestion that the hon. Gentleman is representing the considered best interests of the people of

the area. It might be thought that at least he is representing Ipswich, but unfortunatly in this case that is not true either. The local authority in Ipswich has never petitioned against the Bill. It was open to it to do so, but it chose not to.

Mr. Weetch: Ipswich borough council never petitioned against the Bill because it put its trust in me to oppose it. I have done that right from the start to the best of my ability.

Sir Eldon Griffiths: The hon. Gentleman can put a gloss on it, but the fact is that his borough authority decided not to petition against the Bill. It might have been thought that because Ipswich is a municipal port and, in the early stages at least, its chief executive, Mr. John Evelyn, was unhappy about some of the navigational aspects of the Bill, at least the Ipswich port authority would have petitioned against the Bill. But it did not do so. As a result of the debates in the House and negotiations that took place between the promoters and the port of Ipswich, a happy compromise was arrived at, and consequently the port of Ipswich has no objections to the Bill. I must start by asking who it is that the hon. Gentleman represents in his desire to wreck the Bill.

Mr. Weetch: My electors.

Sir Eldon Griffiths: The hon. Gentleman says his electors. Let us consider that. Many people in Ipswich vote Labour. They voted the Labour members of the Ipswich port authority into office. I take it that that is what the hon. Gentleman would regard as local democracy, but that elected local authority has not opposed the Bill. Moreover, in Ipswich many people, as in Felixstowe and the rest of that part of Suffolk, work in the docks industry. If they are not dockers they may be haulage people or employed in the service industries that support our ports industry. What is their view? The TGWU in East Anglia, including those who democratically represent the dockers of Felixstowe and Ipswich and the rest, are clear that they want the Bill to be passed.

They have said that their local Member of Parliament's objections to it are frivolous and malicious. That is their view, not mine—*[Interruption.]* I do not have to rely on the views of the trade unions, the local authorities or the people of Ipswich. I am saying only that it is difficult to understand whom the hon. Member for Ipswich represents. There is virtually a full house against him. The local authorities, the dockers union and, as far as can be discovered, the people of the area are against him. One is therefore entitled to ask whom he represents and who has put him up to try to wreck the Bill.

One can draw no other conclusion than that the hon. Member for Ipswich is seeking to wreck the Bill because a certain militant section of the Transport and General Workers Union, totally unrepresented in East Anglia or by the dockers of Ipswich, Felixstowe or Harwich, put him up to wrecking the Bill. There can be no other explanation. The hon. Gentleman said that the question whether Felixstowe's expansion was in the national interest had not been properly considered. Apparently, he has not thoroughly studied the work or report of the Private Bill Committee.

I have with me the Chairman's conclusions. Indeed, I notice that my hon. Friend the Member for Bristol, East (Mr. Sayeed) is in his place, and he was also a leading Member of that Committee. But the Chairman said:

"The Committee believes that for commercial and for strategic reasons Britain must have ports which are capable of providing the service that is expected of them in the marketplace by the users and we should not be content just to have ports which are there to transship goods to and from continental ports . . . There has been an agreement in certain aspects as far as figures are concerned, though I am bound to say there have been a number of assumptions on both sides that have been made as far as future growth is concerned, but certainly there was agreement . . . that Britain may need two or three more deep-sea container berths by the mid 1990s . . . there was disagreement as to where these berths could be developed. It is clear, and I think beyond doubt . . . that port customers have transferred from the west coast of Britain, and it would be unrealistic to suggest that they are going to return there. The only real alternatives, it seems to us, to Felixstowe, are Southampton, London and Harwich".

Mr. Allan Roberts: They are wrong.

Mr. Griffiths: I am quoting the Committee's report, not mine.

It continues:

"but these three ports have a variety of problems which discourage their growth and they have not shown any active intention to expand the provision of container berths. It therefore appears that there is no alternative port to Felixstowe, and since we accept the national need for expanding deep-sea container provision, we believe that that need does exist, that then there is a case for expanding Felixstowe in the national interest. In the opinion of the Committee, therefore, the commercial case for Felixstowe expansion is sufficiently weighty to satisfy us that the development of Felixstowe should be allowed."

I read out such a long quotation simply because the hon. Member for Ipswich alleged that the national interest had not been adequately considered. But the Committee weighed that question carefully and made a measured judgment. I have quoted it, and it is clear-cut.

Mr. Andrew F. Bennett: The people from Southampton could not make any observations to the Committee because, as a result of the procedures, they were not aware of the Bill's promotion at the very time when they should have been submitting their objections. But Southampton has permission for one, if not two, additional berths to take that sort of trade. The House recently debated proposals for Harwich, which would allow further development. I understand that there are also proposals for Tilbury and for places along the north coast such as Hartlepool and places on the Tyne. But the Committee heard none of that evidence because of the problems involved in trying to submit petitions and in trying to understand the procedures of the House.

Mr. Sayeed: Will my hon. Friend give way?

Mr. Griffiths: Of course I shall give way——

Mr. Deputy Speaker: Order. The hon. Member for Bristol, East (Mr. Sayeed) should not intervene in an intervention or we shall get nowhere.

Mr. Griffiths: Perhaps I should continue for a while, and then give way later.

My response to the hon. Member for Denton and Reddish (Mr. Bennett) is that I was dealing with the allegation by the hon. Member for Ipswich that the national interest had not been adequately considered. I demonstrated, I think beyond peradventure, that the Private Bill Committee spent a lot of time considering this issue and came to the unequivocal conclusion that the development was in the national interest. The hon.

[Mr. Griffiths]

Gentleman may disagree with the Committee, but I hope that he will accept that the allegation that it did not consider that question has fallen to the ground.

The hon. Member for Denton and Reddish has said that there may be something going in Southampton, Hartlepool and elsewhere, and that is fine. But his next point did not do the port of Southampton justice. He virtually said that it was so uninterested in its own future that it did not even know that it could give evidence before the Committee. The Committee opened its doors to anyone with a view.

Mr. Sayeed: Does my hon. Friend agree that any Committee that sat for six months would be hard pressed not to hear evidence on behalf of other ports, even if it did come via petitioners against the Bill? The evidence shows that the petitioners made the case for Southampton, London and Harwich, so we had access to information. But we also found, if I remember correctly, that container berths in Southampton had been decommissioned and car berths had been put in in their stead. There are other points, which I hope to make later.

Mr. Griffiths: I am grateful to my hon. Friend for that point. However, having given way to almost all and sundry, I should like to draw my remarks to a conclusion.

I hope that I have disposed of the argument that the national interest was not considered. It was, and the Committee reached a conclusion.

The hon. Member for Ipswich also spoke about the environment. I must say that, listening to him, I did not recognise the reality. There was an enormous amount of discussion and debate between the promoters and the petitioners about a whole range of environmental questions. On Second Reading, I said that I would not be a party to the Bill's passage unless the Bill enhanced the local environment. I can say that as someone who was one of the first Under-Secretaries of State for the Environment. As I understand it, the promoters have agreed with the county council, the district council and with many of the other petitioners, on a substantial environmental improvement of which they can be proud. The hon. Member for Ipswich should recognise how much good has come from those negotiations.

8 pm

This development affects 0·25 per cent. of the total 150 square miles in that area which has been designated as being of outstanding natural beauty. The Felixstowe extension will affect about 98 acres of poor low-lying land of very heavy clay. It is separated by a clay wall from approximately 140 acres which comprise a small area of salt marsh with creeks. The extent of the environmental impact of which the hon. Gentleman is complaining is 0·25 per cent. of that area.

In close co-operation with Trinity college, whose concern for the environment is not in doubt, the dock company has agreed to carry out a large programme of landscaping which includes proposals to plant approximately 500,000 new trees, creating approximately 85 acres of additional woodlands. The dock company and Trinity college have agreed a detailed schedule with Suffolk county council safeguarding the public rights of way, a new viewing area, development control, highway improvements, light and noise control, and providing free off-the-road lorry parking.

As a result of the representations made by petitioners, there is also to be a 176-acre nature reserve at Trimley marshes, plus the saltings and the sea wall. The dock company will provide £130,000, and Trinity college a further £10,000, to cover the initial establishment costs and subsequent management expenses of the new reserve. These are major environmental improvements.

Mr. Andrew F. Bennett: If this is all so good, why has the Royal Society for the Protection of Birds felt unable to accept the compromise? I hope that the hon. Gentleman will not claim that it, too, is in the pay of the London militant dockers.

Sir Eldon Griffiths: I shall discuss the bird people later.

In addition to the environmental improvements already mentioned, the Bill also substantially restricts the further development of Trimley marshes. I was glad to see a negotiated arrangement requiring the company to operate the proposed new works so as not to exceed specified noise levels. These will be monitored and enforced by the Suffolk Coastal district council.

The environment has been fully safeguarded. Indeed, it has been enhanced. That is why Suffolk county council, and the Suffolk Coastal district council, which have been deeply concerned to protect the environment, have agreed to support the Bill. The extraordinary thing is that, with the solitary exception of the Royal Ornithological Society, everybody, including enyironmentalists, supports the Bill.

The hon. Member for Denton and Reddish asked me a question which, as an admirer of the Royal Society for the Protection of Birds, I must answer. I have a letter from Mr. Stuart Housden, the head of conservation planning, and parliamentary agent for the RSPB, to Suffolk county council. In fairness to the House, I should say that the society is not fully able to withdraw its opposition to the Bill, nor voluntarily to enter into a compromise.

Mrs. Clwyd: Why not?

Sir Eldon Griffiths: Because it is concerned that to do so might be

"interpreted as a weakening of our resolve to defend such sites in the future".

That was the reason given by Mr. Housden for the society's inability to withdraw its objection.

Mr. Housden's letter to Suffolk Coastal district council, which the hon. Member for Ipswich slurred in his speech, began:

"I would like to thank you for your efforts in negotiating with the promoters of the above Bill. I know you have worked hard to find a satisfactory outcome to the concept, proposed by the Dock Company, of an alternative wetland at Trimley Marshes. It is our understanding that the promoters offered an area of 176 acres of arable land on Trimley Marshes for conversion to grazing marsh together with some 20 acres of sea wall and saltings, the whole area on a 99 year lease."

The company offered the money, and a shooting-free zone of 400 yards around the site was also agreed. The management of the reserve would be in the hands of the county council, the district council, or the Royal Society for the Protection of Birds. The letter continued:

"The RSPB considers that with suitable management, such as that practised by ourselves at Elmley in Kent and elsewhere, it would be possible to create a worthwhile reserve on Trimley marshes that would probably attract birds in nationally significant numbers."

That statement by the RSPB hardly represents 100 per cent. opposition. I continue:

"The reserve could not compensate for the loss of SSSI land at Fagbury . . . Nevertheless, a reserve at Trimley would be of considerable ornithological interest and superior to anything possible at Levington."

Unlike the hon. Member for Ipswich, the RSPB takes a positive, balanced and measured view of the matter. The society recognises the gains, and regrets some of the losses. Although it is unable to abandon its opposition because of its future position, it lends no support whatsoever to the hon. Gentleman's slur on the county council.

No doubt other hon. Members have a great deal to say. I can only repeat that the Committee weighed the national interest carefully. The environmental considerations have been protected, and the promoters of the Bill have arrived at sensible compromises. The Bill should proceed and the hon. Member for Ipswich does himself no credit in continuing his efforts to wreck it. The Bill offers East Anglia the prospect of more modern ports. It offers the people of Suffolk more prosperity and many more jobs. It offers the nation an opportunity to ensure that the great globe-girdling container lines of tomorrow will continue to stop in Britain, and will not simply divert to Rotterdam or even Le Havre, leaving our country to be a contributor by short, cross-Channel support lines.

The House must decide whether it is in the national interest to ensure that we shall have a port of world standard. If this Bill was offered to Liverpool, Southampton or Bristol, they would jump at it and none of the hon. Members representing those areas would try to wreck it as has the hon. Member for Ipswich.

When the Japanese, the French, the Dutch and the Germans see that, at no cost to the taxpayer, we have the opportunity of investing substantial sums in the modernisation of our ports, which would create many more jobs, and ensure prosperity, which I am sure Opposition Members would wish to see, but that the House of Commons is trying to wreck such a possibility, they will think that we are mad. I believe that hon. Members will not accept such wrecking tactics, and I hope that they will resist the efforts of the hon. Member for Ipswich to destroy the future of Felixstowe.

Mr. Allan Roberts (Bootle): I very much regret the personal attacks made by the hon. Member for Bury St. Edmunds (Sir E. Griffiths) on my hon. Friend the Member for Ipswich (Mr. Weetch) whose integrity is beyond dispute. To present my hon. Friend as someone who is being manipulated by mindless militants is to have an imagination beyond Mr. Derek Hatton's wildest dreams. My hon. Friend is recognised throughout the Labour party as a masterful model of moderation. There may be some on whom the mud might stick, but my hon. Friend is not one. He is fighting a campaign on behalf of his constituents, which every fair-minded hon. Member recognises. He has fought for Ipswich and its people for some years, as general election results in his constituency have successively shown, often against the national swing.

However, there is no doubt what motivates my opposition to the legislation. The Bill should not be considered further because it will detract from every other port in Britain. Britain already has too many deep-water facilities. If the Bill becomes an Act not one new job will be created. Jobs may be created in Ipswich or in that area, but each of those jobs will be taken from another port, including the port of Liverpool which I represent.

There are a number of reasons why I oppose the Bill. First, some aspects of it will be environmentally damaging to the area where it is proposed to site the facilities and my hon. Friends will be dealing with the environmental considerations later.

I have experience in Liverpool of how the kind of general development order planning powers, which are proposed in the Bill, affect local communities. I referred earlier in an intervention to the scrap shredder which will be sited in my constituency. That affects not only my constituents in Bootle but those of the hon. Member for Crosby (Mr. Thornton). Strangely enough, he was a member of the Committee which considered the Bill and he did not oppose the general development order planning powers. Yet at the same time he is supposedly campaigning alongside myself against those powers as operated by the Mersey Docks and Harbour Board in the port of Liverpool because they will affect some of his voters and environmental damage will be caused if a massive scrap shredder and scrap mound are erected in an area where, in similar circumstances to this Bill, there is a nature and bird reserve and a wonderful vista.

Also surprisingly, the hon. Gentleman accepts the Committee's conclusion, to which the hon. Member for Bury St. Edmunds referred, that only three options are ruled out — Southampton, London and Harwich. He does not seem to consider all the ports on the east and west coasts. The hon. Member for Bury St. Edmunds said that he did not want Britain's ports merely to ferry cargo across the channel, between the south of England and the continent, but to compete with the large ports of Europe. If that is so, deep-water facilities do not have to be sited in the south; they can be sited anywhere — on the east coast or, dare I say it, on the west coast. They can be sited at Merseyside in Liverpool. To suggest that Southampton, London and Harwich are the only other options and that they are the only ones that the Committee has considered, is to fail to consider what is in the national interest.

Is it in the national interest to develop a port which will result in job losses in an area of high unemployment such as Liverpool and which might take trade away from Merseyside? That cannot be justified when Britain already has enough port facilities to meet any future projections.

I am also opposed to the legislation because clause 4 is headed:

"Dock Workers Employment Scheme not to relate to any part of limits of dock".

The hon. Member for Bury St. Edmunds said that if the Bill were on offer to Liverpool we would jump at it. I assure him that that is not the case. Any legislation that destroys the dock workers' employment scheme would not be jumped at by any scheme port in Britain. The Bill does not simply extend the port of Felixstowe; it extends a non-scheme port. It will mean the use of non-scheme labour.

8.15 pm

Mr. Kenneth Hind (Lancashire, West): The hon. Gentleman knows my interest in the port of Liverpool. Is not one of the major reasons why the Bill was initiated in the first place the fact that a non-dock labour scheme port, as against the labour scheme ports, is able to charge lower landing charges, because it is not burdened with the dock labour scheme? Therefore, will he reconsider what he has just said?

Mr. Roberts I hope to prove that Liverpool is now one of the most successful ports in Britain because it has a dock labour scheme. If non-scheme ports were developed there

[Mr. Roberts]

would be considerable difficulties and problems with labour relations, which would penalise the ports. If one considers the success of the freeport in Liverpool, developed by the Mersey Docks and Harbour Board, one sees that it has become Britain's premier freeport. In its first year it handled £24 million-worth of goods from more than 300 companies, and volumes in the first quarter of this year show that traffic through the United Kingdom's largest freeport will far outstrip its first-year figures. Individual consignments of cargo and complete shiploads are creating work for employers of the port of Liverpool which would otherwise not have been available.

Let me tell the hon. Gentleman why that is the only successful freeport that the Government have established that has been successful. It is because it is a scheme port and before it was established the Mersey Docks and Harbour Board negotiated with the Transport and General Workers Union an agreement of what was scheme work and what was not.

Mr. Deputy Speaker: Order. I know that the hon. Gentleman was tempted by the intervention, but we must get back to the Bill.

Mr. Roberts: I accept your ruling, Mr. Deputy Speaker. I do not want to be ruled out of order by simply speaking about the port of Liverpool and not discussing the Bill.

I and many of my hon. Friends who have constituency interests in representing ports other than the port of Felixstowe have a legitimate right to oppose the Bill and the port's development since the Committee did not consider all the alternatives and it is not in the national interest to develop extra deep-water facilities in a country that already has too many.

The Seaforth container terminal and the grain terminal in my constituency are successful and under-used. Yet at a time when there are such massive facilities under-used, the Government who believe in the free market are telling us to create more facilities which might or might not be under-used and might not only be under-used but may take jobs away from other ports even more hard hit than Felixstowe.

For the reasons that I have given, the Bill should not be further considered. It is an extension of a non-scheme port, it gets round planning arrangements, which I know can cause tremendous problems, it is not in the national interest to have ports closing, and the legislation will have environmental consequences.

Mr. James Hill (Southampton, Test): In my years in the House I have been recognised as a supporter of the city of Southampton, and that city revolves around its port. I feel that I am the champion of a port which, over the years, has suffered some ill luck, some bad management decisions and some serious misjudgments by the unions.

Only three years ago the port was at a standstill, but I am happy to say that it is now making good progress and is the major port for the import and export of cars. Two weeks ago, through my good offices with the Taiwanese Government, we were able to arrange a twinning with the Taiwanese port of Keelung, which is in the 1 million containers a year category. We hope to encourage more Taiwanese shipowners, not only the Evergreen Line, but Yang Ming and OOCL, to use our container ports. At present, most Taiwanese owners use Felixstowe, where they have a three-year contract on advantageous terms. An extension of Felixstowe would deal a blow to Southampton's hopes of revival.

In the good old days of the European Parliament, my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) appointed me chairman of transport and regional planning for Europe. We should have grasped the nettle firmly at that time and worked out a common ports policy in which the checks and balances would have been settled.

Checks and balances are essential. Is it wise to create a giant container port when increased employment in that area will result in more unemployment in other areas? I do not say that Southampton cannot meet the challenge, because I believe it can. We have tremendous advantages over Felixstowe, including a wonderful geographical position and almost a double tide which remains high for some hours. We can easily work deep draught container ships and there is no delay in services at the Southampton container port.

The over-provision of container berths will present problems, even though we in Southampton feel that we may not be able to cope with what we hope will be the future demand. We are making progress on the container side. It may be said that we are looking for the cessation of competition, but this all goes back to the Government's lack of a common ports policy.

The well-being of our ports and the need for continuity and encouragement of our work forces are important. We are a nation of seafarers and we need a comprehensive ports policy. I have often told my right hon. Friend the Leader of the House that if we had had a debate on a common ports policy, even for only three hours, we might have been able to resolve some of the anomalies that are creeping in.

Of course Felixstowe would like to develop another 730 or 750 acres of land. Southampton does not have 750 acres to develop, though we could provide a useful service with only another 30 or 50 acres.

It will be wrong for the Government to support the Bill, which must stand on its own feet. I oppose it, not because I am opposed to the private sector or to the fact that Felixstowe is not a member of the national dock labour scheme — though that gives it an advantage — but because the Bill is not related to the United Kingdom's ports requirements. As a seafaring nation, we need to keep our ports alive. Should we do that by providing increased competition at every hand? No. We must create an adequate ports policy by negotiation and dialogue and by planning for the future.

I am sure that the Bill will receive the assent of the House, but I shall not support it, because it is the product of convoluted thinking. The idea that we need another 730 acres of container berths is sheer nonsense. We could provide many acres of container facilities in Southampton. Our work force is bringing its costs down to the Felixstowe level, despite the fact that Southampton is a national dock labour scheme port.

Even my friends in the Transport and General Workers Union would agree that having to pay for jobs that are not required is a financial handicap. Southampton has been a scheme port for a long time and has suffered for that reason.

The suggestion that Felixstowe competes with us is inaccurate, because we compete under a liability. We have always stressed that fact. The new Associated British Ports

company has said that it would welcome the abolition of the national dock labour scheme, but the TGWU is wedded to it. However, this is not the time to discuss that subject. I have told my hon. Friend the Under-Secretary that anomalies must be cleared away and that there must be free competition and no political or financial bias against Southampton.

I note what the hon. Member for Bootle (Mr. Roberts), who has left the Chamber, said about the freeports. That was an imaginative Government scheme. I hope that the Government support it, although it contains some curious anomalies. I thought that the freeport scheme was only the beginning of the advantages for Southampton, because Felixstowe was excluded from the list of freeports.

I hope that tonight, whatever the outcome of the vote, we shall all agree that before long there must be a debate on a national ports policy. I am sure that the Department of Trade and Industry will welcome that. I am certain that all responsible hon. Members representing a port area will want to know that the future of that port is openly discussed and that there is no need to send letters to colleagues. I hope that the national scheme will take precedence over the private Bills.

8.30 pm

I am sad. I am not always keen on the people with whom I have to go into the Lobby. I do not mean that in a derogatory sense, but it is embarrassing for a well-known moderate Right-winger to be seen in the Lobby with the other side. When we come to vote I shall be forced, reluctantly, because of the lack of a national ports policy, to oppose the Bill. Southampton needs every promotion and support that the Government can give. I am sure that the Bill is not the way to promote Southampton's cause.

Dr. McDonald: I listened with great interest to the hon. Member for Southampton, Test (Mr. Hill). He defended his constituency interests properly and legitimately. I only wish that the hon. Member for Bury St. Edmunds (Sir E. Griffiths) would understand that many of us are here because we intend to defend our constituency interests.

I want to discuss the minutes of evidence taken by the Committee on Wednesday 12 March 1986. I wish in particular to talk about page 2 of those minutes, which deals with the principle of the Bill. The minutes say:

"The only real alternatives to Felixstowe are Southampton, London and Harwich. But these three ports have a variety of problems which discourage their growth and they have not shown any active intention to expand the provision of container berths . . . There is no alternative to Felixstowe . . . Since we accept the national need for expanding deep-sea container provision we believe that the need does exist and that there is a case for expanding Felixstowe in the national interest."

I want to discuss the reference to the national interest and the alleged lack of any active intention by Southampton, London and Harwich to expand the provision of container berths.

I do not presume to comment on Southampton's position, because that has already been done and it is not in my constituency. I shall not presume to comment on Harwich. However, I shall discuss the port of London, because the major part of it is located in my constituency. Tilbury docks are responsible for 17 per cent. of the total national container traffic in this country each year.

It is alleged that Tilbury has taken no active interest in developing container traffic. That is not true. It is useful to consider some examples from the series of press reports provided by the Library in computer printout. On 7 June this year the Port of London Authority's Tilbury docks announced that it had won another major shipping service and said:

"The first vessel on Baco Line's well-established revolutionary barge and container service between Europe and west Africa was successfully handled in dock over the Easter weekend. . . . PLA was pleased with the fast turnaround performance effected by the workforce on this initial ship."

Further ships were expected in the next few days and in the coming months. A port authority does not make such an announcement if it is not interested in developing container traffic.

I can give more examples of the developments at Tilbury. Tilbury does not confine itself to container traffic, but is developing all sorts of other services such as roll-on, roll-off ferries linking Tilbury to Zeebrugge. It does not concentrate particularly on container traffic.

Lloyd's List reported in September last year on the privately owned, multi-purpose west African terminal at Tilbury. It said that it

"is rapidly gaining a reputation for fast ship turnrounds and a productivity handling rate that compares with the top continental ports. At certain times the 108 PLA . . . registered dockers load 100 tonnes of cargo and 15 containers an hour which is the highest productivity rate in the Port of London. Another attraction of WAT is its total flexibility".

That is obviously an extremely important consideration. The west Africa terminal handles 10 shipping lines from all over the world, in particular focusing on trade with west Africa.

The report went on to say that by the end of 1985 the west Africa terminal

"expected to handle . . . 100,000 tonnes of container cargo. This should be sufficient to reach a break-even position."

The report added:

"In July last year the Port of London Authority announced that the last great untapped market—China—was beginning to fulfil its potential. The expansion in the market is now being reflected in increased container sailings to the People's republic. At the end of this month there will be a weekly service from Tilbury to south east Asia and China."

That is just a random selection of examples of expansion in container traffic at Tilbury. It is all facilitated by the agreement of the Transport and General Workers Union to work flexibly to ensure a fast turnround for the ships and to ensure that Tilbury is competitive. How does that fit in with the claim that Tilbury has shown no active inclination to expand container berths? It is nonsense.

The managers and workers—not just the dockers, but the white collar workers—want to develop container traffic at Tilbury. Tilbury has the facilities to do that. Furthermore, Tilbury has an important location and realises the need to develop all the potential of that location. It is next to the Dartford tunnel and the M25 which encircles London and connects to the main motorways to the north and south of England. Therefore, it is an extremely important location and Tilbury is well aware of the need to expand and exploit that potential in the development of its container traffic. As I have said, management and workers alike are determined to do that. Therefore, the claim in the Committee's evidence is patently untrue. I do not see how the Committee can seriously have considered evidence and reached a conclusion of that kind. It should have made sure that it

[Dr. McDonald]

had gone through every item of the expansion of container traffic in Tilbury to clarify the truth or falsity of the claim that it was making.

I can understand the reference in the evidence that the ports have a variety of problems. For example, *Transport* pointed out in March and April 1985, in a special detailed survey of United Kingdom ports—I wish that it was the sort of thing that the Committee had read, because if it had done so it might have come to different conclusions—that there are problems of the past. The spokesman for the PLA who was interviewed for the article made it clear that the PLA was aware of the problems. He stressed that the strikes of 1984 had, fortunately, caused far less damage than was at first thought and that the port had recovered very quickly from them.

The Port of London Authority has, of course, to cope with the burden of historic debt, and that presents the PLA with a problem in the development that it would like to see take place. It considers that the Government could take a much more active part than they do by providing money to dispose of the problem of historic debt. However, that does not prevent Tilbury from endeavouring to develop in every way possible. In fact, the article goes on to report the refurbishing of the London cruise terminal, as it is now called, where 100 passenger ships call in at Tilbury every year. It adds:

"The port has also been encouraged recently by a healthy amount of short-sea container traffic".

That is a significant statement, made in a detailed survey about what is going on in United Kingdom ports. One can only conclude that in this part of the evidence the Committee did not know, and perhaps did not care about, what was going on in other United Kingdom ports as long as it could reach this facile and false conclusion about the lack of interest in developing container traffic in other parts of the country.

Mr. Sayeed: Has the hon. Lady read the evidence to which we listened? If she has, she will recognise that the statement that she has just made is incorrect.

Dr. McDonald: If the Committee had fully considered the implications of the kind of evidence that I have just put before the House, it could not possibly have reached such a conclusion, unless the conclusion had nothing to do with the evidence.

Mr. Sayeed: Answer the question.

Dr. McDonald: I have answered the question. When the hon. Gentleman finally gets up to make his own speech, rather than intervening in everybody else's, I should like to hear how he managed to ignore evidence of that kind, because it certainly cannot lead to the sorts of conclusions that the Committee arrived at, as the hon. Member for Southampton, Test and myself are making clear. After all, it is the port of Southampton and the port of London which the Committee primarily attacked in the conclusions that it outlined.

Inevitably, as a constituency Member of Parliament, I have to look at the implications of the development at Felixstowe for Tilbury docks itself. It is worth the House bearing in mind that we are looking at the development and extension of a port, broadly in the south-east of England, East Anglia, where there are already 19 ports of various kinds in operation. That is a large number of ports and it is just a small proportion of the number of ports and docks facilities throughout the whole of the United Kingdom. As the hon. Member for Southampton, Test said, there is a need for a proper national ports policy. I shall come back to that when I speak about whether this development is in the national interest.

8.45 pm

In Tilbury docks there are now 1,200 dockers and 1,400 white collar workers. It is the largest employer in my constituency. Of course, it is not just a question of the number of people who are directly employed by the docks. The presence of docks, especially if they are functioning well, gives rise to all kinds of ancillary employment. The ratio to which it gives rise is generally estimated at 3:1. There are all kinds of workers involved in my constituency, whether they be members of Customs and Excise, police, pilots, tugsmen, lightermen, carpenters or electricians, or whether they are providing various kinds of service for the port. All their jobs depend on the continued healthy existence of those docks.

I know that very often people get the impression that unemployment does not occur in the south-east. However, unemployment in my constituency is running at about 16 per cent. and there are over 7,000 people out of work at present. Any squeeze on Tilbury docks through the development of a huge and unnecessary container facility at Felixstowe docks could lead to further unemployment in my constituency, not just directly in the docks, but throughout the constituency. That is one important reason why I am taking part in the debate. The last thing that I want to see is any further growth in unemployment in my constituency. We have already suffered enough over the past seven years, where we have seen unemployment more than double in Thurrock. We do not wish to tolerate any further unemployment, especially when it arises out of an ill-considered scheme of this kind.

Sir Eldon Griffiths: There is nothing to prevent the hon. Lady's port and the dockers from providing a better service. If they provide a better service, surely the container traffic will go there and not to Felixstowe. Is she afraid of competing?

Dr. McDonald: Listening to the hon. Gentleman's contributions to the whole of this debate, I fail to understand why he is involved in a Bill such as this when he knows nothing about the subject. He does not understand what is involved in the number of ports in this country. It is not a question whether I think that Tilbury can compete. I have spent a great deal of time explaining how hard Tilbury is pushing in terms of competition and how it is striving to develop the container facilities that it already has, making sure that the maximum flexibility in working is achieved so that a fast turnround service can be provided.

Mr. Andrew F. Bennett: The hon. Member for Bury St. Edmunds (Sir E. Griffiths) says that ports should be built and should compete with one another. Each extra port that is built will destroy a part of the environment. The worst thing that could happen would be for the Felixstowe project to go ahead and to be unsuccessful. That would result in the natural habitat of the bird life being destroyed, and at the same time no jobs would be created. That would be the worst of all worlds.

Dr. McDonald: I agree with my hon. Friend. I am trying to get across to the hon. Member for Bury St. Edmunds,

who does not seem to understand these issues, that adding to over-capacity merely transfers jobs from one area to another.

Mr. Roger Stott (Wigan): The hon. Member for Bury St. Edmunds (Sir E. Griffiths) and I have crossed swords on this issue on a number of occasions. The hon. Gentleman prays in aid of the fact that he was once the Minister with responsibilities for the ports. God help us all if he had those ministerial responsibilities now. My hon. Friend and the hon. Member for Southampton, Test (Mr. Hill) are saying that there is only so much capacity for our ports to handle. The fundamental issues are where that capacity lies and where strategically the nation wants it to lie. Neither I nor the hon. Member for Test is prepared to accept that the entire movement of shipping and cargo capacity should be channelled through one East Anglian port. That would not be good on national terms. My hon. Friend is saying that present capacity is such that we need a balanced approach in the way in which distribution is arranged between our ports. If we develop Felixstowe, we shall put out Southampton and Tilbury, and that is something that my hon. Friend and I cannot accept.

Dr. McDonald: I thank my hon. Friend for his intervention. We must be thankful that the hon. Member for Bury St. Edmunds is unlikely ever to be responsible again in a ministerial capacity for our ports. At least that will prevent damage being done in that way. If the apparent instructions of the chairman of the Conservative party to Tory agents are to be believed, it seems that a general election can be expected in June 1987. When the election takes place, we shall all welcome my hon. Friend the Member for Wigan (Mr. Stott) as the new Minister with responsibility for our ports. We know that we shall then have a sensible and coherent policy that will take national interests into account, as well as the national development of our ports.

Mr. Hill: I think that the argument is commercial and not political. Over-capacity in any commodity means that those who are trying to buy the commodity — in this instance container cargoes — have a much stronger weapon for pushing the price down and down. My hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) and others are saying that Felixstowe is making a good commercial practice of containerisation. With over-capacity, however, it could find its prices being forced down by Chinese, Taiwanese and Hong Kong shipowners, who have no respect for the national interest and who look for the best possible contract for their container traffic.

Dr. McDonald: The hon. Member for Test has made an extremely interesting intervention. He is looking to the consequences of the extension of container facilities at Felixstowe. If the extension takes place, other ports will be pushed into difficulties, and when that happens it is likely that we shall find ourselves with a white elephant.

As my hon. Friend the Member for Denton and Reddish (Mr. Bennett) has said, we cannot develop and extend port facilities in isolation. Account must be taken of container lorries, which will need suitable roads. If these roads have not been made available before the development and extension of the port, they will have to be constructed. Some of the evidence that was presented to the Committee suggested that communications between Felixstowe and the rest of the country had been vastly improved. I have a personal acquaintance with the roads in that area, and I accept that there have been some improvements, but the roads are not really adequate to allow heavy traffic to travel between Felixstowe and the rest of the country.

Apart from the arguments of my hon. Friend the Member for Denton and Reddish about the bird sanctuary, I think that considerable environmental damage will result. It is damage that need not be imposed by the development of Tilbury. A motorway network is already in place and greater use could be made of the river. The river should be used to a far greater extent, because it is a natural motorway throughout London. If we were to develop existing ports where a road network has already been established, and where, as at Tilbury, there is a natural link that could be used to a greater extent so that goods could be transported up and down the river — lorries could be used from the various stages along the river — we would lessen the environmental damage done by the development of ports and remove the possible damage of the development of the container berths at Felixstowe.

Mr. Fatchett: I am interested in the development of the economic argument, especially as it attaches to the national interest. If there is surplus capacity and we add to it, we may well have the impact to which my hon. Friend has referred, which would involve redundancies and port closures. There is another possible impact, or a combination of the two. If marginal costs are spread over a lower level of demand because of the surplus capacity, they could increase. That would make British ports uncompetitive with foreign ports. Therefore, rather than being in the national interest, it may be against the national interest to extend our capacity when there is a surplus in demand. The result would be to make our ports more expensive vis-à-vis our competitors and we would lose jobs in another way, through a combination of possible port closure and redundancies or from a loss of trade with other countries. Would my hon. Friend comment on that possibility?

Dr. McDonald: That is an extremely important point. My hon. Friend said that British ports may become less competitive than continental ports. Hon. Members on both sides of the House are aware of the fact that British ports already find it difficult to compete with continental ports. That is not due to a lack of facilities or because of problems caused by strike action or disagreement about what does or does not constitute dock work. The source of the problem of competing with continental ports arises largely from the fact that continental ports such as Rotterdam or Hamburg are heavily subsidised by local authorities or by central Government. That makes it very difficult for British ports to compete.

9 pm

The fact that some ports in Britain have been so successful in ensuring that container and other port traffic comes to British ports, shows the extent to which people are prepared — I mean management and employees — to work together. The danger that arises——

Mr. Speaker: Order. Is the hon. Member for Thurrock (Dr. McDonald) making an intervention?

Dr. McDonald: I am not, Mr. Speaker. I am making my speech.

Mr. Fatchett: On a point of order, Mr. Speaker. The intervention was mine.

Mr. Speaker: I am sorry, I have only just entered the Chamber.

Dr. McDonald: My hon. Friend the Member for Leeds, Central (Mr. Fatchett) gave way to temptation and made a rather long intervention. However, I hope that that will not prevent him from catching your eye later in this debate, Mr. Speaker, because I am sure that he has an important contribution to make.

Mr. Sayeed: Before the hon. Member for Thurrock (Dr. McDonald) leaves her central point about capacity and surplus capacity, does she accept that it is not simply a problem of the amount of capacity but a matter of where that capacity is located? As I represent Bristol, I know what it means to build capacity in the wrong place. One reason why the Committee was in favour of the development was that Felixstowe demonstrated that it was in the right place to take the traffic which was heading for western Europe. Does the hon. Lady accept that the problem is not whether we can use redundant or other capacity in Liverpool, Bristol or other ports which ships do not want to use, but rather that the only alternative to Felixstowe would be Rotterdam, Antwerp or Bremen?

Dr. McDonald: I do not agree with one word of the hon. Gentleman's intervention. I have already said that in the whole of the south-east—I use the term in a broader sense than it is normally used—there are 19 ports. Tilbury docks in my constituency is well placed to deal with traffic from western Europe and elsewhere. The important point is whether the docks are well placed in terms of ease of distribution of goods once they have been unloaded. The important point that I was trying to make is that Tilbury docks is ideally located, with motorway and railway provision in place. Furthermore, the river is under-used and is another means of distributing goods once they have been unloaded.

Mr. Stott: I was interested in the intervention of the hon. Member for Bristol, East (Mr. Sayeed). I am sure that the hon. Gentleman, representing that constituency and the port of Avon, understands that Rotterdam, Antwerp and Bremen are very heavily subsidised by their national Governments. Tilbury, Felixstowe, Harwich, Liverpool and Southampton pay an undue burden of light dues, to which my hon. Friend the Member for Thurrock (Dr. McDonald) has already referred. It is because they have to do that that they are on the margins, and uncompetitive with the rest of Europe. Therefore, the hon. Gentleman's argument about competitiveness should be directed towards the unfair competition of the European ports against our ports. That is the point that my hon. Friend is making.

Mr. Speaker: Before the hon. Lady replies, I remind hon. Members that the debate is about Felixstowe.

Dr. McDonald: Yes, Mr. Speaker. I was referring in particular to the conclusions of the Committee's evidence, where it was claimed that not only Southampton, London and Harwich had no active interest in developing containers, but that the only port that should be developed in that way was Felixstowe, and it was in the national interest so to do. It is that part of the claim in the conclusions of the evidence that is the matter for dispute. That is why one has to go into the issues not only of the location of various ports around the country, but why some should be developed better than others.

The hon. Member for Bristol, East (Mr. Sayeed) said in his intervention that location was what mattered for Felixstowe. The point that I have been making is that location, in the sense that he meant it—that is, ease of access for western European traffic—was much too narrowly defined. Location has to take into account ease of distribution. Anyway, location is not the only point at issue in relation to competition with continental ports because there is also the issue of subsidy for continental ports, which is done either on a local authority basis or a central Government basis. Therefore, the hon. Gentleman's argument that because Felixstowe is in a particular geographical spot, it should be developed, is much too narrow a view of what it means to develop a ports policy in the national interest.

Mr. Sayeed: That is not the point that I made.

Dr. McDonald: It is what it sounded like. Either that or the hon. Gentleman simply cannot put his points clearly.

I now wish to turn my attention to the claim that the development of Felixstowe is in the national interest. I should also like to refer to what the Government have said. On page 1 of the Government's report on the Bill, they state:

> "The Government's policy towards port developments is that port users are best served by allowing ports to compete with each other on price and quality of service, and that the distribution of traffic and the pattern of future developments should be determined primarily by commercial considerations. It follows that Her Majesty's Government does not consider it appropriate to attempt to lay down a detailed plan or framework for the operation and development of Britain's ports."

That is the Government's attitude towards the Bill. Obviously, no one disagrees with the point that ports should compete with each other on price and quality of service. There is no dispute about that.

However, the paragraph implies that the Government abrogate their responsibility entirely, with no plan and no framework for the operation and development of Britain's ports, as though it should just be left to accidental commercial interests, when the development of a ports policy affects so deeply the nation's economic development.

Mr. Hill: This is where ports policy fails so utterly. About three years ago, there was talk of developing Falmouth into a giant container port. Geographically, it would be excellent—it would make Felixstowe seem a second-class port. Everybody knows that there is another 12 hours steaming to get to Felixstowe, and when international carriers work out their costs, they do so on steaming times. The Falmouth container port fell with a whimper, however. Nobody heard the end of it.

We might be going wrong in that a ports policy might rely on the Government paying for the infrastructure. We must consider what geographical locations will suit the type of trade and client that we hope to attract. If we could develop that into a reasonable formula, we would have no hesitation in saying that Falmouth is unacceptable because of lack of infrastructure and that Felixstowe is unacceptable because it is congested and another 12 hours

steaming time away. There might be many other reasons why we would say, "Here is a balanced ports policy. We have thought it through and this is the answer."

Dr. McDonald: The hon. Gentleman is absolutely right, but it is not just a matter of picking out the best development from a geographical point of view or on grounds of infrastructure. I have dealt with that in regard to Tilbury. A development must be the best from an economic point of view. Any port serves as a growth point in the economic development of an area. If a port collapses, many port-related activities, which are often extremely indirectly connected, collapse as well. That can lead to the economic collapse of a whole area.

Mr. Stott: You have asked us, Mr. Speaker, to concentrate our interventions on Felixstowe, but I contend that the Bill could not have been debated on the Floor of the House if the previous Secretary of State for Transport had not withdrawn section 9 of the Harbours Act 1964, which included the words "national interest". I am interested to know where the hon. Member for Southampton, Test (Mr. Hill) was when I debated this matter late one night, when we objected to the withdrawal of section 9. Ports could not have been developed without the Secretary of State's permission, but the Secretary of State withdrew section 9 to allow this Bill to proceed.

Dr. McDonald *rose*——

Mr. Speaker: Order. Before the hon. Lady responds, I must observe that we are debating consideration of the Bill and we should not go wider than that.

Dr. McDonald: This procedure would not previously have been allowed to extend to Felixstowe, as any dock extension worth more than £3 million had previously to be referred to the Secretary of State. It had then to be considered whether such a large development would be in the national interest. I was about to make that point, but my hon. Friend did it for me.

I object to this procedure being used for such an extremely important development which should be considered only in a national context. It is a very large development. We already have more than adequate container berths throughout Britain. Not all are operating at full capacity, but there are ways in which the Government could ensure that they did. We have already mentioned some of the possibilities in that connection. That should be part of the Government's policy. It is wrong that the development at Felixstowe should take place as a result of a private Bill, when in terms of employment and continued economic growth it will adversely affect the constituencies of many hon. Members on both sides of the House. In many cases, it will prevent economic growth in other areas which hitherto has been sadly lacking and which has cost us dear. It is wrong that a Bill such as this should come before the House in this form. The Government should consider what kind of container development should take place and where.

9.15 pm

Sir Eldon Griffiths: The fact is that a private company wishes to spend its own money on expanding a port, yet it requires the consent of the House of Commons to do so. But the House need only consider whether there are sufficient public objections to prevent that expenditure. It is not for the House to tell people how to spend their money—simply to say that they ought not to do it if that is what the national interest requires. The Committee considered that matter very fully.

Dr. McDonald: But plainly the Committee did not reach adequate and acceptable conclusions. The hon. Gentleman said that the Bill was about a private company spending its own money. That is true so far as it goes, but in doing so it damages not only the national interest but employment prospects in other constituencies and other dock areas. The private company will not pick up the bill for that. Public money is inevitably spent as a consequence, and that is the issue about which we are concerned. It does not seem that that matter was properly considered by the Committee.

Infrastructure is not privately provided. That must be provided by the state and by taxpayers' money. I am not saying that in this case the private Bill procedure is illegitimate. I am merely saying that the Government are sidestepping their responsibilities. They ought to be concerned with national ports policy. They should not have made the kind of statement they did in response to this Bill, that the

"Government does not consider it appropriate to attempt to lay down a detailed plan"—

we could perhaps argue about the word "detailed"—

"or framework for the operation and development of Britain's ports".

Personally, I would prefer the word "framework". It is mad for a Government to say that a framework for the development of Britain's ports is not their responsibility—

Mr. Stott: It is absolutely crazy.

Dr. McDonald: No other European Government would take that view.

Mr. Stott: Absolutely correct.

Dr. McDonald: They would take the view that the development of a framework for their ports was a Government responsibility. Indeed, they take it so seriously that they make sure that funds are provided by using more than one method of providing such funds.

Given their response to this Bill, the Government are behaving quite disgracefully. They have refused to face up to the fact that extra container berth capacity will add quite unnecessarily to total container handling capacity in this country. They have given up the sort of responsibility that a Government should have. The Minister looks vaguely puzzled, as though it could not possibly be the Government's responsibility to concern themselves with a framework for the development of ports. All I can say is, thank goodness he will not be doing the job for much longer.

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): It may be helpful if I intervene briefly and restate the Government's position, which is that we are neutral about the Bill. The Government came under some attack from the hon. Members for Thurrock (Dr. McDonald) and for Wigan (Mr. Stott), who aided and abetted the hon. Lady from a sedentary position. She did not need much aiding and abetting, but he supported her nevertheless. As my hon. Friend the Minister of State, Department of Transport said in a speech on 13 May, the Government have a ports policy. It is different from that of the Labour party, but that does not mean that it is not a policy.

Dr. McDonald: It is not a policy.

Mr. Spicer: As the hon. Lady conceded——

Dr. McDonald: It is not a policy.

Mr. Spicer: The hon. Lady is now saying that it is a policy, so at least she agrees on that, although it is a policy with which she disagrees. I thought that part of the thrust of her argument was that there was no policy. Our policy is to allow ports to compete freely for traffic at a price and to provide what services they can.

The hon. Member for Leeds, Central (Mr. Fatchett) suggested that capacity was some finite concept which, through the grand design of some Labour planning authority, would be parcelled around the country, presumably with various criteria attached to it. I think that the hon. Lady accepted that when she allowed his intervention, but that is not how we see the matter. We do not see capacity as a finite concept. We believe that by competition and making our ports more efficient than ports abroad we can attract more business and so extend capacity.

The Government are neutral on this Bill, as they are on nearly all private Bills, but we shall not accept from the Opposition that we have no policy towards ports. Our policy on this matter, as on others, is infinitely preferable and more beneficial to the country than anything which the Opposition can offer.

Mr. Stott: What is the Government's policy?

Mr. Spicer: The Government's policy is to provide the context in which ports can flourish.

Mr. Stott: That is meaningless.

Mr. Spicer: It certainly is not meaningless. *[Interruption.]* I shall come to my hon. Friend the Member for Southampton, Test (Mr. Hill).

As is normal practice with private Bills, the Government take a neutral position on this Bill. Arguments for and against the Bill have been deployed and, as is customary, we argued in favour of the Bill being considered in Committee. The position now is that the merits of the Bill have been thoroughly examined by the Committee where witnesses were heard and questioned, in some cases at great length.

The hon. Member for Ipswich (Mr. Weetch) was sufficiently generous to congratulate my hon. Friend the Member for Bristol, East (Mr. Sayeed)—and I think that his generosity also extended to my hon. Friend the Member for Crosby (Mr. Thornton)—on his diligence. I must quickly put it on record, as he did, that he did not agree with my hon. Friends' conclusions. He said that they had been diligent. Indeed, they have broken some sort of record because they had 23 sittings in which to assess the evidence.

The Committee examined not only the detail but the evidence on which the basic clash of interests could be judged. As has been stated, the interests were those of the industrial use of the site and its scientific importance as a conservation area. The Committee has recommended the passage of the Bill with various important amendments and safeguards. The House is not very likely to get a clearer judgment on this admittedly difficult clash of interests. The Government accept that that is the difficulty.

As the Committee has taken this view, and as the procedures for dealing with private Bills are there, the Government must recommend to the House that the Bill be allowed to proceed. On that basis, I make such a recommendation.

Mr. Hill: Before my hon. Friend sits down, will he clear up a point? He said clearly that the Government—rightly so—were prepared to see commercial interplay between ports so that the survival of the fittest and most efficient would be the aim of a ports policy. In other words, he is saying that we in Southampton would have to compete with Felixstowe as a commercial entity, and we are prepared to do that.

I know that the Government are a little worried that the Jones-Aldington agreement, which was made some years ago but has never been reviewed, puts an unfair financial bias on the port of Southampton. If my hon. Friend is clear, as I am sure that he is, that future Government policy will mean that the National Dock Labour Board, or the national docks programme will be resolved by Parliament at some later date, I can find no opposition to his argument. However, at the moment, we are commercially disadvantaged simply because we have a private company, privatised by the Government—Associated British Ports—which still has the hangover of the Jones-Aldington agreement, which has meant that there is a financial bias. If my hon. Friend will give me the understanding that at some future date, perhaps many years hence, this anomaly will be resolved, I can agree with him.

Mr. Speaker: Order. This debate is about Felixstowe rather than Southampton.

Dr. David Clark: We oppose the Bill. I am sorry that the Minister felt it appropriate to support further consideration. When it was proposed, the hon. Member for Bury St. Edmunds (Sir E. Griffiths), with whom I have engaged in many debates over the years, made one of his weakest points. He made a rather strange speech, which was an odd way to advocate to the House the Bill that he was offering on behalf of the promoters.

To make the allegation that we were opposing the Bill simply because we were in the pay of the London dockers was most disingenuous, and most unworthy because that is not his normal way of approaching debates. However, when I heard the weakness of his case, I realised why he had to make personal attacks on my hon. Friend the Member for Ipswich (Mr. Weetch), who has strongly argued the case against the Bills with great skill and determination.

I want to deal mostly with the enviromental objections to the Bill. The case is not as it was presented to the House by the hon. Member for Bury St. Edmunds. First, I must add my voice to those of hon. Members on both sides of the House who have tried to set the case for the expansion of Felixstowe in the general context of our ports policy. No mention has been made of it, but at least in passing I must mention that in the north-east of England there are ports that would have liked to receive adequate consideration. However, the Committee did not, we feel, consider their case adequately.

9.30 pm

When the Committee looked into the matter it forgot Britain's defence strategy. It is widely acknowledged that this country's defence capability involves, as part of its commitment to NATO, the defence of the Greenland gap

and the reinforcement of Norway. That can be achieved only if there are viable ports along the east coast of England, not only in the south-east. That argument also militates against the Bill.

The twin arguments against the Bill relate to the environment. Although this issue has been debated in the past the Opposition believe that there is new evidence and information that ought to be considered and that the information is of such a character that the Bill ought not to be allowed to proceed.

The area that is the subject of the Bill is a key part of the River Orwell site of special scientific interest. It has been notified under and is subject to the safeguards in section 28 of a very inadequate Act. Nevertheless, it is the best that we have. I refer to the Wildlife and Countryside Act 1981. In the early 1970s the hon. Member for Bury St. Edmunds had a good record on the environment. He is familiar with countryside and environmental legislation. Hence, I was surprised by his disregard of the environmental arguments against the Bill.

Apart from our national obligations, since the time when the hon. Member for Bury St. Edmunds was a Minister in the Department of the Environment a further international dimension has been added, mainly in the form of the European Commission directive relating to the conservation of wild birds. There is abundant evidence of the national and international standing of the area that we are discussing in terms of its bird population. It is a very special area, and its designation as an area requiring special protection above its SSI status was made under the EEC directive relating to birds. This was noted by the Committee and verified by it. This piece of land is designated as an extra-special area. The Government's adviser, the Nature Conservancy Council, recognises its status and has proposed officially to the Minister that it should be listed. The former Secretary of State for the Environment noted this status in *Hansard* on 18 July 1985.

All this information was available to the Committee, but there is scant evidence that its members took full account of the international gravity of the area's status and of the nature conservation issues when they weighed in the balance the national need and the local need for deep-sea containers. I make that point with force because there are dangers in the private legislation procedure. I refer the House to the minutes of evidence of 22 January 1986. Mr. G. J. Parker was cross-examined on behalf of the promoters of the Bill by Mr. K. Standring, representing the Royal Society for the Protection of Birds. Mr. Standring asked:

"I have only one final question to ask you. You may not be able to reply to this, and please say so if it is outside your competence. Could I ask: If you gain the powers sought under this Bill, would you expect your new Act of Parliament to over-ride the provisions of the Wildlife and Countryside Act as regards that part of the Bill site which is a site of special scientific interest?"

Mr. Parker answered:

"Much as I hate doing so, I have to say that it is outside my field of competence, and I do not know the Act."

Mr. Ryan, counsel for the promoters, intervened helpfully and said:

"I suspect that that is within the field of competence of lawyers, and I am advised that the answer is 'yes'."

This private Bill has been through special procedures, and tonight the promoters want us to give it further consideration. They acknowledge that it will override a national Act which also has international connotations. The result can only be a serious risk that this Government and Parliament will yet again have action taken against them by the European Commission. The Bill needs further consideration and serious amendment before it can be taken any further.

The hon. Member for Bury St. Edmunds made great play of the fact that there had been no environmental opposition. But the Government's advisers, the Nature Conservancy Council, discussed all the implications and the fact that the estuary would lose its international importance for wildlife, and in particular for grey and ringed plover and turnstone and said that, having received the Committee's report in March, it had

"advised the Department of the Environment that there are no sites on the Orwell estuary with features comparable to those at Fagbury Flats and that the passage of this Bill would prejudice Britain's international obligations towards nature conservation."

Thus there are serious environmental arguments against the Bill, which have been propounded by no less an authority than the Government's own Nature Conservancy Council.

Sir Eldon Griffiths: The hon. Gentleman has put the matter with great seriousness and clarity. However, in all these matters, a difficult and sensitive balance must be struck. Nearly all economic development has an environmental impact, and the House must balance the advantages and disadvantages. The crucial point is that none of the environmental bodies is any longer petitioning against the Bill. That is not to say that they approve it in full, but they accept that the balance of advantage does not lie in opposing it. Although there is some environmental loss, there is also much gain in the new arrangements that have been agreed between the promoters and the petitioners.

Dr. Clark: The hon. Gentleman has made a serious point. As we both know, one of the major problems for environmentalists is the potential conflict between economic growth and conservation. Every case must be considered on its merits, but I pray in aid the arguments deployed so well by my hon. Friends the Members for Ipswich and for Thurrock (Dr. McDonald). They argued that there is no national interest. Indeed, the hon. Member for Southampton, Test (Mr. Hill) argued that too. We are trying to balance two conflicting interests: environmental features that are nationally and internationally recognised, and local private commercial interests. In that situation, the balance clearly comes down on our national and international obligations.

I know that in defence the hon. Gentleman will say that all that is taken into account and that it is recognised that there must be some environmental improvement. As the hon. Gentleman has already said, and as the Bill's promoters tell us, no fewer than 500,000 trees will be planted, which would ultimately create approximately 85 acres of additional woodland. But that in itself destroys the raison d'etre of the creation of a site of special scientific interest.

The area has not been created as a special area because there are trees. If one wanted to do that, one would do it in Thetford forest or Kielder forest. It has been designated as a special site because of the mudflats and the estuaries; because of the particular landscape which is attractive and important to the ecological balance of the birds. No matter how many trees, they do not help the issue. Indeed, by planting the trees the situation may be worsened.

[Dr. Clark]

The Bill is ill conceived. It should not proceed this evening because there are far too many damaging environmental factors which have not properly been taken into consideration.

Sir Julian Ridsdale (Harwich): I wish to support my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) in his hard work in promoting the Bill. Unfortunately, I have not heard all the debate because I was unable to be here at the beginning, but from some of the interventions that I have heard hon. Members seem to have been pleading for their own port for some reason or other. The Government are right to say that commercial interests should be the paramount consideration in the location of a port.

I remember sitting on the Committee which considered the legislation to nationalise the ports in 1969. I am glad that we stopped it. But then again, the Labour party's policy led to the National Ports Council and the kind of policies that it is advocating and to which I have listened today and, indeed, when we discussed the Harwich and Parkeston Quay Bill which I introduced.

Mr. Stott: The Opposition did not oppose that.

Sir Julian Ridsdale: I am grateful for the support that I received, but my point here is that it is right that this Bill should go forward. I pressed for the Harwich Parkeston Quay Bill because I believe in competition and I am willing to have competition across the estuary from Felixstowe because we can compete commercially with that.

The National Ports Council led to wrong investment in the wrong parts of the country. As my hon. Friend the Member for Bristol, East (Mr. Sayeed) rightly said, it was in the wrong location. The majority of our trade today is being done with the continent, including Germany, and the attraction is to trade through Tilbury—I welcome the fact — and through London, Harwich and Felixstowe, the east coast ports rather than those of the north-west and the west. That is why I find it logical to support the Bill.

I heard the hon. Member for South Shields (Dr. Clark) talk about NATO policy, but it was a weak point because Harwich and Felixstowe could easily reinforce Norway; our lines go to Esbjerg, Oslo and Bremerhaven.

We are to have a Channel tunnel, but our natural trade routes are to Germany, Holland and Belgium. There is a user commitment to deep-sea container ports and it is right that the House should support the Felixstowe development. I do not agree with my hon. Friend the Member for Southampton, Test (Mr. Hill), because his views are against the commercial policy that is right for this country.

The natural flow of container traffic, which has been going to Rotterdam, Bremerhaven and Bremen, is through Felixstowe and Harwich. If we do not get that trade, we shall have only the short-distance traffic and will lose foreign exchange. That is why I have no hesitation in supporting my hon. Friend the Member for Bury St. Edmunds.

9.45 pm

Mr. Fatchett: I hope that the hon. Member for Harwich (Sir J. Ridsdale) will not mind if I do not take up his arguments.

I served on the Committee on the Bill, though not through the whole process, and I did not take part in the final decision. I put on record my appreciation of the work done by the hon. Members for Bristol, East (Mr. Sayeed) and for Crosby (Mr. Thornton). That work has been noted and has created the context for our debate.

Some of us disagree fundamentally with some of the Committee's conclusions, but we do not question the integrity of the hon. Members who reach those conclusions. Our debate shows differences between us on interpretation and matters of policy, but there are no doubts about the integrity of those who served on the Committee. It is important that that fact should be borne in mind as we consider the Bill.

Mr. Sayeed: I am grateful to the hon. Gentleman for his remarks.

Mr. Fatchett: I shall not develop the mutual admiration society further or it will become dangerous.

The private Bill procedure is relevant to whether there should be an expansion at Felixstowe. Two crucial issues have arisen in the debate. The first is whether it is in the national interest to have this development at Felixstowe and the second is the environmental considerations involved.

The Secretaries of State for the Environment and for Transport presented a report on the Bill in our 1984-85 Session. Paragraph 2, dealing with the economic issues, states:

> "It follows that Her Majesty's Government does not consider it appropriate to attempt to lay down a detailed plan or framework for the operation and development of British ports."

We can draw a number of conclusions from that paragraph. Most Opposition Members fundamentally disagree with that view. We do not believe in a laissez-faire approach to the development or otherwise of British ports.

However, it follows that it is not inconsistent or illogical for the Government to say that the private Bill procedure is appropriate for the Felixstowe development. They can argue that the private Bill procedure is appropriate for all ports that may want to expand, because the Government have no view on whether expansion is a good or a bad thing. The Government have no policy and no view. They are empty-minded about our ports industry.

It is appropriate to argue that the economic interest can be dealt with in a private Bill, but I am not convinced that the environmental issue can be dealt with in the same way. In an annex to the report from which I have already quoted reference is made to the Secretary of State's response to the Countryside Commission's report of 1980. The report states:

> "The Government agree with the Commission's view that in general it would be inconsistent with the aims of designation to permit the siting of major industrial and commercial development in AONBs. Only proven national interest and lack of alternative sites can justify any exception . . . Each case must be determined on its merits. That is a fundamental rule of our planning system."

I emphasise the words "of our planning system."

In this case the private Bill procedure did not allow the opportunities for full democratic participation and involvement that the planning system would have allowed. The private Bill procedure creates a set of difficulties and constraints for those who object. Those constraints are expensive and require detailed knowledge of the House and its procedures, and of procedures connected with private Bills. A planning inquiry does not work in the same way. Those who object to a decision would, under the

planning procedure, have had the opportunity to make their case and to object. If they had had that opportunity in this case they would have felt more at ease with the Secretary of State's decision.

I do not say that objectors would have agreed with the decision because any Secretary of State must take decisions which will offend some people. However, the planning procedures are well known, well tried and well trusted. Over the years people have developed confidence in those procedures. I think that those procedures should have applied in this case. I feel strongly that the private Bill procedure used by Felixstowe is not the most appropriate.

The strongest criticism that can be made of the Felixstowe Dock and Railway Company is that it abused the private Bill procedure to bypass normal planning procedures. That is a strong criticism. The company did not meet that criticism in Committee or in public discussions.

I can see the justification for the private Bill procedure on the economic front, but environmentally there is no justification for it. The planning procedure should have been used, the Secretary of State should have had a role and the fullest democratic participation should have been allowed.

The economic arguments have dominated the debate. The company has argued that to gain approval for the development it needed to show proven national interest in the development. I contend that that case has not been made out, either in Committee or in tonight's debate.

There was a substantial feeling in Committee that the company defined the national interest as the interest of the company. If the company makes additional profits that might not be in the national interest. The definition of national interest is one about which we can have a great deal of argument. There is no evidence whatsoever to make a simple corresponding link between the interest of the Felixstowe Dock and Railway Company and the national interest.

I was disappointed on many occasions in Committee when I felt that the company had the opportunity to broaden its argument and lift the horizons of the debate but failed to do so and went for an easy option saying that what was good for Felixstowe was good for this country. Surely, that cannot be the case.

I shall now look at another aspect of the economic argument. If this country were short of port capacity there could be no argument that we would need a development such as Felixstowe. Whether that development would take place at Felixstowe or some other port is another question but, if we were short of capacity, the argument for development would be very strong. However, the Government's document prepared for the Bill contains no suggestion that we are short of capacity. Paragraph 5 says:

"It is often stated that there is already excess capacity in British ports and that the creation of further capacity will be wasteful."

If that is so, where is the overriding national interest for the development of Felixstowe? My hon. Friend the Member for Thurrock (Dr. McDonald) developed this argument at great length, in great detail and with great cogency. I put one notion to my hon. Friend which I think is important and we should bear in mind. If we have surplus capacity, the tonnage costs will increase simply as a result of that. We shall not be efficient. We shall not be using our capacity to the optimum level. Therefore, almost inevitably, if we add to the capacity we shall increase our marginal costs and have to take one, two or a combination of decisions. Our ports will close down and we shall have redundancies in, for example, Southampton, Liverpool or London.

Mr. Stott: It will also cost money.

Mr. Fatchett: Indeed, it will cost money in terms of a definition of the national interest because public money will be involved. The Government say that they have no interest in port capacity or port development. How sensible it was to hear the hon. Member for Southampton, Test (Mr. Hill) point out that infrastructure costs fall on the public Exchequer and the public purse. The Government cannot divorce themselves from potential infrastructure costs and therefore, by definition, must have some interest in those costs.

I shall further develop the point about marginal costs. It seems to me that by extending our capacity we could render ourselves less competitive than our European rivals. In those circumstances we could be responsible for reducing this country's ability to compete and reducing the number of jobs that will be available in British ports. Those who have tried to make the economic case in terms of the national interest have failed to do so on a number of occasions this evening. In terms of the overriding national interest the evidence is very strong indeed.

I shall now comment on what has happened in the port industry over recent years. That will show the weakness of the economic argument.

Sir Eldon Griffiths *rose in his place, and claimed to move,* That the Question be now put.

Question put, That the Question be now put:—

The House divided: Ayes 140, Noes 38.

Division No. 254] **[10 pm**

AYES

Ancram, Michael	Ground, Patrick
Atkins, Robert *(South Ribble)*	Hamilton, Hon A. *(Epsom)*
Baker, Nicholas *(Dorset N)*	Hanley, Jeremy
Batiste, Spencer	Haselhurst, Alan
Beith, A. J.	Hawkins, Sir Paul *(N'folk SW)*
Best, Keith	Hayes, J.
Boscawen, Hon Robert	Hind, Kenneth
Bottomley, Peter	Hirst, Michael
Braine, Rt Hon Sir Bernard	Holt, Richard
Bright, Graham	Howard, Michael
Brown, M. *(Brigg & Cl'thpes)*	Howarth, Alan *(Strat'd-on-A)*
Buck, Sir Antony	Howarth, Gerald *(Cannock)*
Chapman, Sydney	Howells, Geraint
Clark, Sir W. *(Croydon S)*	Hunt, David *(Wirral W)*
Coombs, Simon	Jessel, Toby
Cope, John	Jones, Gwilym *(Cardiff N)*
Corrie, John	Jones, Robert *(Herts W)*
Currie, Mrs Edwina	Key, Robert
Dorrell, Stephen	Kirkwood, Archy
Douglas-Hamilton, Lord J.	Knight, Dame Jill *(Edgbaston)*
Durant, Tony	Latham, Michael
Fenner, Mrs Peggy	Leigh, Edward *(Gainsbor'gh)*
Fletcher, Alexander	Lennox-Boyd, Hon Mark
Fookes, Miss Janet	Lester, Jim
Forsyth, Michael *(Stirling)*	Lloyd, Peter *(Fareham)*
Forth, Eric	Lord, Michael
Fox, Sir Marcus	McCurley, Mrs Anna
Fraser, Peter *(Angus East)*	MacGregor, Rt Hon John
Freeman, Roger	MacKay, John *(Argyll & Bute)*
Gale, Roger	Maclean, David John
Garel-Jones, Tristan	McLoughlin, Patrick
Goodhart, Sir Philip	McNair-Wilson, M. *(N'bury)*
Gow, Ian	McQuarrie, Albert
Gower, Sir Raymond	Major, John
Greenway, Harry	Malins, Humfrey
Gregory, Conal	Malone, Gerald
Griffiths, Peter *(Portsm'th N)*	Marland, Paul

Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mitchell, David *(Hants NW)*
Monro, Sir Hector
Morris, M. *(N'hampton S)*
Moynihan, Hon C.
Neubert, Michael
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Proctor, K. Harvey
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Rifkind, Rt Hon Malcolm
Rossi, Sir Hugh
Rowe, Andrew
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shepherd, Colin *(Hereford)*
Shersby, Michael
Shields, Mrs Elizabeth
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thornton, Malcolm
Thurnham, Peter
Vaughan, Sir Gerard
Viggers, Peter
Wakeham, Rt Hon John
Walker, Bill *(T'side N)*
Wallace, James
Waller, Gary
Watson, John
Wells, Bowen *(Hertford)*
Whitfield, John
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy

Tellers for the Ayes:
Sir Eldon Griffiths and
Sir Julian Ridsdale.

NOES

Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Chope, Christopher
Clark, Dr David *(S Shields)*
Cocks, Rt Hon M. *(Bristol S)*
Cox, Thomas *(Tooting)*
Dalyell, Tam
Dewar, Donald
Eastham, Ken
Fatchett, Derek
Forrester, John
Foster, Derek
Godman, Dr Norman
Hill, James
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Lamond, James
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McWilliam, John
Mason, Rt Hon Roy
Maxton, John
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Raynsford, Nick
Robertson, George
Sheerman, Barry
Short, Ms Clare *(Ladywood)*
Smith, C.*(Isl'ton S & F'bury)*
Stott, Roger
Thompson, J. *(Wansbeck)*
Torney, Tom
Wareing, Robert

Tellers for the Noes:
Mr. Ken Weetch and
Mrs. Ann Clywd.

Question accordingly agreed to.

Question put, That the Bill be now considered:

The House divided: Ayes 132, Noes 38.

Division No. 255] **[10.12 pm**

AYES

Ancram, Michael
Atkins, Robert *(South Ribble)*
Baker, Nicholas *(Dorset N)*
Beith, A. J.
Best, Keith
Boscawen, Hon Robert
Bottomley, Peter
Braine, Rt Hon Sir Bernard
Bright, Graham
Brown, M. *(Brigg & Cl'thpes)*
Buck, Sir Antony
Chapman, Sydney
Clark, Sir W. *(Croydon S)*
Coombs, Simon
Cope, John
Corrie, John
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Durant, Tony
Fairbairn, Nicholas
Fenner, Mrs Peggy
Fletcher, Alexander
Fookes, Miss Janet
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gow, Ian
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hanley, Jeremy
Haselhurst, Alan
Hawkins, Sir Paul *(N'folk SW)*
Hayes, J.
Hayward, Robert
Hirst, Michael
Holt, Richard
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howells, Geraint
Hunt, David *(Wirral W)*
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Kennedy, Charles
Key, Robert
Kirkwood, Archy
Knight, Dame Jill *(Edgbaston)*
Latham, Michael
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lloyd, Peter *(Fareham)*
McCurley, Mrs Anna
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McQuarrie, Albert
Major, John
Malone, Gerald
Marland, Paul
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mitchell, David *(Hants NW)*
Monro, Sir Hector
Morris, M. *(N'hampton S)*
Moynihan, Hon C.
Neubert, Michael
Normanton, Tom
Norris, Steven
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Pollock, Alexander
Portillo, Michael
Powley, John
Proctor, K. Harvey
Rathbone, Tim
Rhodes James, Robert
Rifkind, Rt Hon Malcolm
Rowe, Andrew
Sackville, Hon Thomas
Sayeed, Jonathan
Shepherd, Colin *(Hereford)*
Shersby, Michael
Shields, Mrs Elizabeth
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thornton, Malcolm
Thurnham, Peter
Viggers, Peter
Wakeham, Rt Hon John
Walker, Bill *(T'side N)*
Wallace, James
Waller, Gary
Wells, Bowen *(Hertford)*
Whitfield, John
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy

Tellers for the Ayes:
Sir Eldon Griffiths and
Sir Julian Ridsdale.

NOES

Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Buchan, Norman
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Chope, Christopher
Clark, Dr David *(S Shields)*
Cocks, Rt Hon M. *(Bristol S)*
Cox, Thomas *(Tooting)*
Dalyell, Tam
Dewar, Donald
Eastham, Ken
Fatchett, Derek
Forrester, John
Foster, Derek
Godman, Dr Norman
Hill, James
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Hoyle, Douglas
Jones, Barry *(Alyn & Deeside)*
Lamond, James
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
McWilliam, John
Mason, Rt Hon Roy
Maxton, John
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Raynsford, Nick
Robertson, George
Short, Ms Clare *(Ladywood)*
Smith, C.*(Isl'ton S & F'bury)*
Stott, Roger
Thompson, J. *(Wansbeck)*
Torney, Tom
Wareing, Robert

Tellers for the Noes:
Mr. Ken Weetch and
Mrs. Ann Clywd.

Question accordingly agreed to.

It being after Ten o'clock, further consideration of the Bill stood adjourned.

To be further considered tomorrow at Seven o'clock.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Legal Aid (Scotland) Bill *[Lords]* may be proceeded with, though opposed, until any hour.—*[Mr. Malone.]*

Orders of the Day

Legal Aid (Scotland) Bill [*Lords*]

As amended (in the Standing Committee), considered.

Clause 3

DUTIES OF THE BOARD

10.20 pm

Mr. James Wallace (Orkney and Shetland): I beg to move amendment No. 1, on page 3, line 14, after 'functions', insert under section 1(2)*(b)* of this Act'.

Mr. Speaker: With this it will be convenient to take Government amendment No. 2.

Mr. Wallace: Clause 3(4) was well discussed in Committee. That discussion revolved around two questions — did the clause as it stood mean anything, and, if so, did it have a sinister meaning? Those of us who fear that it may have sinister possibilities were frightened that because of the way in which it was drafted it could give the Secretary of State for Scotland virtual carte blanche when telling the board what to do. That was a particular fear, having regard to the debate about the board's composition and its being a creature of the Secretary of State in terms of appointments. The Bill also gives wide powers to the Secretary of State to remove people from the board.

There was a fear that in the guidance given to the board by the Secretary of State under this subsection, it could affect a certain class of applications and in some way be restrictive of the board's ability to grant legal aid.

During the debate in Committee, the Minister sought to reassure us that this subsection had no insidious purpose, and said that it was designed purely to give the Secretary of State the power to issue guidance on the way in which the board conducted the administration of its affairs. Hence my amendment. The House will note that the general functions of the board are set out in clause 1(2), which are:

> "*(a)* of securing that legal aid and advice and assistance are available in accordance with this Act; and
> *(b)* of administering the Fund."

Taking the Minister at his word, the purpose of the guidance in terms of the subsection is purely administrative. The purpose of my amendment is to restrict that guidance to the functions of the board which fall under clause 1 2)*(b)*, namely that of administration. It does that simply, and excludes any possibility that the guidance could be used by the Secretary of State to interfere with the granting of legal aid in particular cases.

The amendment in the name of the Secretary of State probably achieves the same result, and I concede that, but my first question — whether it means anything — still stands. It is said to be the issuing of guidance to which the board shall have regard, but in Committee the Minister was anxious to stress that this was in no way a directive from the Secretary of State. The word "regard" means that the board is in no way obliged to follow that which emanates from the Secretary of State. I wonder whether the clause is necessary. Surely the Secretary of State does not need statutory power to send messages to the board. As I said in Committee, it is unlikely that at a board meeting a member would move that the board passed over a letter from the Secretary of State and ignore what he has to say. Obviously, the board, by its nature, must have regard to what the Secretary of State says to it.

The question whether this provision is necessary remains. The political reality is that it must stand. The Government have made a concession and that is welcome. I would, perhaps, suggest that my amendment is neater, but I would not go to the stake about it.

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): As the hon. Member for Orkney and Shetland (Mr. Wallace) said, we debated this matter in Committee at some length. Amendment No. 2 in the name of my right hon. and learned Friend the Secretary of State fulfils the undertaking that I gave in Committee to reconsider the wording of the guidance power in subsection 3(4) in order to make it even clearer that while the Secretary of State can give guidance to the board on administrative and financial matters, he cannot give guidance affecting the manner in which the board deals with applications. The new subsection (4A) does two things. First, it says in terms that any guidance given by the Secretary of State cannot affect the consideration or disposal of applications in general, as well as individual applications for legal aid or advice and assistance. Secondly, it says that guidance cannot affect consideration or disposal of supplementary or incidental applications to the board. This would prevent the Secretary of State giving guidance on such matters as the circumstances in which the board should agree to the employment of counsel.

I gave careful consideration to the possibility of amending clause 3(4) to restrict the guidance power to matters covered by clause 1(2)*(b)*, as suggested by amendment No. 1. However, clause 1(2)*(b)* refers in general terms to the function "of administering the Fund". This could be interpreted widely or narrowly, and if it was interpreted widely, could be taken to include many of the matters which hon. Gentlemen are anxious to exclude. Equally, there would be aspects of the function under clause 1(2)*(a)*, of securing that legal aid is available, in relation to which guidance would be perfectly appropriate and unobjectionable. I think, for example, of guidance as to the manner in which the board publicised the legal aid arrangements and as to the situation of its offices. Both these would be functions under 1(2)*(a)* rather than 1(2)*(b)*.

Therefore, I prefer the rather more precise provisions in new subsection (4A), and I, therefore, commend amendment No. 2 rather than amendnent No. 1 to the House.

10.30 pm

Mr. Donald Dewar (Glasgow, Garscadden): I am never clear about the rules on declarations of interest, but perhaps I should say that I am a partner in a Glasgow solicitors firm and a member of the Law Society of Scotland. That may be thought to give me a certain point of view on the proceedings before the House. I regret, as I am sure many hon. Members do, that we are starting an interesting, significant debate at 10.30 pm. Protests were made about that earlier, but, unfortunately, in vain. It means that we shall debate for some time at a rather

uncivilised hour of the day, and I regret that. I promise that I have no intention of making up for my absence from the Committee by reliving all the arguments in the amendments. Although I shall not artificially prolong our proceedings, I am sure many hon. Members will support me when I say that we shall not artificially curtail the debate. I hope that there will still be an opportunity for getting further concessions, or, at least, further assurances, from the Minister.

The point was well made by the hon. Member for Orkney and Shetland (Mr. Wallace) that some of us do not like clause 3. The Law Society made it clear that the Government's amendment

"goes some way towards a response to the criticisms in respect of the clause."

That disguises the fact that the Law Society and others have doubts about whether we need such a form of words in the Bill. I cannot help quoting the somewhat magisterial advice of the Law Society. It said:

"The Board is required to have 'regard' to 'guidance'. 'Guidance' is very different from 'direction', and 'regard' is very different from 'accept'. The Law Society cannot therefore comprehend the significance of this clause. The purpose is shrouded in mystery."

I have a pleasant picture of the Law Society as a corporate body failing to comprehend, but that is for another time and place.

It is clear that the Minister's amendment is meant to be helpful, and while he does not solve the problems, conscious of the fact that the more important debates will come later on the agenda, I am prepared to accept his good intentions. Some of us were worried that there would be a possibility of directions being given, not about individual applications, but about classes of applications. The original and generally held fear was that there might have been a general sign from the Government that individuals who were single and living at home with his parents and charged, for example, with a breach of the peace, should be charged for legal aid. That was perhaps an extreme of the argument and we were anxious to see it ruled out. I accept that the amendment goes a long way towards doing that, making it clear that even a generic instruction pertaining to who is eligible for legal aid, or the criteria on which it should be granted, will not be part of the guidance that will be offered by the Secretary of State under this clause.

Mr. Nicholas Fairbairn (Perth and Kinross): Will the hon. Gentleman accept that the mere fact that the Government have given in to our anxieties is a sign that they were justified, and the fact that one has to say in a statute that one will not be doing anything naughty shows that there are powers to do things naughty?

Mr. Dewar: I did not want to rub the Minister's nose in it, so perhaps that comes best from a Conservative Member. I am grateful to the hon. and learned Gentleman for his help.

To some extent, the fears have been allayed. I gather that largely this will be advice about administration, accountancy and related matters, and I can see the Minister helpfully nodding. On that basis, and in the hope that he will continue to nod on more substantial matters later. I welcome the Government's amendment.

I was interested in the dialogue between the hon. Member for Orkney and Shetland, who saw his efforts, as "neat", and the Minister, who saw his efforts, somewhat ambitiously, as "precise". I do not want to adjudicate, because I know where the big battalions lie. I shall be happy to accept the Minister's advice and his amendment.

Amendment negatived.

Amendment made: No 2, in page 3, line 15, leave out from 'State' to the end of line 17 and insert—

'(4A) Guidance under subsection (4) above shall not relate to the consideration or disposal (whether in general or in respect of individual applications) of—

(a) applications for legal aid or advice and assistance;

(b) supplementary or incidental applications or requests to the Board in connection with any case where legal aid or advice and assistance has been made available.'.—*[Mr. John MacKay.]*

Clause 7

Application of Part II

Mr. John Mackay: I beg to move amendment No. 3, in page 6, line 16, at end insert 'this section or under'.

Mr. Deputy Speaker (Sir Paul Dean): With this it will be convenient to discuss Government amendment No. 37.

Mr. Mackay: The amendment to clause 7 restores an existing power to prescribe exceptions and conditions about the provision of advice and assistance, which power was inadvertantly omitted in the course of our bringing together the relevant provisions in the Legal Aid (Scotland) Act 1967 and the Legal Advice and Assistance Act 1972. The related amendment to clause 37 applies the affirmative resolution procedure to such regulations.

Amendment agreed to.

Clause 10

Financial limit

Mr. Wallace: I beg to move amendment No. 5, in page 8, line 4, leave out '£50' and insert '£100'.

Mr. Deputy Speaker: With this it will be convenient to discuss amendment No. 6, in page 8, line 22, at end insert

'(4) In the event of an approval under subsection 1*(b)* above being refused, there should be a right of review within the Board.'.

Mr. Wallace: These two amendments relate to clause 10, which puts financial limits on the provision of legal advice and assistance, which is the substance of part II.

Amendment No. 5 seeks to raise the limit applicable under this clause from £50 to £100. I understand that at present the average cost of legal advice and assistance is below £50. This average is arrived at by including within that total cases where little or no expenditure has been incurred because the consultation disclosed that no work needed to be undertaken. However, there are many cases where effective advice and assistance are required. In such cases, almost invariably the average cost will be greater.

The requirement to seek approval under subsection (1) must inevitably take a little time and cause delay. It causes administrative work and must involve some cost. To increase the limit to a more realistic sum while maintaining efficient scrutiny is the way to achieve effectiveness in the important service of providing legal advice and assistance.

Amendment No. 6 follows on from amendment No. 5. If the ceiling of £50 or, as I would wish, £100 is reached, a solicitor may not exceed it, except with the approval of

[Mr. Wallace]

the board. The amendment seeks to provide for a review within the internal mechanisms of the board if approval is not forthcoming on first application.

As I understood the procedure when it was discussed in Committee and elsewhere, it is envisaged that for the purpose of legal advice and assistance those who will be approving and, in some cases, not approving applications to exceed the limit will in many cases be locally based. The amendment is designed to achieve at least some constitency in cases where there has been a refusal. There is now a right of appeal. The Minister announced a concession in Committee. This was a very welcome move by the Government, and later amendments will give effect to that announcement. Therefore, as the Government are now prepared to accept that there should be a right of appeal after applications have been made for either civil or criminal legal aid, it would be unfortunate, to put it mildly, if the right of review that already exists for certain forms of legal advice and assistance were to be taken away.

For that reason, I have proposed this amendment which, within the internal mechanisms of the board, would allow a review to take place if an extension of the limit of £50 or, as I should prefer it to be £100, were refused.

Mr. Dewar: I congratulate the hon. Member for Orkney and Shetland (Mr. Wallace), who has been ingenious and productive in the tabling of amendments. I sympathise with the aim of these offerings. The uprating of LAA3 from £50 to £100, the point at which an extension has to be sought, is an attractive, perhaps seductive, proposition to anyone who has sat, as I have, in a small room in a small Scottish burgh waiting for the thud of feet upon the stairs bringing business.

An increase to that level would not be unreasonable. However, I am not sure, seductive though the argument is, that this is the appropriate time for such a change. We sometimes have upratings and the matter is considered in other ways, and I should be surprised if the Minister agreed with the proposition in this form. Pink Bombers, as they are known colloquially, are certainly important to the trade, and I know that the Patronage Secretary will be familiar with this form of work.

We are talking about an important safeguard for the individual. The right to obtain initial advice and help with a legal problem is fundamental. There is a case for arguing that £50 is too low a cut-off point beyond which any work has to be authorised by, presumably, the legal aid board. I am sure that it will not be grateful for the additional flood of applications. Thus, although I have my doubts, I certainly understand and sympathise with the aims, but the Minister should look at the issue of the appeal sympathetically. I take the point about the need to be consistent, and in a few minutes we shall all welcome the Minister's decision to introduce a right of appeal in civil and criminal legal aid.

As I have said, the LAA3 procedure, which is largely self-assessment and self-administration, is important. Clearly there will be many applications for extension, but most of them will be self-evidently valid, and will presumably be agreed, but if there is controversy and a refusal, it is not unreasonable that some form of appeal should be allowed, presumably an internal appeal, analogous to the one instituted in other areas. I hope that the Minister will give some thought to the proposition, and will go along with the principle. The present drafting may be unsatisfactory, but I should like to think that he is favourably disposed towards the concept.

Mr. John MacKay: In Committee I explained on a number of occasions that it is the practice in legislation to include the current figure, which now stands at £50 both north and south of the border. It was increased from £40 in November 1983. We keep the situation under review, but no clear evidence of a need for a further increase has emerged. It is of interest that the average cost of an advice and assistance account paid in 1984-85, at £45 is precisley the same as that in 1982-83, the year before the increase was made. The number of requests for increases in 1984-85, at just under 40,000, was the same as in the previous year, despite the increase in certificates for legal advice and assistance to approaching 141,000. I assume that that means that there were 141,000 Pink Bombers. It seems right that there should be a fairly strict limit on the cost of the work a solicitor can do on his own initiative, dealt with under the present schemes. I accept that the administrative costs of authorising increases have to be weighed against the prospective increased costs in advice and assistance if the limit is raised. However, the fact authorisations of increases will rest with the board rather than with individual local committees should serve to reduce any inconsistencies.

These factors are also relevant to amendment No. 6, as this change in responsibility clearly reduces the need for a review procedure. At present there is an appeal from the local committee to the central committee. I understand that there is no appeal against refusal of an extension in England and Wales. I am not convinced of the need for a review procedure under the new arrangements, although this will be a matter for consideration with the board. If necessary, regulations relating to a review procedure could be introduced, but I am satisfied that there is no need for provision on the face of the Bill.

There is a further complication in relation to assistance by way of representation since the introduction of a review procedure could introduce undesirable delays or complications. As I said in Committee, it would be possible to prescribe a higher limit for assistance by way of representation than for ordinary advice and assistance, and I shall certainly be giving consideration to that possibility.

I hope that with that explanation the hon. Gentleman will be prepared to withdraw his amendment.

10.45 pm

Mr. Wallace: I hear what the Minister says about the fixing of the limit and the practice of maintaining the present situation, but I am sure that he will note what has been said and take the debate as a marker. One can rapidly reach the limit, and the administrative costs of processing an application for approval of an extension is not a small sum.

The question of review is important. The Minister resisted the suggestion in Committee at a stage when he had not accepted that there should be any review at all with regard to civil and criminal legal aid. That has now changed, as can be seen in the amendments that we are about to debate. It seems rather odd that a present right of appeal will be removed at a time when the Government are willing to rights of appeal where they do not presently exist.

We can all look to the practice in England and Wales, as may happen on one or two occasions this evening, and try to borrow from that in saying that the same should apply in Scotland. At other times we take great pride in saying that it should be different. But this is one case where it matters not what happens in England and Wales. An existing right will be removed.

I was encouraged when the Minister said that he believes that the powers given to the Secretary of State under present legislation are sufficient to allow him to make regulations to introduce a review procedure if that should prove necessary. I hope that if the Government are still in power—God forbid that they will be—after at least one year of the new board coming into effect, they, or any incoming Government, will consult the board on that matter.

I cannot accept the Minister's point about unreasonable delays in a case of assistance by way of representation. As was pointed out in Committee, there will be no review if the person concerned does not institute it himself. Therefore, if he is concerned about there being a speedy disposal of his case and feels that a review would lead to delay, the answer is a simple one. That point does not stand up, but these are not amendments which I would wish to press to a Division.

I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 14

AVAILABILITY OF CIVIL LEGAL AID

Mr. John MacKay: I beg to move amendment No. 7, in page 10, line 22, at end insert—

'(3) The Board shall establish a procedure under which any person whose application for legal aid under this section has been refused may apply to the Board for a review of his application.'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendment No. 35.

Mr. MacKay: These amendments fulfil the undertaking that I gave at the start of the ninth sitting of the Standing Committee to provide on the face of the Bill for the establishment by the board of a review procedure in relation to refusals by the board of applications for legal aid for both civil cases and summary criminal cases.

I have phrased the amendment in the form of a review procedure because it seems better to have a review procedure involving reconsideration of the application as a whole, ab initio, rather than an appeals procedure based on what may be comparatively narrow objections to the original refusal. An appeals procedure could become over-formal and legalistic. It would be much more difficult for the person seeking legal aid—indeed he might need a lawyer to present his appeal—and might mean that new material produced by him could not be considered. Review, on the other hand, will leave the necessary freedom to reconsider all aspects of the application including any new material.

We discussed in Committee who might sit on a review committee. My amendment provides for the board to establish a procedure for review of refusals of applications and it will therefore be for the board to consider how best this can be done, although my right learned and hon. Friend the Secretary of State could make regulations if necessary.

I should explain that the board can establish committees which can consist either partly or wholly of members who are not members of the board. That power was included in the Bill with this appeal procedure arrangement very much in mind, both to ensure that an independent review was possible and because such review committees will no doubt consist mainly of lawyers and would thus not in practice consist mainly of board members. There would not be enough lawyers on the board to allow that to happen.

I do not wish to be too specific about how the committee will be formed and so on, because I shall incur the criticism of pre-empting the board's decisions, but I believe that the amendments honour my undertaking in Committee. I believe that they go all the way to satisfy the misgivings of my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) and of Opposition Members.

Mr. Dewar: I welcome the amendments. I am glad that the Minister listened to the almost unanimous advice from both sides of the Committee and many interested outside organisations. There was widespread anxiety about the possibility of losing the present right of review of civil legal aid applications and an equally strong feeling that there was a gap in the present system.

Many hon. Members who had been approached by constituents who had been refused legal aid felt uncomfortable about the fact that there was no right of review. It is a positive strength of the new system that that right will exist in civil and criminal legal aid. It would be ungracious not to give a warm welcome to the Minister's comments. He put the case for his review, ab initio, very fairly. Goodness knows what Latin law is still to come! We shall watch as the evening unfolds.

It was useful to be reminded by the Minister that it is possible for the Scottish Legal Aid Board to form sub-committees that include people who are not members of the board. Presumably there is provision for paying the expenses and other outlays of such people.

Can the Minister assure us that the review procedure will be in place from the beginning?

Mr. Wallace: Ab initio.

Mr. Dewar: Yes, that springs to mind as a useful phrase on this occasion. Will there be a review procedure from the beginning? It is important that there should be, and I am sure that that is the intention.

The briefings from the Law Society have been useful throughout the passage of the Bill and the society says that it must withhold its final comment until it has had sight of the regulations, but I understand that there will be no regulations, because the amendment merely instructs the board to establish a procedure, which will be the business of the board.

There will be no question of regulations being laid or of scrutiny. Perhaps the Minister will confirm that fact and say whether there is an understanding that the scheme will be submitted to the Secretary of State. That is not an uncommon procedure, and I thought of tabling an amendment to have that done, but I was anxious not to delay matters and build in extra stages. Will there be a duty on the board to produce the plan within a set period and to make it public and satisfy the Secretary of State that it has carried out the legal duty that we shall lay upon it?

Mr. Fairbairn: I thank my hon. Friend the Under-Secretary and my right hon. and learned Friend the Secretary of State for putting on the face of the Bill the requirement to have a review procedure for legal aid in civil and summary criminal cases.

The Government have been sensitive and sensible in their reaction to criticism that came in comparative silence from the profession, but not entirely in silence from those of us who represent the interests of justice in the House.

Some matters worry me. First, one criticism made in Committee was that we were constantly writing blank cheques. We have written le plus blanc cheque because the Minister has written in the simple concept that the board will set up a procedure.

We are between two stools. The Secretary of State does not interfere with the board, but the Minister says that we do not know what it will do. We do not know whether it will be a dinosaur with four legs, or a kangaroo with two pouches. It is worrying that the Government say that they will set up the procedure, without the Minister explaining what form that procedure will take.

There are two forms of procedure. I understand that the Minister prefers the second form. The first form is that if a reason can be found for disallowing or refusing the first time, the review process can find that that is wrong. The second form is to have a replay, and no account is taken of the reason for refusal.

The Minister's view is that the second form is preferable, but if an original application merely goes into committee, it goes to an official. One does not know to which official it goes. It might go to Mr. Nice or to Mr. Nasty, who might be in a good mood or in a bad mood. If the review does not take into account the grounds on which the official decided against an application, that might be prejudicial—or very beneficial. The official's decision might be right and the review might miss the point. An applicant is entitled to know the grounds upon which a refusal is decided. That is basic natural justice.

If the Bill becomes law, the Secretary of State will set out a number of procedures. We shall be able to negative only in total any regulations applying the law. We shall be unable to alter them. I should like, as a matter of natural justice, to know why Mr. Unknown Official refused my application.

I see the Minister's argument. If three wise men judge a cause after one unknown man has judged it, a second chance should be given. But that is not the concept of justice in Scotland. In Scotland three wise men judge upon the judgment of the first person who judged the cause. That is a different concept. So I ask the Minister to consider carefully. We are considering going, not before courts or the Law Society, but before an official whose opinion or identity we shall never know. The name of the official and the reason for his judgment should be put before the appeal procedure. That is the minimum justice. He can consider that in addition to the concept of ordering a retrial, or a replay.

Dr. Norman A. Godman (Greenock and Port Glasgow): Is not the decision and the reason for it more important than the naming of the official?

Mr. Fairbairn: I am sure that it is, but it is the anonymity of the process that worries me. I am sure that the hon. Gentleman will understand. One just does not know why a decision has been taken and one has no means of discovering who has taken it. I shall use the concept of the seven dwarves—Happy, Grumpy, Doc and so on. If one happens to get Grumpy, that might be the reason for the decision. That is not a good thing. Therefore, I feel that the review board should have before it a statement of fact. It can start again if it wishes, but it should at least know why the initial application was refused.

I am in no way criticising my hon. Friend the Minister. I hope that I am being helpful. I should like once again to congratulate him on the sensitivity with which he approached the anxieties put before him in Committee.

Mr. Gordon Wilson (Dundee, East): I should like to add my voice to the thanks which have been directed to the Minister. I am sure that he is in an unusual position and I trust that he is not over-embarrassed by it.

The hon. and learned Member for Perth and Kinross (Mr. Fairbairn) put his finger on one of the doubts that still exists and which was perhaps behind the somewhat cynical comment of the Law Society of Scotland that it would withhold final judgment until it saw the mysterious regulations. I think that we all accept that this is an improvement on the previous position, especially in relation to criminal legal aid, where there was no such appeal. That has been one of the aggravations that not only the legal profession, but those who have been refused legal aid have had to put up with.

I am concerned about another aspect. My concern is of a practical nature. The Minister has probably adopted this approach to reduce the amount of bureaucracy involved. It is easier not to give an explanation and for an official or group of officals to look again in the review procedure. When one has to frame reasons for a decision from a tribunal conscious thought has to be taken, especially in those proceedings which might end up in a higher court.

It would not necessarily follow, in relation to the refusal of a legal aid application, that a complex statement of reasons would have to be produced. It could almost be reduced to a code. However, it would help legal aid applicants and their advisers if they knew where their argument should be directed if they write in to support an application in the review procedure. Otherwise they are in the dark.

It may well be that the legal Aid Board official or the committee which has looked at the papers has a valid reason for refusing an application according to the information available. It could be that, if given additional information directed to the point at issue, the board or committee might well be satisfied of the usefulness of granting the certificate.

One of the features of the existing system which, in some ways, could be beneficial is the way in which decisions are taken by sheriffs or justices in chambers, I presume, on each application. Solicitors frequently turn up with the applicant, and the judge can direct questions to the applicant about the nature of the defence and so on. Therefore, if there is any doubt as to the reasons why legal aid should be granted or refused it can be made clear. Without the appeal procedure in criminal legal aid cases that might not necessarily provide a solution that would satisfy everybody. However, I think that it would be helpful if the Minister could outline what direction his mind is taking in relation to the system to be put into operation.

There is a practical matter which perhaps lay behind the original decision not to have a review, which is the increase

in the volume of business. I have no doubt that a substantial number of appeals will be directed towards the Scottish Legal Aid Board that will require the time of staff or consultants under a fee-paying arrangement in considering them. Under the new centralised system which is in force, how much delay is likely to be encountered in dealing with the review cases? I was not a member of the Committee, but I understand that the Committee addressed itself to legal aid applications and dealing with them in a given time scale so that they would not get in the way of preparation of trails, especially in areas where trails take place fairly swiftly. If there is a review procedure, it will be necessary for the board to receive an answer quickly so that the necessary work in preparing a defence can proceed. I think that the House would find it of substantial interest if the Minister could lighten our darkness.

Mr. Wallace: I join those who have expressed appreciation to the Minister for deciding to introduce amendments that will allow a review procedure in both civil and criminal legal aid. Many of us still have misgivings about the Bill as a whole, but if the amendments are carried it will emerge from the House as a better measure.

The Minister should take on board the valid points made by the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). The person who has his application refused should be told in what way it was defective and did not match what was required for him to be awarded legal aid. I can understand the Minister's reluctance to say too much lest it be thought that he is speaking for the board, setting out what it should do and being unnecessarily interfering. If the Minister expressed a view, I am sure that the board would have regard to it, as it will to those who have said what the board should do in setting up the procedure. If it includes in its procedures the giving of an indication to the applicant why, in a general area, his appeal was unsuccessful, the applicant and his advisers will be able to provide more information. The indication might signify that there was a misunderstanding, which the applicant might be able to clarify.

If there is an internal mechanism and a file, to which papers are attached, the file will be passed on under the review procedure to three of four wise men or women. It is not impossible that the reason why the official of first instance thought that the application should be refused will be set out on a document within the file. The applicant may not know why he has been refused and it would not be impossible for the reason for the refusal to be made known to the appeal procedure as a whole. It would be unfair if it were put into minds of the wise men or women why the decision to refuse the application had been made at first instance, especially if the applicant had not had an opportunity to furnish more information.

Mr. Fairbairn: That would be the ultimate of unfairness. When I considered the alternatives I said to myself, "You might lessen the chances of the appeal board granting the appeal if you told it why the application had been refused in the first place." That is one possibility. That might restrict the way in which the board would consider the appeal. It would be heinous if the board were able to tip the wink to the appeal procedure why the original decision was made and the applicant was not informed. The board would then be able to produce an entirely different reason for refusing the appeal.

Mr. Wallace: I completely share the fears expressed by the hon. and learned Member for Perth and Kinross. I hope that the points that have been made in this debate are considered by the board when it sets up the review procedures so that such infairness as have been mentioned can be excluded and such positive means which might enhance the fairness of the review procedure might be included. In conclusion, I welcome the fact that a review procedure is to be set up.

Mr. John MacKay: Clearly the hon. Member for Orkney and Shetland (Mr. Wallace) was listening to me during the Committee stage when he suggested that I might say that I am not running the board. I do not wish to go into detailed prescriptions as to how the board might set up the procedure.

Mr. Wallace: The Minister has always said that.

Mr. MacKay: I have not said that this evening.

Mr. Wallace: Yes, the Minister has.

Mr. MacKay: Oh dear. Well, the more I say it the more I might be believed on this subject because some people think that the board is to be entirely the creature of my right hon. and learned Friend the Secretary of State for Scotland. I am trying to explain that that will not be the case.

In response to the hon. Member for Glasgow, Garscadden (Mr. Dewar), I can state that the appeal procedure will be in situ when the new system gets under way. The power to appoint to the sub-committee comes in paragraph 12(3) of schedule 1. The hon. Member for Garscadden also asked what role my right hon. and learned Friend might have in ensuring that the board does what we have said that it ought to. There is the possibility under clause 36(2)*(a)* of making regulations about these matters. Whether we proceed by regulations or not is a matter which will be discussed by the board and my right hon. and learned Friend. There will be discussions between the board and the Scottish Office with regard to the appeal procedure.

Mr. Dewar: I understand that there will be discussions, but I am sure that the Minister's views will be very persuasive to the board. Do I take it that the Minister favours the possibility of regulations being laid in dealing with the review procedure? That would be useful to know because it would tell us a little about the possibility of influencing the form and style of the procedure.

Mr. MacKay: I can understand the hon. Gentleman's point. However, the question whether this will need to be carried out through regulations or by the board setting up the procedures under its powers is a matter upon which I am broadly neutral at present. I can see the force of regulations because they would give the House the opportunity of having its say. However, I hope that the hon. Member for Garscadden can be content with fact that I have listened to the various points that have been made in this short debate and when the board discusses this matter it will also examine the points made by hon. Members who have contributed to the Committee and the Report stages.

My hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) posed a difficult question about the nature of the procedure. He asked whether it should be a review procedure or—if I may describe it in this way—a legal-type appeal in which the reasons for the

[Mr. MacKay]

decision must be given. The present position on civil matters is that in an appeal the committee handling the appeal cannot take new factors into account. I have made it clear that when someone appeals to the board under the new procedure, I envisage that that person would be able to include anything new that he wanted to draw to the review committee's attention. When an application is refused on grounds of the interests of justice, that is exactly what the person will be told, just as at present. It will not be possible for the board to go into great detail as its decision involves a balancing of the various factors.

Nor would it be practicable to name an official, partly because several officials may be involved and especially because the decision will be taken in the name of the board, not in the name of one official.

11.15 pm

Mr. Fairbairn: I am not happy with this at all. The interests of justice are not defined, but the matters to be taken into account are adumbrated in the Bill. It would be ludicrous if a person was to appeal imagining that the ground upon which he had been refused was that his defence was frivolous, when in fact the ground upon which the matter had been refused was one of the others. He must be told, if he is to be allowed to give additional facts, which wing is missing or the ground on which he has failed. For example, it would be ridiculous if, in a French examination, a child thought that he had failed because he did not understand the plays of Moliere when in fact he had failed because he did not know how to decline the verb "aimer"—je t'aime, tu l'aime, and so on. He must be given some idea of the ground upon which he can improve.

Mr. MacKay: My hon. and learned Friend's argument holds together only if one considers an appeal-type system. With such a system, the appeal committee would need to know the grounds upon on which the application had been refused. But if we have a review procedure, with the committee considering the case completely anew and not taking into account whether the initial decision was rightly based, it is a different matter. Indeed, we should insert in the system a fairness—a second look—which does not involve the original decider or deciders arguing their case in front of the review committee and, presumably, the applicant arguing his case again. It would be unfair if one side could defend its case in person or on paper while the other side could not do likewise. Although my hon. and learned Friend's point would be valid in an appeal-type system, it would not have so much strength in a review system.

The hon. Member for Orkney and Shetland said that it is conceivable that, when the file reached the review committee, it would contain some scribbled notes which would tell the committee why the person or persons involved had turned down the application. That is a fair point. The board will have to ensure that its people do not make notes on the face of a file which might later go to a review committee.

Mr. John Maxton (Glasgow, Cathcart): That is ridiculous.

Mr. MacKay: The hon. Gentleman says that that is ridiculous, but he has not been listening to the argument. The hon. Member for Orkney and Shetland made the valid point that if there is to be a review ab initio, the papers should not contain remarks made by the decider showing the committee how he arrived at his conclusion. That would be wrong, so the board must take steps to ensure that its people do not write on the face of files that might come before the review committee.

Mr. Fairbairn: That would be absolutely outrageous, because if the decider was Mr. Grumpy from among my gnomes, he need not give a reason. He need only say, "Never liked the hon. Member for Argyll and Bute (Mr. MacKay); refuse." He would be prevented from giving any reason because someone else might read it. Therefore, he can refuse the application without giving a reason, which would be outrageous. Let us look at the Bill. This would be absurd. In the context of legal aid in clause 24, official No. 1 who is not Grumpy, but an honourable gentleman, might say that in his opinion the offence is such that if proved it is unlikely that the court would impose a sentence which would deprive the accused of his liberty. So he comes to that conclusion. It does not matter if he consults 200 others, but that is the reason why he refuses legal aid. Along comes the review committee, which is not allowed to consider that matter because this guy is not allowed to write down lest it prejudice the review committee, and says that in its opinion, the defence to be advanced by the accused appears to be frivolous. That is not a review. One cannot have one official coming to a conclusion that is not subject to test by those who are reviewing it and who come for a totally different reason to the same decision, which is a refusal. That is not a review. It is not even justice.

Mr. MacKay: I am well aware that I shall not convince my hon. and learned Friend about this matter. I have given it some thought since he raised it in Committee. We spoke about it as well after the end of the Committee stage.

I understand my hon. and learned Friend's point, but those are factors that have to be taken into account. There could be other factors in a particular case that the officials might take into account. It is better that we have a review procedure. A review procedure without the official or officials who made the original decision having any influence on the review committee is a perfectly fair and reasonable way to proceed. I understand that my hon. and learned Friend would like to do it in a more legalistic way, dare I say, as if it were an appeal court, but there are other circumstances, not perhaps in the law, where appeals are taken as reviews by another body, which looks independently and separately from the original body, or decision-makers, at the subject under appeal.

That is the fairest way. I think that it is likely to be the quickest way of dealing with the problem, rather than hearing arguments and allowing them to carry on between the original officers who made the decision and the applicant, or indeed the applicant's lawyer. For example, if the person who made the original decision is a lawyer, and he argues in front of the review committee why his decision should stand, the poor old applicant should have a lawyer defending his corner. Before we know where we are, we shall add great complications to what should be a simple and fair issue of a straightforward review by new and independent people, afresh.

Mr. Wallace: Much of the debate has taken place on the basis of a refusal of criminal legal aid in summary cases, where the interests of justice come into play.

However, one could be considering the refusal of civil legal aid, because in the view of the official who deals with it first, there is no probabilis causa litigandi. That might involve important matters of legal consideration. I recall one case in which I was involved, about the granting of legal aid for an appeal to the House of Lords. It may have been legalistic, but a legal point was there to be argued. It was thought by some that there was probabilis causa. In such a case there is some advantage of knowing exactly what the barrier is to the granting of legal aid.

Mr. MacKay: I understand that point, but equally I must point out that the composition of the review committee will be heavily weighted in favour of lawyers, dare I say it, at the risk of being thought to be setting up a body composed of lawyers. The committee will be largely composed of lawyers, a bit like the House at this stage of the evening. If the hon. Gentleman is saying that, in the case of civil legal aid, there may be considerable legal matters to be considered by the review body, I should have thought that the type of review body that I envisage would be well qualified to consider the matters that will be brought to its attention by the applicant.

I know that I have not convinced my hon. and learned Friend the Member for Perth and Kinross, but I hope that the fact that I have conceded the argument about having a review or appeal in civil and criminal cases will find merit in the House and that the House in general will agree that we are served better with a review procedure than with the type of appeal procedure which my hon. and learned Friend has argued in favour of fairly persuasively and often.

Amendment agreed to.

Clause 19

Expenses out of the Fund

Mr. Wallace: I beg to move, amendment No. 8, in page 13, leave out lines 1 to 5.

Clause 19 concerns the circumstances in which a court may make an award out of the legal aid fund to an unassisted party to defray, in whole or in part, expenses incurred when the other party to the action has been legally aided. One of the preconditions is that the unassisted party would be entitled to expenses against the legally assisted person in any event.

The Bill provides, in clause 19 (3)(*b*):

"in the case of expenses of proceedings in a court of first instance, those proceedings were instituted by the legally assisted person, and the court is satisfied that the unassisted party will suffer severe financial hardship unless the order is made".

That provision is what the amendment would exclude.

The argument falls into two parts. The first relates to the basic unfairness of the unassisted party being in a relatively advantageous position if proceedings are instituted by someone on legal aid but having no right to have expenses awarded to him out of the fund if he raised the proceedings and they were defended by someone on legal aid when it is unlikely that there would have been any action or defence, if legal aid had not been made available to the defendant. If the unassisted party receives assistance out of the fund, it seems only fair that he should do so if he is a pursuer or a defender.

This matter was raised in another place by Lord Denning, which is perhaps not a name that brings music to Minister's ears. One of the cases that he cited to the other place was an English one — Mr. Thews *v.* Mr Reeves—which was reported in the 1982 Queen's Bench Division reports. It was a simple case. Mr. Thews had built up a business and agreed to sell it to Mr. Reeves for £50,000 — £5,000 to be paid immediately and regular instalments of £800 to follow. The £5,000 was paid, but there was default on the instalments. Mr. Thews raised a straightforward action for payment.

The action was defended — the commission of some fraud was put forward as the defence. The claim was found to be spurious, but the defendant was given legal aid to pursue that defence. The defence was thrown out, but because the case was instituted by a non-assisted party and it was dealt with at first instance, there was no way in which the court, although it thought that the plaintiff should be awarded out of the fund, could make such an award because the matter had been brought by an unassisted party. It is to get away from that basic unfairness that I propose this amendment. Indeed, paragraph 243 of the report of the Lord Chancellor's Advisory Committee stated:

"We continue to support broadening the provisions of the Act to permit successful plaintiffs to receive costs from the fund".

That is an English advisory committee, but in a case such as this the basic fairness also applies in Scotland.

11.30 pm

The clause also states that the unassisted party will have to suffer financial hardship before the order is made. That in itself goes too far. Subsection *(c)* allows the court to make an award if it is felt to be

"just and equitable in all the circumstances".

That is the proper test. The criterion of the unassisted party suffering severe financial hardship is unduly restrictive. Anomalies can arise. A case could go through the Inner House of the Court of Session to the House of Lords, which may feel that some payment should have been made from public funds to the unassisted person. The House of Lords could award expenses for proceedings in the House of Lords, but could not do so in respect of the expenses at first instance because of this clause. That could also lead to anomalies.

Here we have an opportunity to make a constructive change in the law that will lead to a fairer system. On two occasions in recent months constituents have told me that they have been the unassisted parties in litigation and have been unsuccessful in obtaining expenses. It can cost people a lot of money, either to pursue their right or to defend it. There is a feeling that if one party is in receipt of legal aid, in some respects that party can hold the other party to ransom. Such a party knows that he has nothing to lose if the action continues to run, whereas the unassisted person, however right his cause, must look over his shoulder at the mounting expenses. Indeed, it could get to the ludicrous position where it is costing a person more to defend his right than it would be if he accepted the case brought against him.

For these reasons, I move the amendment. It will introduce greater equity into the law on legal aid, particularly in relation to unassisted parties.

Mr. John MacKay: The circumstances in which a non-legally-aided litigant who is successful against a legally-aided party can obtain payment on his expenses from the legal aid fund are limited, and always have been, since the possibility of such payment was introduced in 1964.

[Mr. John MacKay]

The amendment would remove some of these limitations, in particular those which relate to the expenses of first instance proceedings. Succesive Governments have taken the view that where an unassisted person has been brought into court not of his own will, but to defend an action against him raised by an assisted person, then he should be able, if successful, to obtain his expenses from the fund — if otherwise eligible. This seems only fair, since in assisting the pursuer from the fund the board would have taken the view that the pursuer had probabilis causa litigandi — that is, a reasonable prospect of success. If it accepted its share of the responsibility for instituting the action, it should accept liability. However, the position is rather different if the unassisted party instituted proceedings, since then he must take responsibility for the risks of proceeding. Given the continuing need to make the best possible use of resources available for legal aid, I continue to think it is proper to distinguish the two cases.

The amendment would also abolish the provision that an unassisted person's expenses would be met only if he would otherwise suffer severe financial hardship. While I have some sympathy for the position of many unassisted parties, again I do not think the resources of the legal aid fund should be available in cases where there is no real financial need. I hope that with that explanation, the hon. Gentleman will withdraw his amendment.

Mr. Wallace: I am not convinced by what the Minister said. There is a basic question of equity at stake. The Minister said that an unassisted party which is a defender is entitled in some circumstances to have his expenses covered by the fund, but that if, through obtaining legal help, he incurs considerable expense to pursue his right and does so successfully, he is not entitled to claim expenses from the fund. That seems inequitable and I am not convinced by the Minister's explanation that in some way it is equitable.

Amendment negatived.

Clause 21

SCOPE AND NATURE OF CRIMINAL LEGAL AID

Mr. Wallace: I beg to move amendment No. 10, in page 14, line 43, leave out from 'held' to 'in' in line 1 on page 15.

The amendment deals with criminal legal aid. Clause 21(4)*(b)* states:

"Criminal legal aid shall consist of representation, in terms provided for by this Act — . . . by a solicitor at any identification parade held, by or on behalf of the prosecutor within the meaning of section 462 of the Criminal Procedure (Scotland) Act 1975."

Since 1980 it has been possible to hold identification parades at the instance of the defence. The simple purpose of the amendment is to allow criminal legal aid to cover those parades as well as parades at the instance of the prosecutor. I do not think that that occurs in many cases, but, as I understand it, criminal legal aid would not be available if an identification parade were held at the instance of the defence, although the person had legal representation. The amendment provides a certain degree of equity in that regard.

Mr. John MacKay: The hon. Gentleman has explained the purpose of the amendment, which is to make sure that automatic legal aid will be available for identification parades which are held at the request of the suspected or accused person, rather than at the instigation of the Crown.

I am happy to assure the hon. Gentleman that the amendment is unnecessary. That is because, as he will see from section 10 of the Criminal Justice (Scotland) Act 1980, which originally added this provision to the legal aid legislation, the strict position is that all identification parades are held by or on behalf of the prosecutor. That is so whether the identification parade follows a decision by the prosecutor or by the police, who are taken to be acting on behalf of the prosecutor, that one is needed; or a request for one by the accused; or, indeed, is held in consequence of an order made by the sheriff under section 10 of the 1980 Act. The advantage of the present wording is that it fits in with that of section 10, and I should have thought that that was helpful.

With that assurance, which I hope the hon. Gentleman will find more comforting this time, I hope he will feel able to withdraw his amendment.

Mr. Wallace: I am only too pleased on the strength of that assurance to beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 24

LEGAL AID IN SUMMARY PROCEEDINGS

Mr. John MacKay: I beg to move amendment No. 11, in page 16, line 28, after 'Act', insert

', to section 21(3) of this Act'.

This amendment is consequential on the insertion in Committee of clause 21(3).

Amendment agreed to.

Mr. Wallace: I beg to move amendment No. 14, in page 17, line 4, after 'offence', insert

'taking into account the surrounding circumstances (including any previous convictions or any other findings of guilt) against the accused'.

Mr. Deputy Speaker: With this it will be convenient to take the following amendments: No. 15, in page 17, line 6, at end insert

'or impair his prospects of future employment'.

No. 16, in page 17, line 6, at end insert

'or impairment of his employment prospects'.

Government No. 28.

No. 29, in page 17, line 18, after 'but', insert

'except insofar as provided by paragraph *(a)* of this subsection'.

No. 30, in page 17, line 19, at end insert

'except when considering an application under subsection 3 *(a)* above'.

Mr. Wallace: These are important amendments. They relate to the factors that we took into account in determining whether it was in the interests of justice that criminal legal aid should be made available in any case. Right hon. and hon. Members will recall that when the consultation paper that was the forerunner to the Bill was produced there was an indication in it that one of the factors that might be taken into account in determining the interests of justice was whether the accused person had a criminal record. That met with widespread criticism. It

was felt by many, myself included, that it struck at the heart of our system, which is that a person should be regarded as innocent until proved guilty. On Second Reading the Minister properly pointed out that it would not be the Government's intention to include such a factor in those that they would put forward as relevant when assessing the interests of justice. The Government did that when they eventually tabled their amendment setting the factors, and that appears in lines 18 and 19 of the clause.

It became clear during the debate in Committee that any previous conviction or other findings of guilt could be relevant in considering whether the court would be likely to impose a sentence that would deprive a person of his liberty or lead to the loss of a person's livelihood. Clearly a first offence would not necessarily lead to a prison sentence, but if it were a person's fourth or fifth offence, that could lead to a prison sentence. That could be highly relevant in determining whether a person was likely to lose his liberty or livelihood. For that purpose, it was thought that a person's previous convictions should be taken into account.

Linked with amendment No. 14 is amendment No. 29, which would qualify lines 18 and 19 to the extent that the passage would read:

"except insofar as provided by paragraph *(a)* of this subsection the Board shall not take account of any previous convictions"

—that is, for the purposes of determining whether it is likely that the court will impose a prison sentence or a substantial fine leading to the loss of a person's livelihood."

Unfortunately, the Government's response to the criticisms that were made in Committee about Government amendment No. 28 has been to delete lines 18 and 19 together. That is a regrettable deletion, after the Minister had given us an assurance on Second Reading that previous convictions would not be taken into account by the board in determining whether it was in the interests of justice that criminal legal aid be made available.

The amendments proposed by my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) and myself, or that tabled by the hon. Member for Glasgow, Garscadden (Mr. Dewar), which has the same effect, meet the point made in Committee. They allow the board to have regard to previous convictions when considering subsection *(a)*, but will not allow it to do so generally when assessing whether it is in the interests of justice that criminal legal aid should be granted. These amendments encapsulated the mood of the Committee although they criticised the provision, it was never the intention of members that the requirement not to have regard to previous convictions should be entirely deleted. I ask the Minister seriously to consider these points.

The other amendments add that apart from a sentence leading to the loss of livelihood, it might also impair a person's employment prospects. That concern was aired in Committee. If a person is fortunate enough to be in employment, a court sentence might affect his livelihood. Equally, those who are unemployed might find that their employment prospects are impaired, perhaps irreparably, or damaged by the imposition of a prison sentence or even a substantial fine. The Committee felt that it was just as important to protect their rights as the rights of those who are fortunate enough to have jobs.

11.45 pm

I hope that the Minister will look sympathetically at the amendment. It is not intended to be a wrecking amendment. It takes account of the interests of those who are unemployed and who might find that their prospects of obtaining employment are seriously harmed if a sentence of imprisonment is imposed upon them after having had no legal representation at their trial.

Mr. Dewar: I agree with the hon. Member for Orkney and Shetland (Mr. Wallace) that this is an important group of amendments that raise a number of interesting issues. They plunge us straight into an argument about a clause that tries to define the interests of justice. The amendments go to the heart of many of the problems relating to the Bill. I enjoy the inestimable advantage of not having been involved in the Committee debates. I do not know whether that means that I come to a consideration of the Bill with an uncluttered mind, but that does not prevent me from approaching the argument with some fairly firm opinions.

One of the problems about defining the interests of justice — a controversial concept that many hon. Members thought that it would be better not to pursue —is that the Minister finds that having listed a number of factors that have to be taken into account—and it is by no means an exhaustive list—he now has to invite those hon. Members who are interested in the subject to consider what should be added to them. By doing so, he lays himself open to attempts to improve upon the draftsmanship.

I support what has just been said by the hon. Member for Orkney and Shetland about amendments Nos. 15 and 16. Both of them strike at exactly the same point, although the wording is slightly different. In both cases the wording is perfectly satisfactory, although obviously I prefer my own: to add at the end of the subsection the words

"or impair his prospects of future employment."

However, I should not take umbrage if the Minister preferred amendment No. 16. Both amendments are self-explanatory, and it is not for me to labour the point.

The Bill fairly lays down that one of the points to be included in this core collection of factors is the likelihood of conviction leading to the loss of livelihood. None of us would quarrel with that conclusion. The trouble is that in the brave new world in which we live—certainly the world that has evolved during the last six or seven years —the number of people in Scotland for whom the loss of livelihood is an academic concept has increased to shameful proportions.

The amendments say that there should be another consideration—the impairment of the applicant's future employment prospects. That seems to be particularly important. I had hoped that atht concept would commend itself to the Minister. He may say that if there is such a special factor, the board can take it into account in the case of that application. But there is some merit in covering the position of the unemployed. For example, a man might have interviews pending. It would be extremely difficult to go to them with any hope if he had a recent conviction against his name. Obviously, legal representation might be enormously important in putting a proper defence.

Anyone applying for a job with a conviction is likely to be ruled out. It would be an extremely good way of winnowing through the enormous list of applicants for any job vacancy in Scotland. That applicant's chances might

[Mr. Dewar]

be devasted until he is rescued by the terms of the Rehabilitation of Offenders Act, and his conviction is spent. I need not urge on the Minister the significance of a conviction for someone searching for a job. If he is guilty and has been convicted, that is the end of the matter, but it would be a tragedy if he had not been represented and if a genuine defence had not been properly stated, because he might then find himself ruled out of the job market.

The amendments are straightforward and make the case. I do not see why the Minister should not show us his new-found virtue. As yet, I am not quiet convinced that he is sensitive. That is not an adjective that would occur to me when contemplating his activities. Several epithets come to mind, but I shall not spoil the atmosphere by dwelling on them. But the Secretary of State, with his Shogun and Rambo images, which his press officer is so assiduously cultivating, is probably aware that the Minister is capable of putting on verbal bovver boots with the rest, so "sensitive" does seem a little incongruous. But I should be happy if he lived up to that reputation, and I hope that the Minister will look kindly upon these amendments.

I warned the Committee that the later groups of amendments were the most important, and I now wish to mention the significant matters represented by them. In Committee, there was an interesting debate about lines 18 and 19, which the Government propose to take out with amendment No. 28. They say that the

"Board shall not take account of any previous convictions or other findings of guilt against the accused."

I accept that there was a genuine problem, and the Minister and the Committee had to wrestle with an apparent clash between the survival of those lines, and the very proper terms of subsection 3(*a*), where the board would have to take into account the possibility of loss of liberty. In assessing loss of liberty, the client's previous record might well prove important.

There was an argument about that incompatibility, and a good deal of dispute about the best way of proceeding. Perhaps I should give my hostage to fortune right away, in that during the course of that debate, my hon. Friend the Member for Glasgow, Cathcart (Mr. Maxton) impetuously—he is, on occasion, impetuous—suggested tersely to the Minister that the answer was to, "Take it out." That appears in column 292 of the Committee's proceedings, and excise was the message. The Minister might well argue that he has done just that, and might question what we are complaining about. But I do not need to remind him of his reaction to that concise suggestion. He said:

"No, I will not take it out, but I shall think about how I might get around it". — [*Official Report, First Scottish Standing Committee*, 1 July 1986; c. 292.]

I offer those examples of the Minister's prose strictly in the context in which they were uttered, which was on this very point.

Therefore, we had a firm commitment from the Minister that he did not want to take out lines 18 and 19 and the reference to the fact that no account was to be taken of previous convictions. He specifically committed himself to finding a way round the difficulty.

I am sorry that he did not keep to that intention. His thoughts on that occasion were the best thoughts and I regret that amendment No. 28 is now on the Order Paper. It is of some importance that the general statement of principle about disregarding previous convictions should remain as part of the Bill and that some other way should be found of overcoming any ambiguity or inconsistency between that and the terms of subsection 3(*a*).

I say that because one of the foundation arguments that was used in Committee was that the Royal Commission said:

"Accordingly, the grant of legal aid should not depend on the accused person's criminal record."

That was common ground among all parties and clearly it was important to put that on the record, particularly —I say this with no malice—because there has been a suggestion in the original consultative paper, which I think was something of an Aunt Sally, put up to be shot down, that the number of occasions on which an accused had applied for legal aid in the past might be a consideration in whether his most recent application should be granted.

We had that background of doubt and against it it is important that the general point about previous convictions should stand in the Bill. It is on that basis that I argue strongly against amendment No. 28 in the Minister's name. I notice that the Law Society in its briefing for the debate described that amendment as

"hastily conceived, wrongly inserted and ill serves the spirit of the clause within the Bill".

I endorse that view.

I hope that I have reasonably clearly set out the arguments. I am suggesting that we should go back to the Minister mark 1—the Minister who was apparently in charge in Committee until someone got at him at a later stage. We invite him to consider a version of amendment No. 29, or amendment No. 30 in my name, on the basis that they carry out the spirit of his commitment not to excise lines 18 and 19 but to find a way round the difficulties to which I have referred.

The proposition that we should leave in

"but the Board shall not take account of any previous convictions or any other findings of guilt against the accused."

and add to that the words

"except when considering an application under sub-section 3 (*a*) above."

is a simple straightforward and effective way of meeting the difficulty and still preserving the general point about not taking account of previous convictions, which I think commended itself to both sides of the Committee.

I do not think that there is a matter of principle between myself and the Minister. I hope that there is not. It is a matter of how we achieve a neat and workable clause. The best way, without sacrificing something of importance, which the Minister's formula does, is to retain the reference and add the important exception in favour of considerations of applications under subsection 3(*a*), which is done by my amendment.

This is an important matter. I do not argue it to hold the Committee for a few minutes late at night. I feel strongly about it. I know that I am supported in that feeling by many hon. Members and people with an interest outside and I am comforted in my argument by the Minister's observations in Committee which I believe were good.

Mr. Fairbairn: I sympathise with the hon. Gentleman's view and I think that the Government's amendment will achieve the reverse of its intention. However, how would the official ever come to a conclusion about whether a prison sentence was likely to result from a conviction unless he considered the person's previous record? If he

said, "This offence only involves throwing a stone at a pigeon," he would have to add, "But let us see what this person has been doing previously." It seems to me that in almost all cases a person's record would have to be considered.

12 midnight

Mr. Dewar: I understand what the hon. and learned Gentleman is saying and I do not think that there is anything between us. It would be possible to argue that the retention of the general point about not taking account of previous convictions is struck at by the implication in subsection (3)*(a)* that in the consideration of the likelihood of a prison sentence a person's previous record will have to be weighed in the balance.

The important distinction is that my amendment would make it clear that an exception to the general rule about not taking previous convictions into account when deciding whether legal aid should be granted would be a narrow exception that was entirely related to the consideration of the likely loss of liberty and that, in general terms, when applying other criteria or when taking an overall view of the interests of justice, the official, the solicitor, the committee or whoever, would have to put that information from their minds.

It may be said that that distinction is artificial and that once that fact was before the committee its members could not put it from their minds, but we often ask members of juries to put facts from their minds and we do not think that that strikes at the nature of the system. There are many legal occasions when men of legal training and skill have to put facts to one side when considering a decision. I hope that it will not be beyond the discipline of the board to go through the same process.

I should like to preserve the general reference to the importance of disregarding previous convictions and make them relevant only in the narrowly defined exceptions set out in my amendments and those of Liberal Members. I certainly prefer that to the Minister's solution, which is the easy way out of merely excising the reference to the general principle.

I urge the Minister to look at the matter sympathetically. It is an issue of substance and I hope that he will give a positive reply.

Mr. John MacKay: I underline what the hon. Member for Glasgow, Garscadden (Mr. Dewar) said at the beginning of his speech. The list that we are considering is not exhaustive and cannot be a definition. We are not defining the interests of justice, but are setting out factors to be taken into account. The words "shall include" are clearly on the face of the Bill.

When we discussed the concept in Committee on 1 July I gave an undertaking to look again at my amendments to clause 24 setting out those factors, and Government amendment No. 28 responds to the disquiet expressed in Committee about the interaction between the interests of justice factor in subsection (3)*(a)*, which refers to the likelihood of an accused person losing his liberty or livelihood on conviction, and the tailpiece to subsection (3) which says that previous convictions or findings of guilt are not to be taken into account.

My amendment deletes the requirement that the board shall not take account of an applicant's previous conviction or convictions or any other finding of guilt against him. The tailpiece was in line with the recommendations in paragraph 8.55 of the report of the Royal Commission on Legal Services in Scotland and also took account of strongly expressed response to my Department's consultation paper that previous convictions should not be taken into consideration in the awarding of criminal legal aid. I listened carefully to the argument — and I understand it — that those with previous convictions are more likely to go to gaol and that such accused should be allowed to refer to their previous convictions in support of an application for criminal legal aid, but only if they wish to mention them. The amendment leaves the options open by deleting the tailpiece. An accused will, no doubt, be advised by his lawyer whether it is likely to be in his interests to draw the board's attention to the existence of previous convictions. It remains clear that the mere fact of a previous conviction is not put forward as a factor for the board's consideration.

Mr. Dewar: This is interesting, but alarming. The Minister seems to be saying that the applicant and his solicitor must weigh up the pros and cons of mentioning previous convictions. They can mention them and so strengthen the possibility of getting legal aid and because liberty is at risk, or not mention them on the ground that it would prejudice the legal aid board's view. I do not like that implication.

If that is the Minister's view it is important that it is in the Bill. I do not want that unfortunate Hobson's choice to be presented to the defence. The White Paper made us fear that previous convictions might become a factor in whether an accused is allowed legal aid. My point reinforces strongly the good sense of approaching the problem in the way that Opposition Members suggest.

Mr. MacKay: I see the hon. Gentleman's point, just as I saw the point of the hon. Member for Glasgow, Cathcart (Mr. Maxton) in Committee. Perhaps I was in error in deciding to accede to the hon. Gentleman's request. I resisted the argument for a long time.

I shall try to explain. The lawyer must decide whether previous convictions are relevant to the offence before the court. Previous convictions might be quite different. A motoring offence might be being considered and the previous convictions might be under the freshwater fisheries legislation. The lawyer might decide that previous convictions are irrelevant and do not influence the court when imposing a sentence. But that balance might change when the court takes previous convictions into account. The lawyer makes the judgment.

Mr. Fairbairn: The applicant might not be advised by a lawyer and the lawyer will be in a dilemma if the applicant has a previous conviction for culpable homicide and is charged with careless driving or breach of the peace. Will he mention the previous conviction or keep it quiet? The essential principle is that legal aid should not be refused on the basis of a chap being a criminal before and therefore likely to be guilty on another occasion. That has nothing to do with whether he is likely to be imprisoned for a contravention of the litter legislation, or of whatever other minor offence he might be accused. I beg my hon. Friend the Minister to reconsider the issue that the board shall not take account of

"any previous convictions or any other findings of guilt"

against the accused in its determination of whether he should get legal aid. That is the point. He must be regarded as innocent when the final decision is made.

Mr. MacKay: I see the argument, but I wish that hon. Members had not put an argument the other way round in Committee.

Mr. Dewar: They did not.

Mr. MacKay: Oh yes they did. I was there. The hon. Member for Glasgow, Garscadden (Mr. Dewar) was not. I can tell him.

Clause 24(3), as modified by amendment No. 28, achieves the purpose of amendment No. 14 and, as I understand it, what hon. Members wish to achieve. Under subsection 3*(a)* as it stands, the board, in considering the likelihood of a custodial sentence, will be both entitled and obliged to take into account, apart from previous convictions, all the circumstances of the offence and of the accused himself—anything which a court, if he is found guilty, will take into consideration in sentencing him. We all agree on that. Amendment No. 28 further ensures that the board is able to take the accused's previous record into account, as was pointed out in Committee, because previous convictions may be very relevant to the likelihood of a custodial sentence on this occasion. Nobody disagrees with that as I understand it.

Mr. Wallace: I do not think that there is much that separates us on this issue. My amendment, and the amendment in the name of the hon. Member for Glasgow, Garscadden (Mr. Dewar) makes previous convictions relevant, solely for the purposes of subsection 3*(a)*. In other words it acts in a positive way to ensure that a person gets legal aid. By retaining lines 18 and 19 at the same time we wish to ensure that the knowledge of previous convictions cannot act in a negative way. By accepting either my amendment or that of the hon. Member for Garscadden that purpose is achieved. It allows previous convictions to be taken into account for the purposes of considering whether a sentence is likely to be one of imprisonment, in other words to enhance a person's chances of getting legal aid, but makes it clear that the previous convictions are to have no other sway on the board and are certainly not to have any negative influence in determining whether legal aid should be granted.

Mr. MacKay: The fact that my amendment takes out the tailpiece does not mean that the board shall take into account previous convictions in the way that hon. Members seem to fear. The fears being expressed that the board might refuse legal aid because a person has previous convictions are thoroughly misplaced. I have not said that. In Committee I was persuaded that there was a danger in the way in which the Bill was worded. I am satisfied that Government amendment No. 28 meets the concerns that were expressed on that occasion and does not take us into the concerns that are being expressed tonight. The only circumstances in which the board has to take account of previous convictions are the ones I have outlined.

Mr. Dewar *rose*——

Mr. MacKay: I made the point earlier that there is no obligation on anyone to inform the board of his or her previous convictions. That was a fear expressed on a previous occasion in response to a discussion document earlier. The board will not have a record of anybody's previous convictions unless the person involved feels that it is relevant to 3*(a)* and to the likelihood of being sent to prison if found guilty of the offence.

12.15 am

Mr. Dewar: To some extent, the Minister has made difficulties for himself. If he is right in saying that there is no reason for fearing that previous convictions will colour the board's approach to the general proposition that legal aid should be granted in a particular case, why did he raise the issue of the difficult choice of whether to let the board know about previous convictions? That fear was specifically in the Minister's mind when he suggested that someone might be well advised not to rely on subsection (3)*(a)* and instead to hide the fact that there are previous convictions. The Minister cannot get out of that difficulty. This underlines that he was right in Committee to say that it was necessary to find another way of reconciling the general prohibition on considering previous convictions and the specific circumstances outlined in subsection (3)*(a)*. The Minister has not told us why he has changed his mind. He has not explained to me why my fears are spurious given the arguments that he has been advancing.

Mr. MacKay: I have changed my mind on listening to the discussion that took place in Committee and thinking about it afterwards. I took on board the simple argument that in some circumstances the fact that an accused has a previous conviction may have a major bearing on the danger of him being sent to prison if he is found guilty. That seems perfectly clear. I decided that the easiest way to respond to that justifiable fear was to remove lines 18 and 19. It appears that hon. Members are frightened that that will lead to the other extreme, and I have made it as clear as I can that it does not. That could be envisaged only if an applicant were obliged to tell the board what his previous convictions were. The applicant will tell the board about his previous convictions only if he and his lawyer—I accept that there will not always be a lawyer —think that that is something that the board should take into account when it is judging whether he may be sent to prison if he is found guilty.

Mr. Maxton: The Minister seems to be being especially obtuse on this issue. We all agree that the words in question in subsection (3)*(a)* should not be taken into account. Paragraph *(e)* reads:

"the defence to be advanced by the accused does not appear to be frivolous."

In that circumstance one can think of cases where it would be wrong for the board to take account of previous convictions. The accused might have said on three occasions in the past, "No, it wasn't me. I have an alibi", and the court has said, "You have not. We do not agree with you." If the accused claims for the fourth time that he has an alibi, the board might say, "He is saying it again and it is a frivolous defence." Of course, the fourth time might be the time when there is an alibi. The Minister is right to take account of subsection (3)*(a)*, which we are asking him to do, but what about the other four paragraphs? That is why we think that the amendment should be limited to paragraph *(a)*.

Mr. MacKay: I have made it as clear as I can why it is my view and that of my advisers that the danger which is being exposed by hon. Members does not exist and that the concession that I am making to the request made to me in Committee meets the objective put to me by the hon. Member for Glasgow, Cathcart (Mr. Maxton) and others. I understood the objective and took it on board, and I have met it without exposing the applicant to the danger which are being rehearsed.

Mr. Fairbairn: With great respect to my hon. Friend the Minister, I caution him on this matter. I do not think that this was a discussion in which I was a protagonist—

Mr. Maxton: Are you sure?

Mr. Fairbairn: I am not sure about that and I am willing to be corrected. It is important that we establish the principle and leave in the words

"the Board shall not take account of any previous convictions or other findings of guilt against the accused."

It is not a question of whether one's lawyer cares to advance the matter. These matters are frequently notorious. It was part of the argument in the Meehan case that the defendant was guilty because he had given the explanation of picking up people in the north of Scotland when he broke into a petrol station. He was convicted of that and because he gave the same explanation again — which was notorious and would undoubtedly be known to the legal board—he must be guilty. That explanation was even drawn into the Hunter report.

I hope that my hon. Friend the Minister will understand that it is absolutely essential that that should be excluded as a concept in principle. It is matter of argument whether that should be dealt with in *3(a)*. I would be surprised if the board relied on the information that it received to decide on the matter, rather than deciding on the basis of the information already known to it.

This is important. The lines in the Bill to which the amendment relate, simply state that the presumption of innocence should be presumed. The Government would not be getting into trouble if they accepted—or at any rate agreed to consider—the points made by the hon. Member for Orkney and Shetland (Mr. Wallace) and the hon. Member for Glasgow, Garscadden (Mr. Dewar) and reconsidered the matter. The Minister is beating against an important principle, namely that the lines contain the eventual concept that the board must presume the innocence of the accused whatever his record.

Mr. MacKay: I appreciate the point that my hon. and learned Friend has made. However, if amendments Nos. 14 and 29 were made, the board would have to take into account previous convictions when considering factor of paragraph *(a)*. In turn, that would imply that the accused would have to provide such details. I do not believe that hon. Members want that. We are agreed that if the accused believes these facts to be relevant to the discussion under *(3)(a)* as to whether he may or may not be sent to prison if found guilty, he ought to be able to tell the board that he has these previous convictions so that the board can make a proper assessment. If my hon. and learned Friend the Member for Perth and Kinross had previous convictions and I did not, in my case the board might decide that I would not be sent to prison for an offence even if I was found guilty. It would be different for my hon. and learned Friend who may have a few previous convictions for the same kind of offences. He may be in danger. That was the argument that was put to me. I accepted that, I understand that and I have presented the amendments today. However, I do not believe that the fears expressed by hon. Members about the proposition in the consultation paper that previous convictions should be taken into account are justified other than in the simple case we have already referred to, in that, it increases the chance of an applicant going to prison. The amendment does not go beyond the particular point upon which we are all agreed.

Mr. Wallace: Why were these lines inserted in the first place?

Mr. MacKay: They were inserted simply because the reaction to the proposal in the consultation paper was such that it was felt that they ought to be there.

Mr. Wallace: They are very limited.

Mr. MacKay: I do not think that they are limited, and *(3)(a)* is one of the principal factors. Whether or not someone will be sent to prison if he or she is found guilty is an important factor which the board must be able to consider properly. I have accepted the argument that the board can do that only if someone with previous convictions can give that information to the board and it can take that into account in a positive way. That is the purpose of the amendment.

I understand that hon. Members are frightened that the amendment does more than that, but I assure them that, after much consideration and discussion with my advisers, I am satisfied that my amendment does what I believe it does, not what other hon. Members fear that it does, in addition to what we all want it to do.

In amendments Nos. 15 and 16, I understand the fear that the present formulation might discriminate against those not currently in employment. However, the amendments are too nebulous. Conviction for all but the most trivial offences could be represented as impairing a person's employment prospects at some time in the future. Therefore, the test could be interpreted so as to cover almost any accused. It is not justifiable to make criminal legal aid available for offences which are minor in themselves and in their effect on the accused.

However, if it was interpreted more narrowly, there would still be the problem of assessing what employment prospects were relevant. The board will be perfectly entitled, and I should expect it, to take into account the likely effect on the prospects of employment where, in special circumstances, it was of special relevance. As the hon. Member for Garscadden said, we are not defining the interests of justice, we are simply listing some factors. It is not an exhaustive list. If, in the opinion of the board, considering the applicant and the case, other factors are relevant, the board will take them into account.

It is not desirable to have a specific provision, because it cannot be written other than very vaguely.

Mr. Wallace: I have listened to the Minister's reply and to the exchanges which have taken place, and I remain unconvinced. On employment factors, we all know of cases where the plea in mitigation is that the accused has a reasonable prospect of gaining employment, which could be knocked on the head if he is imprisoned. Since we are excluding that, the signal might go out to the board—despite what the Minister says here—that that was not a proper factor for it to consider. It is regrettable that he has not accepted the amendment.

What is more fundamental is the Minister's intransigence with regard to the amendments in my name and in the name of the hon. Member for Glasgow, Garscadden (Mr. Dewer). None of them undermines the principle which we have been trying to uphold. Indeed, they show concisely what was in the mind of the Committee. The Minister accepted that those two lines were inserted in the Bill because widespread anxiety had been expressed. By removing them from the Bill, he gives rise to that anxiety

[Mr. Wallace]

once again. I invite hon. Members on both sides of the House to join us in the Lobby in support of the amendment.

Question put, That the amendment be made:—

The House divided: Ayes 13, Noes 40.

Division No. 256] **[12.28 am**

AYES

Beith, A. J.	Maxton, John
Bermingham, Gerald	Raynsford, Nick
Clelland, David Gordon	Steel, Rt Hon David
Dewar, Donald	Wilson, Gordon
Evans, John *(St. Helens N)*	
Foulkes, George	Tellers for the Ayes:
Hughes, Simon *(Southwark)*	Mr. James Wallace and
Kennedy, Charles	Mr. Archy Kirkwood.
McKay, Allen *(Penistone)*	

NOES

Ancram, Michael	Needham, Richard
Blackburn, John	Neubert, Michael
Boscawen, Hon Robert	Nicholls, Patrick
Cope, John	Norris, Steven
Douglas-Hamilton, Lord J.	Page, Richard *(Herts SW)*
Durant, Tony	Pollock, Alexander
Fairbairn, Nicholas	Rathbone, Tim
Fraser, Peter *(Angus East)*	Rhys Williams, Sir Brandon
Garel-Jones, Tristan	Rifkind, Rt Hon Malcolm
Gregory, Conal	Rowe, Andrew
Hamilton, Hon A. *(Epsom)*	Sayeed, Jonathan
Hargreaves, Kenneth	Spencer, Derek
Hunt, David *(Wirral W)*	Stern, Michael
Jones, Gwilym *(Cardiff N)*	Stewart, Allan *(Eastwood)*
Lennox-Boyd, Hon Mark	Thompson, Donald *(Calder V)*
Lloyd, Peter *(Fareham)*	Thurnham, Peter
MacGregor, Rt Hon John	Wolfson, Mark
MacKay, John *(Argyll & Bute)*	Wood, Timothy
Malone, Gerald	
Mather, Carol	Tellers for the Noes:
Maxwell-Hyslop, Robin	Mr. Tim Sainsbury and
Merchant, Piers	Mr. Francis Maude.

Question accordingly negatived.

Mr. Wallace: I beg to move amendment No. 17, in page 17, line 8, leave out 'substantial' and insert 'non-frivolous'.

Mr. Deputy Speaker (Mr. Ernest Armstrong): With this, it may be convenient to take the following amendments: No. 18, in page 17, line 8, leave out 'substantial' and insert 'positive'.

No. 19, in page 17, line 8, after 'of evidence', insert 'or procedure'.

No. 20, in page 17, line 8, at end insert 'technical, confused'.

No. 24, page 17, line 17, at end insert—

(f) the facts and circumstances surrounding the charge or charges are complex or confused.'.

Mr. Wallace: These are somewhat technical but nevertheless important amendments concerning the interests of justice. Many of us would rather that there was no requirement that the interests of justice should be satisfied before the granting of criminal legal aid in summary proceedings. We accept, however, that such factors are part of the law and hope that we can make amendments to improve them. Amendment No. 17 concerns clause 24(3)*(b)* which provides:

"the determination of the case may involve consideration of a substantial question of law, or of evidence of a complex or difficult nature".

We are proposing that the word "substantial" should be deleted and the word "non-frivolous" inserted. Frivolous is a word that is not entirely common in our statutes—certainly not in Scotland—but the Government have set the precedent in subsection (3)*(e)*.

This is important because the Government are proposing a relatively high test—

"a substantial question of law"—

before the applicant is entitled to have legal representation. If any question of law is to be involved, it seems only fair that an accused person should have the right to legal representation. One would like to see equality of arms without any reference to the interests of justice, but when we introduce matters of a legal nature it seems unfair that the accused individual should not have the benefit of legal advice and representation in preparation for his trial.

Amendment No. 19 relates not only to the question of evidence but to cases in which an accused person gets into difficulties as a result of the procedures.

Amendment No. 20 relates to cases where the evidence or procedure is not only difficult and complex but technical. We are again dealing with an individual who is charged with a criminal offence, and it is only fair that he should have the advantage of legal representation if matters of a technical nature—which he could not be expected to understand—are involved.

Amendment No. 24 extends that to the facts and circumstances surrounding the charges, not simply to narrow questions of evidence or procedure. These are perhaps limited and small amendments, but they are intended to be advantagous to the person who stands accused and who otherwise would not have the benefit of legal representation.

Mr. Dewar: We can now get back to the even tenor of our ways after the excitements of the Division. I am sure that hon. Members, particularly on the Conservative Benches, are grateful to the Liberals for calling that vote, as it has proved that they are alive and well and doing their duty—all 40 of them. *[Interruption.]* Government Back Benchers have duties as undistinguished and unromantic foot soldiers in the Lobby—*[Interruption.]* I genuinely did not hear what the Secretary of State for Scotland said. I am not always as fortunate as that. If he goes on like this, I shall have to ask for the protection of the Chair.

I do not want to follow the hon. Member for Orkney and Shetland (Mr. Wallace) through the Liberal suggestions, which he described as modest. I notice that one amendment seeks to import into the Bill the words "technical" and "confused". That had a certain symbolic importance that I found quiet attractive. I was also attracted to the amendment that put "procedure" after the work "evidence". That may be because I remember the headings of the examination syllabus at Glasgow university many years ago.

I wish to speak to amendment No. 18, which stands in my name. This strikes at a point raised by the hon. Member for Orkney and Shetland, when he referred to the use of the word "substantial" in relation to

"a substantial question of law",

as one of the criteria that should be taken into account in deciding whether legal aid should be granted. I believe that the word "substantial" might give rise to difficulty.

I must confess that despite the engaging precedent in subsection (3)*(e)*, which contains the word "frivolous", it does not strike me as being entirely suitable. When one adapts it to "non-frivolous" it does not have the right ring. It is a liberal word and does not appeal to me in any way.

12.45 am

My suggestion is that there is, perhaps, some virtue in removing the word "substantial" and inserting "positive". All these phrases are subjective in their definition, but clearly there is an invitation to the Legal Aid Board in the word "substantial" to take into account only questions of law of some weight. The board may look at it from the point of view of a lawyer in practice rather than as a layman. Questions of law may not seem profound to a solicitor and, indeed, may well be the stock in trade of a solicitor in daily practice. If that test were applied, a solicitor in daily practice may say that the provisions of the Prevention of Crime Act 1953 for the adaption of a weapon were hardly a substantial question of law. If that line were taken and the accused were left unrepresented, that person could not be reasonably expected to wrestle with that point. The same point could properly be made about the law of reset or the doctrine of recent possession.

I see that the Solicitor-General for Scotland has appeared and taken his place. He will take my point. All those matters may reasonably be said not to be substantial, but they are important for the defence, if they are grasped, and if the defence is unrepresented, those matters would probably not be grasped and properly put. To overcome that it would be fairer and more sensible to insert "positive" as a qualification on the question of law that might arise.

Mr. Fairbairn: The hon. Gentleman will remember the case of the taxi driver who kept a tool of trade in his cab but was nevertheless convicted of contravention of the Prevention of Crime Act. Nobody would think that was a substantial matter, any more than they would think it was a substantial matter to argue whether a skean-dhu would be in contravention of that Act.

Mr. Dewar: The hon. and learned Gentleman is making my point perfectly fairly. There are all sorts of concepts in that area, for example about intention, which might arise and would be simple enough to a solicitor who knew the game, but which would go wholly unremarked by a client if he were unrepresented.

There is no point in making the point again and again, as I am sure that the Minister has grasped it. I should like him to say how he imagines the board would interpret the phrase. Let us imagine that the Minister lost his seat in Argyll and on the rescue operation principle for which the Conservative party is noted found himself sitting on the Scottish Legal Aid Board. How would he interpret "substantial" in connection with a question of law? How would the word "substantial" measure against recent possession, reset and the Prevention of Crime Act? They are three of the most obvious examples in this area. Would he not admit that it might be fairer slightly to downgrade the qualification to a positive question of law rather than to retain the word "substantial"? I await with interest the Minister's remarks.

Mr. John MacKay: I shall resist following the hon. Member for Glasgow, Garscadden (Mr. Dewar) down the road on which he invited me to go with the suggestion that I might end up on the Legal Aid Board. I shall have to rest on my previous statement, which is that I shall not say much about what the Legal Aid Board should do in detail, because if I do I shall be accused of giving it instructions, or guidance.

Our discussion is about "substantial" versus "non-frivolous" or "positive". I am not a lawyer, but I would have thought that all legal proceedings involved "questions of law". The distinction is that we are suggesting that the word "substantial" should be in here. Hon. Members have suggested that there should be some qualification, and the two suggested words are "non-frivolous" and "positive".

I cannot recommend amendment No. 17, because it is a fairly inelegant formulation, even if the hon. Member for Orkney and Shetland (Mr. Wallace) firmly rests on the fact that I use the word frivolous in another context later on. "Positive" raises the question of negative questions of law. If there can be a positive question, there can be a negative one. The concept of a "substantial" question of law is well understood and well-precedented, and it is reasonable in this context to use that as the qualifying word for a question of law.

Mr. Dewar: I recognise that the Minister does not wish to be seen to be anticipating the decisions of the board, but I am not asking him to make a decision in the normal sense of the word. If the term "substantial" is well understood, perhaps the hon. Gentleman would like to tell us what he means by it? I wanted to help him by giving three sectors that are highly relevant and which will turn up frequently in applications. Does he think that they constitute substantial questions of law?

Mr. MacKay: That is up to the board to decide. If I were to start laying down, even at this late hour, what I think the board should be looking at on this or any other issue, hon. Members would rightly say that I was attempting to give the board guidance beyond that which I have said all along I would not be prepared to do. The board must look at these cases.

Every question is a question of law. The Bill points the board towards looking at those that are substantial, but it must decide. It is the only body that can decide what is or is not a substantial question of law.

Amendment No. 19 would cause the paragraph to refer to the

"consideration of . . . evidence or procedure of a complex or difficult nature."

Merely as a matter of drafting, that seems to me an unsatisfactory formulation. It is possible for difficult questions of law to arise in relation to criminal procedure, but that, as I think the House will know, is already covered by the first part of paragraph *(b)* in its present form. Amendment No. 20, again, seems to miss the point. The fact that evidence is technical will either make it difficult or it will not. If it does, it is already covered. If it does not, it is difficult to see why it is a factor which particularly points towards a need for legal aid.

As to amendment No. 24, if the facts and circumstances surrounding the charge are complex or confused, it seems likely that that will result in consideration of complex or difficult evidence being involved, so that paragraph (*b*) will come into play. The same applies to the reference to "confused" in amendment No. 20. The proposed new paragraph would certainly overlap with paragraph (*b*) in a confusing way, but where there were special circumstances which made it desirable in the interests of justice that legal aid should be available, the board would of course have to take account of them. I emphasise again that the specified factors are not the only factors which must be taken into account—the list is not a restrictive one. The test remains, as it always has been, whether it is

[Mr. MacKay]

in the interests of justice that legal aid should be made available. Therefore, I hope that the hon. Gentleman will withdraw his amendments.

Mr. Fairbairn: My hon. Friend the Minister knows that I do not like this clause, and my fondness for it has not been improved by his remarks. I noticed that he substantially avoided the substantial question that he was substantially asked by two substantial Members of the House about what he meant by "substantial."

Mr. MacKay: Positive.

Mr. Fairbairn: I do not know whether my hon. Friend meant "positive." However, he was very positive in being negative about being positive.

It is important that we should not pass over this definition without understanding its implications. It is no good saying that it has no implications or that it has any implications. If substantial means anything — and positive would mean nothing different—either it means something, or it means nothing. That is what I find offensive about it.

It is a fallacy, into which even the hon. Member for Glasgow, Garscadden (Mr. Dewar) fell — possibly because he did not take part in the Committee proceedings —to imagine that the factors to be taken into account by the board in determining whether it is in the interests of justice, will be taken into account by the board. It is not the board that will take them into account. It will be a single official to whom the file goes who will take them into account. It is a fictional board. That may be another example of where one may use the word "substantial". Substantially it is the board, but in fact it is an official. The file will be interpreted by an official.

As for the idea that it will be interpreted by a lawyer or by anyone who has the slightest concept of what is a substantial point of law, what do we as lawyers mean by "a substantial point of law"? We mean a point of substance—in other words, a point that is valid. That is what we mean in law when we talk about a point of substance. We talk about substantial law. There is a branch of substantial law.

Unfortunately, in this clause we have created a variety of both meaningful and meaningless phrases that are capable of any interpretation. That task will not be undertaken by the board. That is not its function. Even if it were its function, we do not know that it is its function, because the Minister has been careful to tell us that we do not yet know what its function is. So let us forget about that. We must be quite clear that when we are dealing with a substantial question of law, we are not talking about anything that cannot be denied by an official who decides to deny it, or about anything that cannot be admitted by an official who does not understand it. I do not know what it means. An official will not know what it means. It is capable of any interpretation whatsoever in any circumstances. It is unfortunate—I say it again and I hope that it will be written into the hearts of this board when eventually it discovers what its purpose is—that here again we have, in just one adjective, an illustration of a meaningless direction, even on the face of the Bill.

I should like to know what an insubstantial question of law is. I have argued many such questions, and won. I have even defended people who stood to suffer the death penalty on what might be regarded as insubstantial questions of law. Therefore, we have to remind ourselves again that the language of the Bill is unfortunate and capable of any interpretation. The warning must go out that the interpretation must be on the side of bureaucracy.

Mr. Wallace: I very much share the view expressed by the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). He has reiterated the difficulties encountered when considering the interests of justice. Although the Minister said that the idea of a substantial point of law was common and well precedented, he refused to accept any intervention that might have asked him to spell out what he meant by "substantial". He has often told us that he does not want to lay down instructions about what the board may or may not do, but I almost think that he is protesting too much. His failure to explain almost amounts to an unwillingness to perform his duties to the House. He has said that a substantive point of law is well documented and precedented, so there is an obligation on him to tell us what is meant by that phrase.

I am

Mr. Fairbairn: The hon. Gentleman made an important lapsus linguae. He referred to a substantive point of law, which is very different from a substantial point of law. A substantive point of law is comprehended, but a substantial point of law is not. Does the Minister mean a substantive point of law? If the factors to be taken into account by the board in the interests of justice include a substantial question of law—it should, of course, be substantive—does it include the certificate that a judge may grant under the Act of Adjournal for additional funds to be granted? That might be an important purpose. It would be a substantial point of law, but not a substantive point of law.

Mr. Wallace: I think that I understand what the hon. and learned Gentleman has said. The Minister said that the phrase was well precedented, but he probably meant "substantive", and I fell into the trap of using the wrong term as a result. I do not think that a substantial point of law is necessarily well documented or precedented. The Minister certainly gave us no idea of the origin of that precedent and was not prepared to expand on it.

The Minister seemed to think that the procedure would be covered by the earlier part of paragraph *(b)*, where if says:

"the determination of the case may involve consideration of a substantial question of law".

Procedure inevitably involves points of law, but the point is that just as evidence is separate from questions of law, so is procedure.

I am disappointed that the Minister has been so negative about these constructive amendments.

Amendment negatived.

Mr. Wallace: I beg to move amendment No. 21, in page 17, line 17, at end insert—

(f) 'the accused has been remanded in custody pending trial.'.

Mr. Deputy Speaker: With this, it will be convenient to discuss the following amendments: No. 22, in page 17, line 17, at end insert—

'*(f)* the accused supplies with his application a detailed statement of his defence which if held true by the

Court would be bound to result in the accused's acquittal of all or any of the charges libelled or in the deletion of any material part of a charge.'.

No. 23, in page 17, line 17, at end insert—

'*(f)* that the nature of the defence involves the tracing and interviewing of witnesses or the expert cross examination of a Crown witness.'.

No. 25, in page 17, line 17, at end insert—

(f) the accused is charged in some special capacity within the meaning of section 312*(x)* of the Criminal Procedure (Scotland) Act 1975.'.

No. 26, in page 17, line 17, at end insert—

'*(f)* it would be unlawful or inappropriate for the accused to seek to prerecognise a Crown witness.'.

No. 27, in page 17, line 17, at end insert—

(f) the conviction might involve substantial prejudice in related civil proceedings (whether actually anticipated, contemplated or could be anticipated).'.

Mr. Wallace: These amendments again relate to factors that should be taken into account when the board determines whether any application for criminal legal aid in summary cases is in the interests of justice. The amendment states that it would be in the interest of justice for legal aid to be granted if the

"accused has been remanded in custody pending trial".

At present, under clause 22, if a person is in custody and is being prosecuted under summary procedure, he is automatically granted legal aid if he has tendered a plea of not guilty, and if he has made application to the board for legal aid in connection with those proceedings. Legal aid is automatically available to him until his application has been determined by the board.

The amendment seeks to make it a relevant factor—because of the Government's scheme it can be no more than that—for the board to consider that the accused has been remanded in custody pending trial, and, by implication, is unlikely to be liberated from custody until such time as his trial takes place.

That is an important amendment, put forward in a non-partisan way, and I hope that the Minister will consider it favourably. When we discussed it in Committee he was unable to give any satisfactory answer to the simple question of how, if one does not have legal representation, one goes about preparing a defence from prison? The things that must be done in preparing a defence, not least taking prerecognitions from witnesses, all involve some degree — *[Interruption.]* I do not know whether the Minister is suggesting that I should wind up or carry on. If he tells me that he will accept the amendment I shall be only too pleased to wind up quickly.

If somebody is in custody, preparing himself for trial, he should at the very least have legal aid to enable him to do it properly. If he is to be prosecuted by a lawyer who will have had all the advantages which go with that, his not having legal aid in such circumstances is virtually to expect him to defend himself with one hand tied behind his back.

Amendment No. 22 says:

"the accused supplies with his application a detailed statement of his defence which if held true by the Court would be bound to result in the accused's acquittal of all or any of the charges libelled or in the deletion of any material part of a charge."

That was canvassed in Committee. It requires a detailed statement of the defence so that one which says, "It wasn't me" or "I wasn't there" would not be sufficient. The Minister's response to that in Committee was that every cock-and-bull story under the sun would be put forward. With respect, it is not for the Minister or the board to determine what is or is not a cock-and-bull story. That is, in a summary case, properly the province of the sheriff or possibly the lay magistrate. It is for him to determine whether the defence put forward by the accused is a cock-and-bull story. For the board to in some way determine that involves a degree of subjective judgment which would not be welcome.

Amendment No. 23 says:

"that the nature of the defence involves the tracing and interviewing of witnesses or the expert cross examination of a Crown witness".

Again, that almost speaks for itself. The person who does not have legal assistance and all the advantages that go with that could well be put at a disadvantage if the preparation of his defence involved considerable work in trying to track down witnesses. In particular, if there was an expert cross-examination of a Crown witness.

Amendment No. 25 says:

"the accused is charged in some special capacity within the meaning of section 312*(x)* of the Criminal Procedure (Scotland) Act 1975."

That includes, for example, where someone might be charged in the capacity of a licence holder, the master of a ship or the occupier of a house, not a person in any straightforward individual capacity but where there is some additional complicating factor. That may not be sufficient in the eyes of the board to qualify under any of the headings in part III, but nevertheless it puts someone into a slightly different position for which legal aid would seem to be fair.

Amendment No. 26 says:

"it would be unlawful or inappropriate for the accused to seek to prerecognise a Crown witness."

It can happen as a condition of bail that a person is not allowed to go anywhere near, let alone, speak to and take prerecognition from, a Crown witness. If he is not allowed legal representation, how in the world is he meant to prepare a proper defence? I hope that the Government will accept the amendment. It would not drive a coach and horses through the factors. The Minister has often said that his list of factors is not exhaustive and I believe that the amendment would improve the list.

It has been put to me that perhaps the last part of amendment No. 27, which refers to civil proceedings that could be anticipated, goes too far and if the Government will consider the principle, I shall draw back from having it expressed so widely. However, it is a matter of considerable relevance if a person charged with, say, a DHSS fraud involving a considerable sum pleads guilty, but it turns out that the sum involved is actually much less. There are cases where a conviction for an offence carries considerable weight in subsequent civil proceedings. A person could be seriously prejudiced if a charge went through because he had not had the benefit of legal advice.

Mr. Fairbairn: Surely a much more obvious example is the fact that under road traffic legislation a conviction can be taken as evidence in civil proceedings.

Mr. Wallace: The hon. and learned Member anticipated my next point. Perhaps the Minister feels that the amendment would open the legal aid door too wide, but if a conviction is virtually conclusive in ensuing civil proceedings, a significant sum of damages could be awarded against a person and have as much effect on his livelihood as the provisions in the clause. It would seem only right that such a person should have the benefit of

[Mr. Wallace]

legal representation. I hope that the Minister will respond more constructively to these amendments than he did to the previous group.

Mr. Dewar: The hon. Member for Orkney and Shetland (Mr. Wallace) is an eternal optimist. I do not hold out much hope of a more positive response from the Minister.

I sense a slight feeling in the House that the debate is outstaying its welcome and we still have to deal with the important amendment No. 36. That will take some time, so I shall not indulge in list-building with the hon. Member for Orkney and Shetland, but I cannot resist saying that if the Government's business managers had listened to suggestions that this business could have been disposed of between 7 pm and 10 pm, we might have had a more concise debate. I fear that it takes considerably longer if we start at this strange hour of the night.

I shall not work my way laboriously through the list. All the factors come from the equality of arms stable, moving towards the principle that professional should be pitted against professional, which the Law Society endorses. Many cases are not brought to trial, but are diverted into other areas and it is said that when the procurator fiscal is on one side, there should be legal representation on the other. I do not go that far, but some factors mentioned by the hon. Member for Orkney and Shetland are valid and I hope that they are the sort of matters that could be added as necessary when individual cases are being scrutinised.

1.15 am

We could spend time scrutinising. I am fascinated by Amendment No. 22 which adds

"the accused supplies with his application a detailed statement of his defence which if held true by the Court would be bound to result in the accused's acquittal".

I do not think that we need that. It asks for more than, "It was nae me." There must be an explanation of why "it was nae me." That problem is covered by subsection (3)*(e)* which states:

"the defence to be advanced by the accused does not appear to be frivolous".

If a man explains what he was doing, he does not need a special defence but just to explain that he was not there and knows nothing about the offence. That cannot be described as a frivolous defence. It is a relevant and complete defence, if it is believed.

Amendment No. 23 states:

'that the nature of the defence involves the tracing and interviewing of witnesses or the expert cross examination of a Crown witness.'.

Any case which goes to trial and is properly prepared will involve Crown witnesses. Some solicitors would argue that even when a plea of guilty is likely to be entered, the Crown witnesses should be investigated to see whether the case stands up before the client pleads guilty. The Minister might say that amendment No. 23 might allow legal aid to be given in every case. There might be problems about that.

It is obviously unlawful to approach Crown witnesses, but I must comment on amendment No. 27, with which I sympathise. It says that

"the conviction might involve substantial prejudice in related civil proceedings".

To say that proceedings "could be anticipated" takes the suggestion very broadly.

The point is substantial. We have discussed DHSS fraud. The adjustment to a plea is often an important service to the system, not just to the accused, but to the Crown. In complicated fraud cases, and smaller cases in terms of the sums involved, establishing the figure can be of importance. Amendment No. 27 has merit and my endorsement of it will gather strength from the fact that I have not urged the Minister to take all the others as a job lot. The amendments are worthy.

Mr. Fairbairn: Let us suppose that the Legal Aid Society is confronted by someone who says, "I didn't do it" and Crown evidence says that he did. That cannot be regarded as a frivolous defence. It is a substantial defence.

Mr. Dewar: I tremble to ask the Minister to consider the definition of "frivolous" because I shall be told that that impinges on the proper role of the House and that he is mute on the subject.

The hon. and learned Member for Perth and Kinross (Mr. Fairbairn) tempted me. I imagine that he is wrong in assuming that the Legal Aid Board would have evidence from the Crown. Presumably it would have nothing from the Crown in the same way as, at the moment, a sheriff merely has the complaint in front of him and the legal aid application and anything that may be said on behalf of the application. I may be wrong because I have not been through the Committee proceedings, but it did not occur to me that the Crown would be submitting evidence or that something like the summary to the fiscal would be available to the Legal Aid Board in considering an application.

The Minister might clarify that point. I assumed that that would not be so. Therefore, I agree that the term "frivolous" is difficult to envisage because clearly, if someone is denying the offence in the circumstances I have described by saying "I do not know anything about it. It must be mistaken identity. I was not there. I cannot give any details of the offence because I was not involved", it cannot be frivolous, whatever else it may be. It may turn out that the man is a blackhearted liar but it is certainly not a frivolous defence. If it stands up it is as good a defence as it is possible to imagine. I am not clear about the meaning of the word frivolous in subsection 3(e) or about the circumstances that are envisaged. If the Minister wishes to break the habit, I will not say of a lifetime, but of the life of the Bill, and give us some helpful information on that point I would be grateful.

Mr. John MacKay: Amendment No. 22 would appear to suggest that the production of a detailed but obviously totally spurious statement should be a factor that might support the grant of legal aid. Yet it is perfectly possible for an accused person to have a defence which is not a frivolous one but as to which he cannot produce any detailed statement, or his defence may simply be that he did not do it.

On amendment No. 23, which derives from one of the tests suggested by the Widgery committee for England and Wales, we share the view which was put by the Law Society of Scotland to the Royal Commission on legal services in Scotland, and which was accepted by that commission, that the formulation was not acceptable, since almost any case could be presented in such a way as to justify it. The real point which arises is dealt with in a clearer and more effective way by paragraph *(b)*, which takes account of the

possibility of complexities of evidence being involved, whether in preparation of the case or as requiring expert cross-examination.

Amendment No. 25 suggests that the mere fact that the accused is charged in a special capacity should necessarily be a factor supporting the grant of legal aid. I accept that in some cases such a special capacity will complicate matters, but that will not by any means always be the case. Where it is, the board will certainly be able to take account of it. Again, paragraph *(b)* will point it in that direction.

I have similar objections to amendments Nos. 26 and 27. Each refers to matters which, it is argued, could in particular circumstances be relevant to the board's consideration of the interests of justice. However, they are imprecise and are not of general application. For example, how is the board to judge that it is "inappropriate" for the accused to precognosce a Crown witness or know whether related civil proceedings are likely? It is true that the facts on which someone is convicted on a criminal charge could involve civil consequences which may be quite serious. For example, it could lay someone open for an action for damages. However, the civil consequences may be quite trivial in relation to the criminal charge. In such cases the decision should, in general terms, primarily depend on the criminal charge, not on the civil consequences. The difficulty with amendment No. 27 is that although it refers to substantial prejudice in civil proceedings, it makes no mention of whether the civil proceedings are of comparative importance in themselves or in relation to the criminal charge. Therefore, it seems better to leave the board to take into account any civil proceedings, if relevant, together with anything else that is relevant.

I again emphasise that the list of factors is not exclusive. The board's duty is to decide whether the grant of legal aid will be in the interests of justice, and in doing so it will take all these matters into account in so far as they are relevant.

Amendment No. 21 proposes that the fact that the accused has been remanded in custody pending trial should be a factor taken into account by the board in determining whether the interests of justice criterion is met. This would clearly be an important consideration for the board, whether it is specified on the face of the Bill or not. I was trying to show the hon. Member for Orkney and Shetland (Mr. Wallace) that if he speeded up he might hear some good news because, on that basis, there is something to be said for spelling it out and I accept amendment No. 21 but not, I regret to say, the rest.

Mr. Wallace: I tried to tell the Minister that such a response would have the effect of shortening my remarks. I am grateful to him for accepting amendment No. 21. I heard what he said about the other amendments, and I accept that in some instances paragraph *(b)* is sufficient. I regret the hon. Gentleman's attitude to amendments Nos. 26 and 27, but he has suggested that if the degree of importance of the civil proceedings was spelt out there could be an addition at a later date.

Amendment agreed to.

Amendment made: No. 28, in page 17, leave out lines 18 and 19.—*[Mr. John MacKay.]*

Mr. Wallace: I beg to move amendment No. 32, in page 17, line 21, leave out from 'Section' to end of line 23 and insert

'amend the list of circumstances in subsection (3) by adding new circumstances to the list'.

Mr. Deputy Speaker: With this it will be convenient to discuss the following amendments: No. 33, in page 17, line 21, leave out from 'above' to end of line 23 and insert 'by adding new factors to the list'.

Government amendment No. 34.

Mr. Wallace: The amendment is directed to the final part of clause 24(4). As things stand, the Secretary of State could delete any of the factors by regulation. In other words, he could use secondary legislation to delete primary legislation. The Government's amendment would remove the offending words about deletion but would still allow the Secretary of State to amend any of the factors set out in subsection (3).

The purpose of the amendment and amendment No. 33, which stands in the names of the hon. Members for Glasgow, Garscadden (Mr. Dewar) and for Glasgow, Cathcart (Mr. Maxton), is to limit any variation to addition. To allow the Secretary of State to amend or add leaves it open to possibility that he could amend existing provisions out of recognition, or even insert would what could amount to a negative provision. Allowing the Secretary of State to amend only by means of adding would ensure the integrity of the primary legislation.

Mr. Dewar: The hon. Member for Orkney and Shetland (Mr. Wallace) has said that the Opposition's amendment, No. 33, strikes at the same point as the Liberal amendment. The arguments are similar. The Law Society of Scotland took the view—I paraphrase—that clause 24 contained within it the seeds of its own destruction. It was referring to the apparent possibility of primary legislation being changed by regulation. The Government's amendment does something to help by removing the possibility of subtracting one of the factors in clause 24(3). We want to go a little further by stopping the possibility of variation which may be so radical as to destroy. It is a simple issue which has been outlined succinctly by the hon. Member for Orkney and Shetland and I am prepared to leave the matter on that basis and listen to what the Minister has to say.

Mr. John MacKay: Government amendment No. 34, like amendments Nos. 33 and 34, is designed to meet the fear that was expressed in Committee that a power to the Secretary of State to delete factors might lead to the deletion of them all. My amendment would provide for existing factors to be amended or new ones to be added, whereas the other two amendments would confine the power to the addition of new factors alone.

It is essential that there should be the necessary flexibility to amend the present list. Changes may be required to take account of changes in criminal procedure or practice which mean that the wording of a factor is no longer apt, or it may be that the wording of one factor proves to be ambiguous in some unenvisaged way. Amendments Nos. 33 and 34 seem to assume that any new factors will be completely separate and free-standing. It is surely possible, however, that there will be an overlap between a new factor and an old one, so as to require consequential amendment of the existing factor. Indeed, the number of amendments tabled this evening to the factors in the Bill would seem to support the desirability of a power to amend. Any amendment would, of course, be made by regulations subject to affirmative resolution, and would therefore require the positive approval of both Houses. I therefore recommend amendment No. 34, which I believe meets the concerns which were expressed.

Mr. Wallace: There is not much that can be added to what I have said.

Amendment negatived.

1.30 am

Mr. John MacKay: I beg to move amendment No. 36, in page 17, line 23, at end insert—

'(6) Where a person who is being prosecuted under summary procedure is not represented by a solicitor or counsel and has either—

(a) not applied for criminal legal aid in connection with the proceedings; or

(b) applied for criminal legal aid but been refused it on the grounds that it is not in the interests of justice,

the court at the trial diet may, if it considers that owing to the exceptional circumstances of the case it would be inequitable to proceed with the trial without such representation and without legal aid being made available to him, adjourn the diet to enable an application for legal aid to be made to the Board which shall consider the application expeditiously.

(7) Where the trial of an accused person is adjourned as is mentioned in subsection (6) above, and he has made an application to the Board, criminal legal aid shall be available to him until his application is determined by the Board.

(8) Where any person to whom criminal legal aid has been made available in pursuance of subsection (7) above has his application for criminal legal aid under subsection (6) above refused by the Board on the ground that it is satisfied that subsection (1)*(a)* above does not apply in his case, the Board may require him to pay to the Fund the whole or part of the amount of any sums paid out of the Fund under section 4(2) *(a)* of this Act in respect of the criminal legal aid so made available.'.

Mr. Deputy Speaker: With this we may also consider amendments to the proposed amendment: *(a)* in subsection (6) at end insert

'or alternatively, if it is in the interests of justice that the trial should proceed, grant legal aid forthwith'.

(b), leave out subsection (8).

(c), in subsection 8, at end add

'but in deciding what if any payment should be made the Board must have regard to the circumstances of the applicant and his ability to pay.'.

Mr. MacKay: This amendment fulfils an undertaking that I gave in Committee on 1 July to provide for the exceptional case, where a person who is not legally represented in summary proceedings appears for trial and the court concludes he should be represented—either in his own interests or in the interests of someone else, such as a child witness. Under subsection (6), the court is enabled to adjourn the trial to allow the accused to apply for legal aid—or re-apply if he had previously been refused under the interests of justice criterion. The board is obliged to handle the application expeditiously and we would envisage that it could be dealt with in a couple of days. As I said in Committee, we would not wish to give a court a general power to overrule decisions by the board—or substitute itself for the board—since this could re-introduce the present inconsistencies between courts in the award of legal aid—at least for some types of cases. Reference of the case from the court to the board avoids this difficulty. Where legal aid had been refused by the board earlier, the court would in effect be asking the board to review the case in the light of the court's expressed view that legal aid should be available. However, subsection (7) also provides that automatic legal aid will be available from the date of application until the application is determined, so legal aid will be available to cover the preparation of the defence. Subsection (7) could also be used to ensure that the accused was legally represented if, very exceptionally, the court decided that the trial had to proceed more or less immediately—perhaps because it was undesirable or difficult to recall witnesses for a later diet. Subsection (8) provides for the situation where the board refuses an application on grounds of financial eligibility. As the legal costs will have to be paid by the board under the automatic provisions of subsection (7), it is only right that the board should have power to recover those costs from an accused who is able to afford to meet them himself.

I cannot recommend amendment *(a)*, as this would in effect give the court power to award legal aid in all cases where it considered the trial should proceed. This would, on my understanding, be contrary to the wishes of bodies representative of the courts who no longer want to be involved in the actual award of legal aid and in the determination of interests of justice. My amendment makes legal aid available in the exceptional cases where the court considers legal representation necessary. It reduces to a minimum the disruption of court business, and preserves the essential principle of the new system that all applications for legal aid in summary criminal cases should be dealt with by the board for the sake of maximum consistency. I appreciate the reasons for amendments *(b)* and *(c)*, but I cannot commend them to the House.

Clearly we would not wish legal aid to be given to someone who can pay for his defence. This is the reason and the need for subsection (8), which in general should come into play only when the accused has not applied for legal aid. Where he has previously applied the board will normally have considered his financial circumstances and whether the expenses of the case can be met without undue hardship to him or his dependants.

When the board considers an application referred to it under subsection (6), it will, as with other applications, have regard to the financial circumstances of the accused and as indeed subsection (8) states, require payment only where it is not satisfied that the expenses of the case cannot be met without undue hardship to the accused or his dependants.

The amendment in my name clearly and adequately fulfils the undertakings that I gave. It achieves what many people want, as it creates a fallback position which the courts can exercise, but it preserves the board's right to decide finally on the granting of legal aid. I commend the amendment to the House.

Mr. Dewar: I genuinely regret that we come to this matter at 1.30 in the morning. We would normally have a lengthy debate on such a matter and that would be the correct way to proceed. There has been a long and well-argued campaign on the question whether the courts should have a residuary power to grant legal aid. I am now conscious of the fact that the debate will have to be telescoped into a few minutes. That is not good for the process of law reform in Scotland or for the legislative process.

The Minister said very briskly and definitively that the amendment that he has tabled meets the promise that he gave in Committee. He knows that that arguably is not the case. I do not wish to weary my colleagues but the matter is clearly dealt with in columns 275 to 277 of the Committee proceedings. The Minister said, whimsically, that there had been some disagreement on the matter during the previous sitting,

"so I took the opportunity offered by the lovely weather in my constituency over the weekend to sit and contemplate these questions. Some may think that a dangerous occupation, but I succeeded, and in between I attacked the odd weed."

That is a rather ungracious way of referring to his colleagues. He continued:

"Mostly, I sat and thought."

On this occasion, the Minister's thought was fairly productive, because he went on to say:

"It has been put to me, and I entirely appreciate, that there may be circumstances in which it is desirable that the trial should proceed more or less immediately. For example, if very young or old witnesses have been called, the court may decide that, whatever else may be involved, it is not in the interests of these young witnesses that they be stood down until another day. In such circumstances we would propose that it should be possible to apply for legal aid on the spot — possibly by giving the application to the Clerk of Court, automatic legal aid would be immediately available and the trial could proceed." — [*Official Report, First Scottish Standing Committee;* 1 July 1986, c. 275-77.]

To a layman, that would suggest that the Minister was in complete agreement with what I am trying to achieve: that in unusual circumstances, where the sheriff is satisfied that the matter should proceed, the court should have power to grant legal aid. The clerk of court shall receive the application, legal aid shall be granted and the court will proceed with the trial. That was the scenario specifically stated by the Minister. It is not what appears in the amendment, and he is being a little disingenuous—I put it no higher than that, because I am sure that no malice is involved — when he says triumphantly that he has fulfilled the obligation that he gave to the Committee in this amendment.

The Minister should not have departed from what he appeared to say in Committee. The compromise that he has produced is clumsy and unsatisfactory. It is common ground between us that, in some circumstances, it will be proper and necessary for the trial to proceed. It is merely an argument over how to meet those circumstances. It is not just a question of trial witnesses. Witnesses may have come from abroad—perhaps from very far away—and cannot be sent away and brought back other than at enormous inconvenience and public expense. It may be a case of the witnesses being assembled in the court and the solicitor for the defence being ready to proceed and familiar with the case. There is an argument for allowing the matter to proceed rather than to adjourn the case and resubmit or submit for the first time an application to the Scottish Legal Aid Board.

The Minister said—I gathered that this would be his position — that that objective can be achieved, because the court can adjourn for an hour, half an hour or even a notional 10 minutes, and that the trial can proceed on the basis that the Legal Aid Board will ultimately consider the application and grant or refuse legal aid. That is an artificial way of meeting the difficulty.

I do not deny that the circumstances should be exceptional. After all, we have trusted the courts in the past to be responsible about acting only in narrow confines of special circumstances. I have in mind the residual power in the Bail Act to set money bail, which has not been abused by the courts. There is no reason to believe that sheriffs would abuse a residual power if it was left to them. It is better to do it in that open and above-board way than to do it by straining the meaning of the amendment, which adds this new procedure to clause 24.

There may be some difficulties—I shall not canvass them at length, but I cannot resist mentioning it—about what constitutes an adjournment. I have not done much research into it, but someone drew my attention to Stroud's Judicial Dictionary, a publication with which I am not familiar——

Mr. Fairbairn: Oh!

Mr. Dewar: It may shock and horrify the hon. and learned Gentleman, but I assure him that Stroud's Judicial Dictionary is not upon the desk of every jobbing solicitor in the west of Scotland. Perhaps it should be. I give him that insight into the real life of the legal profession.

I went to Stroud to discover what an adjournment was. I came across the first and hopeful sentence — *[Interruption.]* I cannot engage in this badinage. Let me give just a suspicion of the argument:

"The word 'adjourn' must be construed with reference to the object of the context, and with reference to the object of the enquiry."

Hon. Members: Hear, hear.

Mr. Dewar: I thought that that would be considered broadly helpful by the House. The paragraph went on in an equally lucid and helpful fashion.

I concede that I then went to the fifth edition of Renton and Brown, a work with which I am not familiar, but I remember it at least. I thought that I was on to a good thing because I found in paragraph 10.12:

"Every trial must proceed from day to day until concluded, unless the court sees cause to adjourn over a day or days."

A footnote on the following page says:

"Trials no longer proceed uninterruptedly, but are adjourned overnight and over weekends as necessary."

That is an extremely good point. It suggests that short adjournments may not be competent, but I concede to the House that if one reads paragraph 10.13, it becomes clear that one can adjourn for short periods for lunch or almost any other reason that the court gets into its mind. It seems to be wide. Perhaps the Minister is right in saying that a half-hour adjournment might be possible before starting the trial, thus getting within the ambit of the amendment that he has tabled. However, it seems to be a forced and unlikely way of achieving that. Paragraph 10.14 of Renton and Brown says that

"An adjournment at the trial diet ought always to be avoided, if possible. Serious expense and inconvenience may be caused to jurors and witnesses, and there is always the danger of losing valuable evidence in consequence of the delay."

Perhaps that would not happen if there were a short adjournment, but the general message is valid. I do not like the artificial way in which the matter is being managed. The Government have seen a difficulty, and apparently have recognised it, but they are trying to meet it by stretching subsections (6) and (7), which is adding to clause 24 in a way that I do not think does anyone much credit.

The Minister says cheerfully that he is giving an important new power in his amendment. I ask him seriously to answer this question. Is it not true that the power to adjourn in that way would have been open to the court anyway? The statutory power that he is giving is adding nothing to the range of options open to the court. It could have adjourned to give a chance for a legal aid application to be submitted in any event if it wanted. It would have been valuable to give the residuary power to the court. That would have met the narrow range of circumstances that we have been discussing.

[Mr. Dewar]

It is a shame that the Minister has not taken a more open attitude. I notice that the Law Society has described his amendment as

"very disappointing and indeed seriously defective."

I do not expect the Minister to take the Law Society's point of view. Obviously, he has to strike a balance between his advisers and those who advise him from outside the House, but it is interesting to remember that before the amendment had been produced, the Law Society was saying in an earlier memorandum after the Committee stage:

"In particular, we are grateful to the Government for agreeing to the principle of a residual right being given to Sheriffs and Magistrates to grant legal aid in exceptional cases. As at the time of writing this memorandum we have not had sight of the actual Government amendment, we are grateful to the Government for the acceptance of this very important principle."

Of course, the Law Society had been reading the Committee proceedings, which I quoted. Understandably, it has been very disappointed by what the Minister has produced, because it is a departure from what he apparently promised. I repeat that point. The Minister is not doing himself justice in this matter. I do not see the danger of giving that residual power — it would be a much more sensible and logical way in which to meet the difficulty that everyone accepts may arise. I do not want to build any hopes on a positive response. The Minister has already said that he does not favour amendment (a), but it is simple, effective and available. I should have thought that he would have considered it favourably.

The Minister made it perfectly clear that he wanted nothing to do with amendments (b) or (c). I quite understand his argument, although I do not accept it, concerning amendment (b), which would leave out subsection (8). I have some doubts about importing into the legal aid system in Scotland a recovery of costs. I recognise that it is a special circumstance in which someone has gone ahead with a trial and been refused legal aid on the ground of means, but that is still a breach of an important principle that we do not have a contributory legal aid system for criminal legal aid. I am not sure that the Minister is wise to breach it in this way. If he had accepted amendment (a) he would have done much to mitigate that risk, because if he had allowed the sheriff to make a decision on whether legal aid should be granted, he could inquire into the accused's means and we would not have been in this position. That is a reasonable argument for the amendment.

If the Minister is against me on amendment (b), I do not see why he should not look more sympathetically upon the modest amendment (c), which proposes:

"in deciding what if any payment should be made the Board must have regard to the circumstances of the applicant and his ability to pay".

I should like to give an example of what might happen. A young man, who has not applied for legal aid, comes to trial, and it becomes evident for a variety of reasons that we could suppose that he ought to have applied for legal aid, but the sheriff wants the trial to proceed because of wider interests. He says that the young man should apply, and the preparation for the trial goes ahead while the legal aid application is being considered. It might be rejected for means. The accused will suddenly discover that, even if he is aquitted, he might very well be faced with a bill of £400 or £500, which it is proposed to claw back from him on the grounds that he was not awarded legal aid because of his means.

1.45 am

Means are a very difficult concept. I know — I have no reason to believe that it would be different under the Scottish Legal Aid Board — that there are people deciding legal aid who may take the view that someone who lives on benefit, but at home with his parents, has sufficient means, if he saves hard, to afford his defence. Very real hardship could be involved. To guard against that, it is no bad thing to write into the Bill the proviso that payment should be asked for only after having had regard to the person's ability to pay and his circumstances. That is not committing us to anything very dearly, but it might guard against the type of hardship that I have outlined.

The Minister has shown a willingness, perhaps on a rather random basis, to take one of a selection of amendments offered to him. I would prefer him to take amendment (a), which is a key and by far the most important of the group. If he is not minded to do that, I do not think that it is unreasonable to ask him to consider amendment (c) in a reasonably positive way, especially as it would apply only in the type of circumstances I have outlined.

I hope that I have advanced my arguments at not too wearisome length. This is an important matter and Government amendment No. 36 is an important importation at a late stage. I only regret that I have had to detain the House at such an unearthly hour of the morning, but I do not apologise for that.

Mr. Fairbairn: I assure the Minister that, if I had thought that he would produce an amendment such as this, I should have regarded it as in complete contradiction to what he said to the Committee, for he told the Committee that he would give a residual power to the court to grant legal aid in circumstances exceptional, not to have a second bite at the cherry, not to provide another way around a refusal but when it was just to do that. This amendment does nothing whatever of that kind. It involves a system that is incomprehensible and absurd. First, if it occurs to a court that a person should be granted legal aid, for any of the reasons adumbrated in Committee — that the person should have applied, that difficult matters arise, that witnesses cannot understand the language, it matters not — are we seriously suggesting that the sheriffs and magistrates of Scotland should be less trusted than the unknown officials of the new legal aid board? What superior criteria will be applied by the board that will not be applied by the courts?

Let us be clear about what will happen, if that is possible. If a person has not applied for legal aid, or he applied and it was refused,

"the court at the trial diet may, if it considers that owing to the exceptional circumstances of the case it would be inequitable to proceed with the trial without such representation and without legal aid being made available to him, adjourn the diet to enable an application for legal aid to be made to the Board which shall consider the application expeditiously."

Let us think about what will happen. Let us suppose that little John Smith is being tried for hooliganism at a football match and it is discovered that the charge is defective, that he cannot speak, that he does not understand or that he has witnesses whom he has not called who can demonstrate his innocence. Let us also

suppose that the sheriff takes the view that it would be in the interests of justice that he should exceptionally have legal aid. If the sheriff adjourns, what does John Smith do? Does he telephone the legal aid board and say, "The sheriff has just told me that I should have applied for legal aid. I wanted to do this expeditiously so I am ringing up to ask you if you will give me legal aid." The reply will probably be, "Why? Who am I speaking to?"

The whole thing is absurd. The courts should be able to grant it as a residual power. But instead of a residual power, the amendment is an absurd second best. I do not comprehend how this unfortunate, unrepresented person will activate the mind of the sheriff to ensure that the Legal Aid Board expeditiously grants, or considers an application for, legal aid.

The amendment also states that:

"criminal legal aid shall be available to him until his application is determined by the Board."

What does that mean? Subsection (7) also states:

"Where the trial . . . is adjourned . . . and he has made an application to the Board".

Therefore, the person has to make an application. How will he do so? By telephone from Glasgow sheriff court? Will he say, "The sheriff tells me I should have been legally aided because I cannot speak English properly"?

This is an absurd misunderstanding of the promise given by the Minister, which was that in the circumstances the court could say that it is right that legal aid should be granted. This amendment is not an answer to what the Minister said. It allows the court to hold up proceedings while the applicant, unaided, attempts to contact the board.

I do not understand the procedure or mechanism. It would at least be sensible to accept amendment *(a)*. If that is not accepted, the complicated procedure that the Minister is introducing will not solve the problem, and in no way does it answer the promise that he gave us. It merely makes a complicated, expensive and impossible mess of a simple position in which a court may say to itself, "I wish to be aided by having the person before me represented." That is essentially what the matter is about. I ask the Minister to consider that because his amendment is nonsense, its process is unworkable and it does nothing for justice. It does not give a court the residual right to grant legal aid. The purpose of the Bill is to avoid expense, but I cannot imagine a more complicated way of adding to it.

Mr. Gordon Wilson: Again, I agree with the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). I do not understand why the Government have made this mistake. I cannot imagine how one could come across a more convoluted, awkward, absurd solution. The residual right of the courts to grant legal aid would be the simplest, most effective way of dealing with the position. It beggars the imagination that the Government have gone to all this difficulty in concocting an amendment which is nonsense.

If legal aid is granted under the Government's amendment, it will effectively guarantee the fees of the solicitor or counsel, but there will be no guarantee to the accused. He must accept the lottery until the application is decided by the court that legal aid may be provided, if the trial proceeds and if the court finds it necessary to recommend that legal aid should be granted. It may do so, not necessarily to help the accused, but because of the need to protect child witnesses and to ensure that things are done properly and decorously, and that justice also applies to them. An accused person who is granted legal aid in those circumstances has no guarantee that the expenses will be paid. It is remarkably unsatisfactory.

Why are the Government seemingly not prepared to trust our courts to administer properly? The Minister says that he has told us that the people connected with the courts are not keen to accept the burden. I do not care tuppence whether they are keen to accept the burden. If it is in the interests of justice that they should be given that burden, let them carry it out. If that obligation is placed on them, I trust them to do it with the delicacy one would expect of them in the circumstances.

The Minister has come up with a dog's breakfast. I do not know why he has gone to such efforts to avoid the simple solution to deal with the exceptional circumstance. *[Interruption.]* The Solicitor-General for Scotland mutters on the sidelines. I would have thought that he might be able to give better advice to the Minister.

Mr. Wallace: Perhaps I may be permitted to a limited extent to come to the Minister's assistance. What he has come up with is much in line with what he said in Committee, which was why I was not as overjoyed as other members of the Committee seemed to be when he made it clear that the board should consider the application, although the sheriff or magistrate felt that it was in the interests of justice that legal aid should be granted. That is why I was not quite as excited by the part concession as some hon. Members were, and why I do not find what has been proposed this morning, while it is in line with what the Minister has suggested, is what I wish to see.

2 am

I say that as someone who has in general welcomed the role that sheriffs and magistrates have played up to now in determining whether criminal legal aid should be given, or, in some cases, taken away. However, there are inconsistencies between one sheriff court and another, and some of them are quite glaring, and were mentioned in the Committee. Another problem will be appreciated by hon. Members who have constituencies where there is only one sherfiff presiding in the sheriff's court, and he, invevitably, has to determine the legal aid application, and later the case.

The general rule for transferring these applications to the board is a good one. Nevertheless, there will still remain cases — no doubt rare ones — where in the circumstances that the sheriff or magistrate has to face, he believes that the interests of justice and the way that the case is conducted means that legal aid should be granted. The amendment of the hon. Member for Glasgow, Garscadden (Mr. Dewar) talks about the "interests of justice", not solely about the interests of the accused. It may be in the interests of a child witness. The Government's proposal for a contrivance that is intended to operate in a way that one can get on with the trial, and the application for legal aid can go to the board later, is a second best option.

The double condition that has to be fulfilled before criminal legal aid will be made available is even worse. There is not only the danger of the trial being adjourned, but, as the hon. and learned Member for Perth and Kinross pointed out, the problem that the accused has also to make application to the board. Both conditions must be fulfilled before legal aid can be made available. The position would be improved by letting the matter rest solely on the adjournment of the trial, so that a lawyer

[Mr. Wallace]

could be appointed to assist and make an application. That is not what it says here—perhaps it is not what the Minister intended.

The Bill is not satisfactory to meet the special conditions that have been envisaged. I hope that the Minister will be prepared to listen to what has been said, and look at it with some sympathy.

Mr. John MacKay: I apologise to the hon. Member for Glasgow, Garscadden (Mr. Dewar) for not dealing with amendment (c) but I do not consider it necessary, in so far as there is already a requirement on the board to take financial circumstances into account. In any case, the board would be considering whether to exercise its powers under subsection (8), which is a power only to take into account the individual's ability to pay. I do not think that a specific provision on the face of the Bill is needed to achieve it.

The Shorter Oxford dictionary defines adjournment as to "defer", or "put off". I am advised that there is no authority for the proposition that in the context of court proceedings, adjournment means only to put off to another day. There is English authority to the effect that it is the popular, as opposed to the technical, meaning of adjournment, which imports a requirement to put off to another day.

It is difficult to imagine a situation in which a case can proceed without enabling the solicitor to take instruction. I have read carefully what I said to the Committee. I can tell my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) that having done so, I believe that the amendment honours the commitment that I made. It preserves the position of the board, and gives an important safeguard to anyone who ends up in a court. If the sheriff or the justice, looking down from the bench, sees that something is amiss and that a person ought to be represented, this is a procedure and mechanism by which——

Mr. Fairbairn: Will my hon. Friend give way?

Mr. MacKay: I am about to conclude, but I shall give way.

Mr. Fairbairn: I am grateful to my hon. Friend. Will he tell me what the mechanism is? It says:

"Where the trial of an accused person is adjourned"—

assuming that it is competent in summary proceedings—

"as is mentioned in subsection (6) above, and he has made an application to the Board".

What does my hon. Friend imagine will happen? What does a 14-year-old boy do? Does he ring up the board? It has to be done expeditiously. What happens if he is not represented?

Mr. MacKay: My hon. and learned Friend was much more charitable when he heard me explain the matter in Committee. If he looks at column 277 he will see that I said:

"In such circumstances, we would propose that it should be possible to apply for legal aid on the spot—possibly by giving the application to the Clerk of Court, automatic legal aid would be immediately available and the trial could proceed." — [*Official Report, First Scottish Standing Committee*, 1 July 1986; c. 277.]

That is a sensible way of dealing with very special circumstances. As they will be very special and will not happen often, the procedure I have set out in my amendment will do what we all wish it to do.

Mr. Dewar: I am disappointed by the Minister's reply, although I am not surprised by it. We are looking at a man who has made up his mind, or who has had his mind made up for him; I am not quite sure which.

I am puzzled. It would have been much neater and saner and much more sensible to trust the courts, with their residual powers. No one has suggested that their powers are other than residual. That is why amendment (a) was drafted as it was: to make it clear that we were not trying to open the equivalent of a legal floodgate and that we were not inviting the courts on a daily basis to grant legal aid in an effort to circumvent the powers of the Scottish Legal Aid Board.

If the Minister is right in saying that the courts do not wish to be involved in legal aid, there is little danger of the power being abused. He was contradicted to some extent by his own argument on that point. However, the Minister is clearly determined that there shall be no breach of the general rule that the courts shall not be involved in the granting of legal aid. I find that strange. In solemn procedure the courts will be the principal grantors of legal aid.

In both the summary and the solemn procedure the courts will have the important residual power to decide on certification under the relevant section. The courts will also have the power to grant legal aid applications for findings of fact under the children's hearings system. The courts will be involved in a large area, and I do not think that it would have been dangerous to trust them with the residual power that we envisage. A mistake is being made. The system is being made to look a little silly. Interpretations and expectations that cannot be justified are being built upon this form of words.

The Minister did not deal with my specific point about whether the power to adjourn of the kind that is envisaged in his amendment already exists. I believe that it already exists. I am advised by those who are more skilled than I in these matters that that is the position. The Minister has been left with something of a nonsense, and he is asking that nonsense to deal with a problem with which it is incapable of dealing.

It is disappointing. I do not intend to withdraw amendment (a). I am not sure that I moved it formally. I do not know whether I have to do so, but if I have to move it formally I do so now. I have no intention of withdrawing it at this stage.

Amendment to the amendment negatived.

Amendment made:

No. 36, in page 17, line 23, at end insert—

"(6) Where a person who is being prosecuted under summary procedure is not represented by a solicitor or counsel and has either—

(a) not applied for criminal legal aid in connection with the proceedings; or

(b) applied for criminal legal aid but been refused it on the grounds that it is not in the interests of justice,

the court at the trial diet may, if it considers that owing to the exceptional circumstances of the case it would be inequitable to proceed with the trial without such representation and without legal aid being made available to him, adjourn the diet to enable an application for legal aid to be made to the Board which shall consider the application expeditiously.

(7) Where the trial of an accused person is adjourned as is mentioned in subsection (6) above, and he has made an application to the Board, criminal legal aid shall be available to him until his application is determined by the Board.

(8) Where any person to whom criminal legal aid has been made available in pursuance of subsection (7) above has his application for criminal legal aid under subsection (6) above refused by the Board on the ground that it is satisfied that subsection (1)(*a*) above does not apply in his case, the Board may require him to pay to the Fund the whole or part of the amount of any sums paid out of the Fund under section 4(2)(*a*) of this Act in respect of the criminal legal aid so made available.'.—*[Mr. John MacKay.]*

Clause 37

PARLIAMENTARY PROCEDURE

Amendment made: No. 37, in page 28, line 17, after 'section', insert '7,'.—*[Mr. John MacKay.]*

Schedule 3

MINOR AND CONSEQUENTIAL AMENDMENTS

Mr. John MacKay: I beg to move amendment No. 41, in page 40, line 37 at end insert—

'The Tenants' Rights, Etc. (Scotland) Act 1980 (c. 52)

In section 9B(4) of the Tenants Rights, Etc. (Scotland) Act 1980 for the words "Legal Aid and Advice (Scotland) Acts 1967 and 1972 and to any provision of those Acts for payment of any sum into the legal aid fund" there shall be substituted the words "Legal Aid (Scotland) Act 1986 and to any provision of that Act for payment of any sum into the Scottish Legal Aid Fund".'.

The amendment updates a reference to the existing legal aid legislation in the Tenants' Rights, Etc. (Scotland) Act 1980, which has been inserted by the Housing (Scotland) Bill.

Amendment agreed to.

Order for Third Reading read.

Queen's consent signified—

Motion made, and Question proposed, That the Bill be now read the Third time.—*[Mr. John MacKay.]*

2.12 am

Mr. Deputy Speaker: Mr. Douglas Fairbanks.

Mr. Fairbairn: I shall do my best to put on a reasonable performance.

I welcome some of the improvements that have been made to the Bill, but I deplore other alterations, such as the recent one. At this late hour, I should like to raise briefly one matter. The concept of fair and reasonable remuneration for work done was not considered necessary by the Government. They thought it inevitable that a fair and reasonable reward would be given. If that is so, and if the courts are not to be trusted with a penny of public money in order to grant legal aid to someone in exceptional circumstances who is on a summary criminal charge, the Government have a great opportunity to abolish the Act of Adjournal which requires that the moment that a criminal has happily departed from the dock by the front gate or back door—depending on the capacity of those who defended him or on the "interests of justice", as the Minister would obliquely state, without understanding what they are—the unfortunate instructing solicitor should be moved into the dock.

Counsel then has to represent the unfortunate instructing solicitor before the public in court, under the Act of Adjournal, to see whether he measured up to his ex-client's standards. Counsel has to represent the case that his work was, or was not, difficult, exceptional and lengthy, and say whether this or that is a fair or reasonable charge. Now that the Government have deleted the concept of fair and reasonable being a necessary qualification we should also delete the obscenity that counsel has to appear on behalf of the solicitor, or the solicitor has to appear on his own behalf, as if he was the accused.

I therefore hope that the Government will take this opportunity to remove a blot from our system. It is a scar on the solicitor's probity, and we could do without it. The solicitor should be paid according to his work. If these incompetent judges of ours cannot grant legal aid to a little boy, I do not see how they can sit in judgment on whether a solicitor is entitled to payment. The Government should be able to say that they are interested in fair and reasonable remuneration. We are interested that the courts are incompetent to deal with remuneration of any kind or the disbursement of public funds. Therefore, we shall get rid of this abominable situation for ever.

I have to thank the Minister for occasionally being graceful. I regret that his track record deteriorated as the night went on.

Question put and agreed to.

Bill accordingly read the Third time and passed, with amendments.

STATUTORY INSTRUMENTS, &c.

WEIGHTS AND MEASURES

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committee on Statutory Instruments, &c.).

That the draft Weights and Measures Act 1963 (Miscellaneous Foods) (Amendment) Order 1986, which was laid before this House on 30th June, be approved—*[Mr. Archie Hamilton.]*

Question agreed to.

BUSINESS OF THE HOUSE

Motion made, and Question proposed,

That Standing Order No. 6 (Arrangement of public business) shall have effect for this Session with the following modifications, namely, in paragraph (2)(*b*) the words 'not more than two' shall be substituted for the word 'one' in line 20 and the word 'four' shall be substituted for the word 'two' in line 22.—*[Mr. Archie Hamilton.]*

2.12 am

Mr. Simon Hughes (Southwark and Bermondsey): On a point of order, Mr. Deputy Speaker. Earlier this evening I thought it wise to look to see what the import of the motion was and I went to the Table to obtain a copy of the Standing Orders as they relate to public business. I was surprised and disappointed to discover, having looked at the Standing Orders and some odd sheets of paper that were included in them, that the Standing Orders are not up to date. They do not take into account the amendments passed by the House, which the Vote Office was kind enough to supply me.

About half an hour later I happened to be in the Library and, quite by chance, near where I was looking for a book, I found the Library copy of the Standing Orders, and again found that they did not include the up-to-date amendments. I should be grateful—I hope that it does

[Mr. Simon Hughes]

not affect other hon. Members now — if you, Mr. Deputy Speaker, would ensure, through the appropriate channels, that the copies of the Standing Orders of the House, which may be needed by hon. Members at short notice, are up to date at all material times, and that in other parts of the House, to which hon. Members and others have access, we again have up-to-date bound copies and do not have to rely on an insert being available somewhere or not being available at all?

Mr. Deputy Speaker (Mr. Ernest Armstrong): I shall take note of that and see that appropriate action is taken.

Question put and agreed to.

BUSINESS OF THE HOUSE

Motion made, and Question proposed.

That, at the sitting on Wednesday 16th July, the Motion in the name of Mr. John Biffen relating to Office, Secretarial and Research Allowance may be proceeded with, though opposed, until half-past Eleven o'clock or for one and a half hours after it has been entered upon, whichever is the later, and if proceedings thereon have not been disposed of by that hour Mr. Speaker shall put the Question on any Amendment which may have been moved, and shall then put forthwith the Question on any other Amendments selected by him which may then be moved, and on the Main Question or the Main Question, as amended.—*[Mr. Archie Hamilton.]*

2.13 am

Mr. Simon Hughes (Southwark and Bermondsey): On a point of order, Mr. Deputy Speaker. It does not appear that this matter has to be decided forthwith, and I seek your guidance on whether that is the case.

Mr. Deputy Speaker (Mr. Ernest Armstrong): If there is any opposition to the motion, we cannot take it.

Mr. Hughes: It is not so much opposition as a point on the motion, which I understand is debatable.

Mr. Deputy Speaker: It cannot be taken now, if opposed.

Mr. Hughes: In which case, I oppose it.

Mr. Deputy Speaker: Objection taken.

Residential Homes (Borders Region)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Archie Hamilton.]*

2.18 am

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I rise under Standing Order No. 1 to raise the subject of cuts in capital provision for residential homes in the Borders region. At this late hour, my right hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) and myself wish to detain the House to discuss this important subject which affects the local authorities in our respective and joined constituencies.

Local authorities such as the Borders regional council require Scottish Office approval before incurring liability for capital expenditure. That system of financial planning has been in operation since 1977 and under that scheme local authorities submit, as no doubt the House knows, five-year capital plans for approval. Allocations under the scheme are usually sanctioned each January and at that time provisional allocations are issued to cover the two following years.

I understand that a limited flexibility is built into that system, which has been in operation since 1977. For example, I am aware that councils may carry forward up to 10 per cent. of capital allocation underspent in any given year. I understand, too, that they can always realise assets that they own, or vary programmes within their overall capital allocation by up to a factor of 10 per cent. That system is well known and understood by councillors and officials in the Borders region.

The principal complaint of my right hon. Friend the Member for Tweeddale, Ettrick and Lauderdale and myself—and our main reason for raising the subject—is that earlier this year the Government, unilaterally and without warning, cut the Borders region's capital allocation under the social work heading for 1986-87 from £550,000 to £350,000—a reduction of about 36 per cent. To date, the Government have refused to reconsider that decision.

Of course, we understand that provisional allocations are sometimes varied—they are usually varied upwards —but the Minister must agree that 36 per cent. is an unusual if not unprecedented cut in a capital allocation.

The Borders regional council, operating under the assumption that £550,000 of capital would be at its disposal in the current fiscal year, set out a programme stretching over a number of years and totalling £3·3 million to replace four outdated homes for the elderly. The phasing of that programme deliberately sought to take full account of the Government's financial constraints. The council's plans set out to replace the existing Victorian mansions, which we all realise are unsuitable as modern residential accommodation for elderly people, one at a time—not one every year or anything more ambitious. A proposal to replace them at a faster rate could easily be justified in terms of need, but that would be impossible to contemplate under the Government's strict financial regime.

The council proposes to rebuild and replace the Peelwalls home in Ayton, Berwickshire, and to build a new home in Jedburgh to accommodate residents from the Milfield home in Jedburgh and from Romany house in Yetholm. It also proposes to rebuild Wellwood in Selkirk in my right hon. Friend's constituency.

There are compelling reasons for replacing those homes as a matter of urgency. First, the majority of bedrooms accommodate up to three or four beds in each room. Secondly, the lack of proximity to toilet facilities requires residents to resort to commodes during the night, causing a great deal of embarrassment to themselves and inconvenience to those with whom they share rooms. The only privacy that can be found in the existing premises is behind the locked door of a toilet. The fact that most existing buildings are multi-level premises means that residents who are old and infirm have to negotiate steps which are a hazard to frail elderly people.

Residents are looked after by a band of dedicated staff, but they are extremely restricted by the stifling physical constraints and the council takes the view—with which I agree — that going for a more modest capital programme, which would be restricted to improving existing buildings would be futile and, in the long term, a waste of public funds. The existing disadvantages can be remedied effectively only by new buildings, custom-built to the new designs and standards that provide a pleasant environment and allow the elderly to be looked after more sympathetically. A striking example of what can be achieved can be seen at the council's new Waverley home at Galashiels.

The planned replacements would provide single room accommodation for every resident, which would allow social relationships to be established at will in the common lounges and sitting rooms, while maintaining independence and privacy in each bedroom. It is striking to note how residents can respond much more positively when they are allowed to do as much for themselves as they are able and want to do. The quality of life for those elderly people can become infinitely higher.

In addition to the new opportunities open to residents in the new custom-designed homes, the kitchens would provide meals on wheels for old people living in their own homes within a wide catchment area and a more extensive warden service as well as day-care facilities. Not only are old people's homes at stake, but new centres and public facilities to serve a community wider than that of the residents.

The plans were at an advanced and detailed stage. They have been knocked on the head. The best that can be said is that there is continuing uncertainty as a direct result of the cut announced by the Government earlier this year. The cut in the Borders region social work provision was the biggest cut in Scotland, except for Tayside, which suffered a cut of 39 per cent.

All these difficulties are compounded by the fact that the Borders region social work allocation for future years shows that the region will be forced to abandon its homes replacement programme. If that happens it will be a tragedy. Many elderly residents will be condemned to end their days without any basic dignity or privacy. They will be denied the accommodation that will give them the chance to retain independence within a residential home for as long as they are physically able.

The Minister will argue that the Borders region has done relatively well. The figures that he will advance to justify that claim were drawn from a straight population count. He must recognise that social work programmes are not provided for the general public, but for target groups. In the Borders region the budget is almost exclusively used to provide for the needs of the elderly. The Borders region has a high proportion of elderly people compared with other regions. That is not reflected in section 94 capital allocations. If capital allocations were drawn within a range of factors, including population, but not exclusively population, the region would merit a larger allocation. The current plans envisage that one home should be rebuilt every three years. That is not an ambitious target. To deny the region the capital resources to carry out that programme is politically perverse.

The Minister has to realise that for a small, extremely responsible and prudent authority such as the Borders region, a cut of this magnitude makes total nonsense of any concept of long-term planning. The whole system of capital allocations requires urgent review. More notice must be given of changes of this magnitude in provisional plans. There is scope for more flexibility within the capital budget allocated to local authorities. The Government must take a more relaxed view about what might be borrowed. That is long overdue.

Will the Minister consider a further application during this financial year? A sum of £90,000 to £100,000 this year would keep the original capital plans on course. If he cannot give that assurance tonight, will he make a clear commitment that he will instruct his Department to devise a scheme of finance, by the autumn of this year, for guidelines for the fiscal years 1987-88 and 1988-89 that will enable the homes to be replaced, even if that takes longer than originally planned? Nothing else will do.

2.30 am

The Parliamentary Under-Secretary of State for Scotland (Mr. John MacKay): I am glad to have the opportunity to reply to the points which the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) has raised on behalf of the senior citizens of his constituency and the Borders regional council which is responsible for their care.

I should apologise for keeping the hon. Gentleman until this time of night, but his hon. Friend the Member for Orkney and Shetland (Mr. Wallace) had just as much a part to play in keeping us here until this time. The redeeming feature is that I had to stay anyway, so that makes it easier for me to answer an Adjournment debate at this hour.

I welcome the opportunity because it enables me to explain the Government's policy on capital allocations to local authorities and the methods used to determine these allocations generally and in the particular case of the Borders. It seems to me that in his understandable concern about the problems currently besetting the regional council's social work building programme the hon. Member may not have fully appreciated the detailed considerations upon which its capital allocation for 1986-87 was decided. As a consequence he has laid the blame for these difficulties entirely at the door of the Government. I hope to show, in the time available to me, that that is not the true position.

Before I put all the facts before the House, let me first set the wider scene. The Government's consistent and continuing policy is that recovery of the economy should be led by investment in the private sector. Our overall economic strategy therefore embodies a firm commitment to the control of public expenditure. This in turn means that provision for local authority capital expenditure must be contained within the level of resources which the Government consider it appropriate for local authorities to consume. It is nevertheless our stated aim, so far as

[Mr. John MacKay]

resources permit, to issue capital allocations which allow authorities to proceed with those projects to which they attach a priority. That is the approach we adopted in deciding the allocations for 1986-87. Of course, it is the approach we adopt in all matters of public spending, not just social work. I can hardly let this evening pass without mentioning the considerable amount of capital which has been given to the Borders health board in order to build a brand new hospital. I was pleased to go and lay the foundation stone to show that Conservative Governments do care and that they put capital expenditure into health and social work.

It would perhaps promote a better general understanding of how decisions are made and the great care that is taken to ensure fair treatment for all authorities and all programmes if I were to explain briefly the various steps which lead to the issues of final allocations. Capital allocations for each programme in local authorities' financial plans are issued in January or February of each year, when authorities are given a final allocation giving formal consent to capital expenditure in the forthcoming financial year and provisional allocations for the two years thereafter.

Towards the end of his contribution, the hon. Member for Roxburgh and Berwickshire was suggesting that we should look further ahead than the immediate financial year and the two years thereafter. If we did more than that we would have to do similar for the whole Government programme. One could not have part of the programme rolling for five years and have the main part of the programme, the total amount of capital available which is laid down by the Treasury in discussion with Ministers, rolling for only three years.

As I have already indicated, the allocations were not plucked out of the air. They were the result of a most careful scrutiny of all authorities' financial plans and a detailed assessment of their relative needs, as distinct from desires, for new and improved buildings. It was recognised that needs varied from one region to another by virtue of factors other than the purely demographic, as has long been acknowledged in the arrangements for the distribution of rate support grant. One such factor is the state and extent of the provision already present on the ground by reference to the building stock survey, while others include the varying approaches of authorities to programme planning ad their past performance in the use of the resources made available to them. That is an important factor to which I shall return.

All these factors having been taken into account authority by authority, it was decided that the final allocation to the Borders region social work captial programme for 1986-87 should be £350,000. This was significantly less than the final allocation of £695,000 for 1985-86 and the provisional allocation of £550,000, which was given for 1986-87, which had been notified to the Borders regional authority in February 1985. Other authorities were, likewise, faced with substantial reductions on their provisional allocations.

It is fair to point out, however, that the allocations made to the smaller authorities have tended to vary from year to year by more than the average and that the Borders have over the piece been treated very favourably in relation to their share of the total Scottish population. Even the reduced allocation was higher than would have been the case if it had been based solely on population. The reason for that was the higher than average elderly population in the region, which has 2·5 per cent. of the Scottish population over 75 years as against 2 per cent. of the Scottish population of all ages. I can assure the hon. Member that his suggestion, if I heard him aright, that the disproportionate number of elderly people in the Borders was not taken into account is untrue. That factor is taken into account. Indeed, the Borders regional council, in comparison to other areas in Scotland, have been reasonably favourably treated.

Provisional allocations for 1986-87 at cash prices were first issued to local authorities as far back as 26 January 1984 and revised provisional allocations were notified on 15 February 1985. Provisional allocations for 1987-88 were also issued at the same time. In July 1985 local authorities were asked to prepare their financial plans for 1986-87 and later years on the basis of the provisional allocations and to submit the plans to my office, and for other expenditure, to the Scottish Office in general, by 31 October 1985. It is not until the plans are received and studied in depth that sufficient hard information is available for the purpose of fixing the final allocations. Final allocations for 1986-87, this financial year, were eventually issued on 13 February of this year.

As a result of decisions taken in the 1985 public expenditure survey, the amount available for final allocation to authorities as capital consents in this area was £14·77 million. Allocations may be enhanced by any capital receipts raised. Of course, local authorities can keep the capital receipts. It was clear from the declared levels of legal commitments of around £10 million shown in financial plans that most authorities were going to have limited scope for developing their programmes in 1986-87. I appreciate that many authorities, including Borders regional council, consider that their allocations fall some way short of their aspirations. If, everyone had the resources to match his ambitions it would be a happy world, but that is not the world of reality. In reaching our decisions for 1986-87 we had to work strictly within the overall level of resources available. If one budget receives more resources than another, it does so at the expense of other budgets or at the expense of an increase in the total amount spent by the public sector. I know that many seem to think that the promise that they make in one instance can be separated from the promise that they make in another, and that no one is allowed to calculate total expenditure. Again, that is not the real world. The total spent has to be taken out of the amount of capital that is available within the overall economy. As I have said, we believe that it is important that as much investment as possible in our economy goes into the productive private sector, and that the demands of the state sector, which in many ways can be infinite, are kept strictly under control in terms of what the taxpayer and the economy can afford.

There is a second factor to which I have already referred when talking about taking into account past performance in the use of resources made available. In each of the three years from 1983-84 to 1985-86, the Borders regional council has been unable to make full use of the resources allocated to its social work programme. Authorities are allowed to transfer up to 10 per cent. of their allocation from one programme to another within the non-housing block, and the record shows that over the three years in question the Borders regional council exercised this discretion to the full to transfer a total of £177,500 out of

its social work building programme and into its education, water and sewerage programmes. In the light of this information, hon. Members may consider that the cut in the allocation for 1986-87 was perhaps rather less unreasonable and unpredictable than they have been led to believe. Over the preceding three years, in the light of the allocations given by my office to the Borders for social work capital expenditure, the regional council itself decided that £177,500 should be transferred from that programme to other programmes.

In its financial plan for the five years from 1986-87, the regional council has stated that its policy is to maintain elderly people in the community for as long as possible by providing a variety of domiciliary and day-care services. Further provision of residential accommodation for the elderly on any appreciable scale is not envisaged, but the capital programme anticipates the need to modify existing buildings, taking into account their age and condition, and to replace existing residential accommodation with suitable buildings only where necessary. These buildings will incorporate day care facilities. I am in broad agreement with that policy. Indeed, on many occasions I have visited the Borders and I have been impressed with the work carried out by the Borders regional council. There is a plaque in one of the homes which states that I opened the home. My name appears on a plaque on the foundation stone marking the beginnings of a hospital. I look forward to being invited to the opening of that hospital in my capacity as Minister after the next election.

In line with the Government's aim of allowing authorities, as far as possible, to proceed with priority projects, the regional council's capital allocation for 1986-87 was pitched at a level which would cover all legally committed expenditure and would allow completion of Deanfield old people's home in Hawick and a start to be made on either a new home for the elderly in Eyemouth which is urgently needed to replace the outmoded and inadequate Peelwalls home in Ayton, Berwickshire, or a new day centre at Coldstream. Completion of the Hawick project, involving expenditure of £198,000 in 1986-87, was scheduled for June 1986.

It is worth stating that the total capital value of the Hawick project which will be spread over several financial years, amounts to almost £1 million. That shows that the project is substantial. Had that project maintained its schedule, work on another project would have been able to go ahead as planned. However, in the event, work on Deanfield was substantially set back by the failure of the main contractor. The effect of this is the inevitable carry forward of commitment into the current financial year and, unfortunately, a probable increase in the 1986-87 expenditure on the Deanfield project to more than £415,000. I must make it clear, however, that this difficulty was not known to my Department when the council's final allocation was being considered and there is therefore no provision for it in the allocation. Indeed, the authority did not inform my Department of the problem and position of Deanfield old people's home until some weeks after the allocation had been issued.

Officials of the Scottish Education Department's social work services group met representatives of the council on 17 April to discuss the problem. At the meeting, the council's representatives stressed the difficulties of managing a small building programme in the face of the major upset posed by the contractor's liquidation, and estimated that additional allocation of around £100,000 would be needed to help meet the extra commitment carried forward to 1986-87. My officials, while they sympathised with the council's predicament, had no option but to explain that there was no possibility of the present allocation being increased meantime. That is a view with which I wholly agree.

I must tell the hon. Member for Roxburgh and Berwickshire that there is no possibility that the present allocation can be increased meantime, despite the problem which I fully understand about Deanfield and the additional expenditure. All resources available for capital allocation in 1986-87 were issued in February, and, unless there were to be considerable underspending by some authorities, no increase in allocation can be made during the year. It is unlikely that there will such underspending —certainly not of the order that would be necessary to release the amount of money required to come to the aid of the Borders regional council. There is not much hope from that source.

The Government have advised the council to continue to plan its expenditure within its present allocation, enhanced by any capital receipts applied to the social work programme. That means that the council can keep the proceeds of any capital receipts and use them. In this case, I suggest that it can use them to help with the problem in the social work programme. It can also take advantage of the flexibility arrangements afforded by the capital control scheme. They include the carrying forward of underspend from the previous year; anticipation of capital consent from the following year; and interprogramme transfer of capital consent from the current year. During the past three years, Borders regional council has used that facility to take £177,500 out of the social work capital budget and put it into other budgets. So it is well aware of the procedure and, from the experience of the past three years, is well able to carry it out. The council must examine some of its other programmes to see whether it can take some money from them and, by the interprogramme transfer method, move that money into the social work budget.

My calculations suggest that if the council took maximum advantage of all those mechanisms, it could make available sufficient resources in this financial year, 1986-87, to meet the increased Deanfield commitment and other non-specified legally committed expenditure. Unfortunately, it does not offer a solution to the problem of a delay in the start of work on the Peelwalls project, which I understand the authority has identified as a priority. I fully understand that point. Having considered that project and the scheme at Coldstream, I appreciate why the council has given priority to the Peelwalls project. I appreciate, equally, that it would not have been an easy decision. No decision about priorities is easy.

The day centre is nearer fruition, and makes provision for the elderly in a locality which has two new sheltered housing complexes and a generally high proportion of old people in the population. However, it could be slotted into the building programme at any time. I understand the need for Peelwalls to be replaced. It is a Georgian mansion three quarters of a mile from the village of Ayton, which I remember well from my student days. It is not suitable for the purpose. As the hon. Gentleman said, there is multiple occupancy of rooms, it has no lifts, there are inadequate and inaccessible toilets and it has an unsatisfactory kitchen.

The problem has occurred because of the wholly unforeseen circumstances of Deanfield, not because of the

[Mr. John MacKay]

capital allocation. Even in its reduced, final form, the capital allocation was sufficient to go ahead with Deanfield and to allow the project at Peelwalls to progress. The council has now put forward to the social work services group a detailed case for special treatment against the possibility, however remote, that supplementary allocations may be possible later in the year. The information provided will be taken into account in determining——

The Question having been proposed after Ten o'clock on Monday evening, and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twelve minutes to Three o'clock am.

House of Commons

Tuesday 15 July 1986

The House met at half past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

ALCOHOLICS ANONYMOUS (DISPOSITIONS) BILL [*Lords*]
Considered; to be read the Third time.

Oral Answers to Questions

DEFENCE

Mr. Denzil Davies: On a point of order, Mr. Speaker.

Mr. Speaker: It is very unusual to have a point of order at the beginning of Question Time.

Mr. Davies: I merely ask your guidance, Mr. Speaker. I notice that questions Nos. 5 and 13 are to be taken at the end of Question Time, and not in the usual order. I ask you, Mr. Speaker, or the Government Front Bench, the reason for this? If these are run of the mill questions, the answers should be given in the proper place. If the answers are important, why are we not getting a proper statement at the end of Question Time? I ask this question because, on another occasion, the Secretary of State for Defence tried to avoid making a statement on the ordnance factories. We want to know what is going on.

Mr. Speaker: Order. It is a matter for the Government whether questions are taken at the end. It may be that we would not have reached question No. 13.

Rolls-Royce Aero Engines

1. **Mr. Stern** asked the Secretary of State for Defence if he will estimate the future procurement by his Department of Rolls-Royce aero engines, and engines in which Rolls-Royce plc has a participation, over the next five years.

The Parliamentary Under-Secretary of State for Defence Procurement (Mr. John Lee): Over the next five years the Department foresees continuing purchases of RB 199, Pegasus, Gnome and Gem engines in sufficient quantities to meet the requirements of the services.

Mr. Stern: I am grateful to my hon. Friend for that reply. Does he agree that, on the military side, the company's order book, especially because of its own efforts in obtaining export orders, has never looked healthier? My hon. Friend's answer will give confidence to the work force and the management in looking forward to the continued prosperity of the company when it is privatised.

Mr. Lee: As the Rolls-Royce, Barnoldswick factory is in my constituency, I am especially proud of the achievements which have been made by Rolls-Royce during the past few years. Privatisation is, of course, a matter for the Department of Trade and Industry, but I understand that it is intended that the flotation will take place during the first half of 1987. Defence orders will play a considerable part in that flotation.

Mr. Carter-Jones: Will the Minister say something about the RTM 322 helicopter engine? Will he also consider doing something about new engines and prop jet engines, as is being done at NASA for the Americans?

Mr. Lee: The RTM 322 is being developed by Rolls-Royce and Turbo Meca. It is a mainly private venture operation. It is a contender for the EH101, but at present no decisions have been taken.

Mr. Hayward: Would not the prospects for Rolls-Royce after privatisation both in Britain and abroad be further improved if orders could be gained for a super Pegasus engine, which is currently being developed at Filton?

Mr. Lee: There is a Rolls-Royce initiative to uprate the GR5 Pegasus engine. Although there is a formal requirement for this at the present time, we are attracted by its lower life-cycle costs and better performance. We are looking at it in conjunction with the United States marine corps.

Mr. Wilkinson: Will my hon. Friend explain the position vis-a-vis funding from his Department for the XG40 programme, which we hope will be the basis for the new engine for the European fighter aircraft?

Mr. Lee: I cannot give a precise answer at this stage, but I shall endeavour to write to my hon. Friend.

Willsworthy Shooting Range

2. **Sir Peter Mills** asked the Secretary of State for Defence when he expects to notify the Dartmoor national park committee of his proposals to replace buildings at the Willsworthy shooting range.

The Parliamentary Under-Secretary of State for the Armed Forces (Mr. Roger Freeman): We shall consult the committee immediately should we decide that we wish to proceed with the replacement of Willsworthy camp. At present we are still considering the proposal.

Sir Peter Mills: I thank my hon. Friend for that reply. Does he agree that it would be wrong to build a barracks on Dartmoor? It is not essential to build a barracks there. The troops can be bussed to the moor quite easily. I am not opposed to the Royal Artillery being in the area; it is simply that it seems quite wrong to build a barracks on Dartmoor.

Mr. Freeman: I understand my hon. Friend's concern. The Army has been on Dartmoor for almost 100 years. We are talking about the replacement not of barracks but of temporary accommodation. Because I understand my hon. Friend's concern, I look forward to visiting Dartmoor in September. I hope that I can find a convenient date to go there with him.

Mr. Steen: I think that the House owes a deep debt of gratitude to my hon. Friend the Member for Torridge and Devon, West (Sir P. Mills), whose love of Dartmoor is well known. It is not just a question of a few shacks on Dartmoor. I am told that it will be a multi-storey, mixed

sex barracks. It will be two or three miles within the Dartmoor national park. In view of the fact that the Ministry of Defence is exempt from planning consent, it is quite wrong for the Minister to collude and allow the Ministry to destroy the boundaries of the national park by building a barracks in the way proposed.

Mr. Freeman: I think that my hon. Friend knows a lot more about the plans than I do. No plans have been finalised. As I said to my hon. Friend the Member for Torridge and Devon, West (Sir P. Mills), I am undertaking to go to Dartmoor in September to look at that site and all possible sites.

South Africa

3. **Mr. Flannery** asked the Secretary of State for Defence whether any members of the South African armed forces are currently receiving training in the United Kingdom.

Mr. Freeman: No.

Mr. Flannery: I thank the hon. Gentleman for that welcome answer. Will he give an assurance that the policy that he has just stated and which was stated by my hon. Friend the Member for Kingston upon Hull, North (Mr. McNamara), on behalf of the Labour Government in 1976, will carry on in a most determined way?

Mr. Freeman: I can give the hon. Gentleman that assurance. Since 1976, under successive Governments, there has been no military co-operation with and no military training for South African military personnel in this country. There is no military co-operation between the two countries.

Sir Antony Buck: Does my hon. Friend agree that there might be something to be said for South Africans coming here, to see how training is conducted on an entirely non-racist basis?

Mr. Freeman: My hon. and learned Friend makes an intriguing point. I confirm that for the past 10 years our policy has been and will continue to be one of no military co-operation between the two countries.

Mr. Stokes: Does my hon. Friend agree that it might be an admirable idea for South African forces to be trained in this country? It is in the interests of the West and of our own nation that South Africa should have a Government friendly to the West, safeguarding the Cape route and taking care of the valuable minerals there. Surely, none of us wants a Communist Government in that part of the world.

Mr. Freeman: I am somewhat disappointed by my hon. Friend. I repeat that our policy is and will remain one of no military co-operation between this country and the Government of South Africa.

Pakistan (Frigates)

4. **Mr. Chope** asked the Secretary of State for Defence if he will report on the outcome of his visit to Pakistan in relation to the sale of frigates.

Mr. Lee: My right hon. Friend the Secretary of State for Defence has not been to Pakistan.

Mr. Chope: Is my hon. Friend aware that when I put down the question two weeks ago, a visit was expected within a few days? Does he realise how vital it is for the people of Southampton that the order for type 21 frigates is won in Pakistan? Does he accept that the only way to win the order is for a Minister to go to Pakistan and tie up the final negotiations? Can my hon. Friend assure me that a Minister will visit Pakistan before the end of the month?

Mr. Lee: I fully understand my hon. Friend's concern for Vospers. It is a delicate matter. Negotiations are continuing. I draw my hon. Friend's attention to the fact that the former Minister of State for Defence Procurement visited Pakistan in support of the order in November 1985. A further ministerial visit is under active discussion.

Mr. Nicholas Brown: Besides the export potential of frigates, the Minister will be concerned with the export potential of their accompanying fleet auxiliaries. Can he now perhaps explain why the Harland and Wolff designs for our premier fleet auxiliary the AOR 1 were said in the House in April to have been comprehensively costed, yet, as we were told only a week ago, are still being reviewed by the Ministry of Defence?

Mr. Lee: I believe that this matter has been explained to the appropriate House of Commons Committee. Swan Hunter will be provided with the basic Harland and Wolff tender package at the end of August. That is now being examined to ensure that information given in commercial confidence to Harland and Wolff is not passed on to Swan Hunter. If Swan Hunter indicates on the basis of the basic tender that it is interested in tendering, it will be given detailed design drawings by January 1987 to enable it to provide a meaningful tender.

Mr. Franks: I am sure that my hon. Friend is aware of the export history of Vickers Shipbuilders and Engineering to the Indian subcontinent. May I renew the invitation, which I gave to the Secretary of State on his appointment to that office, to visit Barrow and see, not only the shipyards, but the engineering parts of the complex?

Mr. Lee: My hon. Friend never fails to get in a plug for the Vickers yard in his constituency, and we fully expect that to continue. My right hon. Friend the Secretary of State for Defence heard his point, and I am sure that he will be visiting Vickers relatively soon.

Mr. Janner: The Minister referred to the delicate negotiations with Pakistan. Has he also taken into account the other delicacy, which is relations with India and the anxieties in India over the build-up of armaments by Pakistan? What arrangements, if any, are being made for consultations with India in respect of armaments in that area?

Mr. Lee: Obviously, we have ongoing business and relationships with both Pakistan and India. I draw the hon. and learned Gentleman's attention to the fact that recently we sold Hermes to India.

Mr. Viggers: Ministry of Defence efforts in Pakistan and, indeed, Greece are greatly appreciated, but is my hon. Friend aware that the first question asked by any prospective purchaser is whether the Royal Navy has placed orders with the yard in question? In that connection, will my hon. Friend ensure that Vosper Thornycroft is always given fair consideration for Royal Navy orders?

Mr. Lee: I am happy to give my hon. Friend that assurance.

North Atlantic Treaty Organisation

7. **Mr. Lawler** asked the Secretary of State for Defence when the promotion of the North Atlantic Treaty Organisation was last discussed at a Defence Planning Committee meeting.

The Secretary of State for Defence (Mr. George Younger): Questions related to the need to explain and encourage public support for NATO policies are frequently discussed at Defence Planning Committee and North Atlantic Council meetings.

Mr. Lawler: Is my right hon. Friend not concerned that young people in particular are subject to large amounts of anti-NATO and anti-nuclear propaganda, increasingly under the guise of peace studies, and that, for example, the public perception would be that the NATO nuclear stockpile is not at its lowest level for 20 years, as is the case, but that it is probably at its highest? Should not NATO be doing more to inform the public of its role in the peace movement?

Mr. Younger: I agree with my hon. Friend that a great deal more could be done to bring home to many people, especially young people, the importance of the NATO Alliance, which is absolutely essential for the whole posture of our defence policy. On promoting the importance of NATO, it is up to NATO, which has a budget for this purpose, and individual members, such as the United Kingdom, to do all they can in that regard. I certainly assure my hon. Friend that I shall do all I can to forward that.

Mr. Marlow: What would happen to NATO if the Labour party kicked out the Americans from their bases in the United Kingdom?

Mr. Younger: My hon. Friend has hit on an extremely serious possibility, but he may agree that the prospect of that happening is rather remote. However, if it did, I would feel extremely worried about how the general public in America would react and what the effect of that would be on the Alliance thereafter.

Sir Antony Buck: Does my right hon. Friend agree that perhaps more should be done, literally on a NATO basis, to put forward the NATO cause in partnership with what is done by individual NATO countries? Could not the NATO defence college do more than it is doing to spread what might be described as the NATO cause?

Mr. Younger: I agree with my hon. and learned Friend that perhaps more should be done by NATO. The NATO press and information service, which works closely with Government information services, maintains an active programme of films, audio visual productions, seminars and visits. My hon. and learned Friend might be interested to know that in 1985 no fewer than 76 groups from the United Kingdom visited NATO, and 60 groups have visited NATO so far this year. NATO is far from being inactive in this area, but I am sure that it could do more.

RAF Cottesmore

8. **Mr. Latham** asked the Secretary of State for the Defence whether he will make a statement on the outcome of the recent noise survey taken near RAF Cottesmore.

Mr. Freeman: It will take some time to evaluate the results of the noise survey. It is therefore too early to say which villages or how many additional houses will qualify for grant assistance when the improved scheme is applied at RAF Cottesmore.

Mr. Latham: I thank my hon. Friend for arranging for the second survey to be carried out, but will he drastically speed up this exercise? It is impossible for my constituents to understand why this exercise should take so long. Surely it could be sorted out in a week or so?

Mr. Freeman: I am sure my hon. Friend will agree that the improvements to the scheme that I announced last November must be welcomed by his constituents. However, it will take a little time to cover the 50 or so airfields which the improved scheme will benefit. I assure my hon. Friend that we will make haste as quickly as we possibly can.

Home Defence

9. **Mr. Patrick Thompson** asked the Secretary of State for Defence whether he has any plans to extend the role of volunteers in home defence.

Mr. Freeman: Current planning already envisages a continuing expansion of our reserve forces for home defence tasks.

Mr. Thompson: Bearing in mind the well-known need to secure the home base more effectively in an emergency, does my hon. Friend agree that it might be a good idea to introduce some form of voluntary national service for young people to supplement the good work carried out by the reserve and home defence volunteers?

Mr. Freeman: My hon. Friend raises a different point. He will know that, in relation to home defence, we have plans for a Home Defence Force of approximately 5,000 by 1990, and we intend to increase the Territorial Army. Within that time frame to 1990, that is the correct policy and plan to ensure national security.

Mr. Ron Brown: Does the Minister agree that within the Conservative party there are elements who would argue that the so-called Home Defence Force could be used as strike breakers to attack the working class and hold them down in periods of struggle against the Government?

Mr. Freeman: I am sure that the hon. Gentleman is referring to the Home Service Force, not the Home Defence Force. The Home Service Force is currently 3,100 strong and has some way to go before it reaches its target ceiling. Its main function is simply the defence of key installations.

Mr. Jim Spicer: Does my hon. Friend accept that, even with these forces allocated to protect key installations, and even when they are at full strength, they must be kept under review because there may be a need to extend the number of key installations to guard?

Mr. Freeman: My hon. Friend is correct. I am grateful for his continuing interest in home defence. When we reach the target levels, that will be the right time to review policy to see whether there is the correct balance of commitments within the balance of resources. We will then review policy.

Mr. Robert C. Brown: As an ex-local defence volunteer, Home Guard and an ex-Regular Army man, may I ask the Minister to confirm that the defence force in its reserve capacity—the Territorial Army and the Home Defence

Force—is probably the best value for money available? Would my hon. Friend the Member for Edinburgh, Leith (Mr. Brown) accept from me that he was very uncomplimentary to the many thousands of decent working-class men and women who are members of those forces when he suggested that they join to become strike breakers?

Mr. Freeman: I share the hon. Gentleman's views about the value of the Territorial Army. I join him in paying tribute to the TA for its excellent work.

Mr. Churchill: Will my hon. Friend confirm that a ministerial undertaking was given to the Select Committee on Defence that the 300,000 or more self-loading rifles which have now become surplus to requirements for the Regular forces will not be disposed of, but will be retained against the possibility that we may have to expand greatly the Home Services Forces in future?

Mr. Freeman: If my hon. Friend will permit me, I shall write to him with the answer to that question.

Sir Hector Monro: In view of the great success of the Royal Auxiliary Air Force in aerodrome defence and recruiting, is my hon. Friend able to announce a helicopter squadron for the Auxiliaries, which is long overdue?

Mr. Freeman: No, I am not yet able to make any announcement. It is not within my direct responsibilities, in any case. However, I join my hon. Friend in paying tribue to the Royal Auxiliary Air Force Reserve, which, as with the Territorial Army, performs an excellent job.

Services (Premature Voluntary Retirement)

10. **Mr. Cartwright** asked the Secretary of State for Defence when he expects to receive the results of his Department's studies into the reasons for premature voluntary outflow from the services.

Mr. Freeman: The Ministry of Defence takes a continuing interest in the reasons for premature voluntary outflow. As part of that process a number of specific studies are currently under way and results are expected to become available by about the end of the year.

Mr. Cartwright: Is the Minister aware of the view of a number of senior officers that one major cause of the worrying outflow of skilled and experienced personnel is that our armed forces are overstretched and are being asked to do too much with limited resources, which has an adverse impact on the personal lives of the service men concerned? If that turns out to be a factor, what will the Government do to put it right?

Mr. Freeman: Obviously, by its nature, service life is turbulent, but we are conducting thorough reviews. There is a new form of questionnaire for those seeking premature voluntary retirement. When we have those results, which I hope will be accurate, we shall be able to judge the reasons—there may be more than one—for premature voluntary outflow.

Mr. Duffy: Is the Minister aware that the overstretch to which the hon. Member for Woolwich (Mr. Cartwright) referred is particularly evident in the Royal Navy, where ships are now putting in more sea time than in world war 2 and the 1930s? Does that not point to the urgent need for replacement ships, apart from additional surface ships, because they are a good deal less labour-intensive?

Mr. Freeman: The PVR figures, particularly for the Royal Navy, show that there is some levelling off. There might even be some early evidence of improvement. The PVR figures for this year are considerably below those for 1978-79, when the previous Government suspended pay comparability.

Sir David Price: Is it not an excellent thing, if the supplementary questions are correct, that the services are being stretched? Is not that what service life is about? Is not the best way of simulating wartime conditions to stretch the services, and does it not show that peacetime soldiering is not an idle occupation?

Mr. Freeman: As I have said, when the results of the study are available we shall be able to judge what the reasons are—there may be more than one—for the current PVR rate.

Mr. Allen McKay: Does the Minister accept that the present formulation of Falklands pay is less than helpful in the retention of the men in all three services? Will he repeal the formula and make Falklands pay from day one, as it should be?

Mr. Freeman: Since 1979 the Government have accepted and implemented all the Armed Forces Pay Review Body recommendations. Our experience is that armed forces personnel in all three services and at all levels greatly appreciate what the Government have done with regard to pay.

Mr. Bill Walker: Does my hon. Friend agree that at times when the civil airlines are in the market for pilots, the Royal Air Force has traditionally lost a substantial number of trained personnel to those airlines, and that we are now in such a situation? Could not those highly skilled, trained people who are going out to the civil airlines be used by the Royal Air Force to its advantage if they were kept in an auxiliary or reserve flying role?

Mr. Freeman: My hon. Friend is right. He has put his finger on the problem. The problem has been continuing for a considerable time, but we are studying it.

Mr. Dubs: Given the signs of racial discrimination in the British Army——

Mr. Nicholas Winterton: Rubbish.

Mr. Dubs: It is not rubbish—will the Minister look carefully to see whether it is likely that black soldiers are leaving the Army early because they are not given the same opportunities for promotion as their white contemporaries?

Mr. Freeman: That is pure speculation. The policy of the Government, which has been consistent under different Administrations, is that racial discrimination is not tolerated. That is the Government's clear and firm policy.

Mr. Wallace: Are not the lack of resources to which my hon. Friend the Member for Woolwich (Mr. Cartwright) referred affecting the ability of many of our service men to exercise as fully as possible? Is it not having a damaging effect on morale? Is it not the case that, until the Secretary of State and his Ministers face up to the budgetary crisis in the Ministry of Defence, those problems will not be solved or go away?

Mr. Freeman: I do not share the premise of the hon. Gentleman's argument. I do not believe, and there is no evidence to show, that our armed forces are prevented from exercising properly.

Mr. Wilkinson: Further to the serious point made by my hon. Friend the Member for Tayside, North (Mr. Walker), is not the continuing loss to the flying service of fast jet pilots a great economic loss to the nation, because they are trained at £3 million apiece? Is it not about time that an effective flying role was found for them in the Royal Auxiliary Air Force, as is the case with the Air National Guard in the United States reserve?

Mr. Freeman: My hon. Friend has made a valid point. The loss of our pilots to the civil airlines is of some concern, but we should not get it out of proportion. We are looking at the problem.

Defence Projects

12. **Mr. Alex Carlile** asked the Secretary of State for Defence what defence procurement projects of a value greater than £10 million are at present running behind schedule.

Mr. Lee: The Ministry has a well-developed system which ensures that all projects running seriously behind schedule are brought to the notice of senior officials and, for major projects, Ministers. Information about major projects is also regularly made available to the Public Accounts and Defence Select Committees. The detailed information requested, however, would require a special survey and could be provided only at disproportionate cost.

Mr. Carlile: Bearing in mind the Government's decision to cut defence spending in real terms and the escalating cost of Trident — one national newspaper, normally friendly to the Government, recently called it the "cuckoo in the nest" — will the hon. Gentleman now come clean and tell us which of the smaller projects are likely to be abandoned?

Mr. Lee: I am surprised that the hon. and learned Gentleman is here. I should have thought that he would be campaigning in the by-election and endeavouring to explain the inconsistencies of, and to fill the gaps in, the alliance's defence policy. I should have thought that the hon. Gentleman was on dangerous ground in talking about Trident. It is by no means the "cuckoo in the nest". One must compare like with like. Over a 20-year period the cost of Trident was just under £10 billion, compared with the escalating cost of the British Army of the Rhine, which, over that same period, was no less than £46 billion.

Mr. Favell: While on the subject of long-running sagas, will my hon. Friend update the position of the Nimrod AEW programme? Will he tell the House that British Aerospace has had nothing whatsoever to do with that sorry saga and that it has performed well and delivered on time?

Mr. Lee: I acknowledge that we have had some horrors in our procurement programme. Seven bids were received on 7 July, from Airship Industries, Boeing, Grumman, Lockheed, GEC, MEL and Pilatus Britten Norman. A decision will be taken in the autumn. I am pleased to confirm that we were happy with the airframe part of Nimrod, which was constructed by British Aerospace.

Mr. Douglas: Notwithstanding his answer, will the Minister say whether the C130 frame might be used——

An Hon. Member: Is this a question?

Mr. Douglas: If the hon. Gentleman would clean his ears out, he would have heard me say "will the Minister". Will the Minister say whether the C130 frame might be used with the electronic kit for the airborne early warning system?

Mr. Lee: I believe that there is a question on this matter later in the Order Paper. There are many permutations within the seven bids that have been received.

Procurement Policy

14. **Mr. Hayes** asked the Secretary of State for Defence what is his policy towards the placing of procurement contracts with British companies.

Mr. Lee: We buy British whenever it is sensible, economic and consistent with our international obligations to do so, and acquire from overseas only when the advantages of cost, performance and time scale outweigh the longer-term benefits of procuring the British alternative. The criteria used in deciding the source of our requirements are set out in the 1983 open government document "Value for Money in Defence Procurement".

Mr. Hayes: I hope that my hon. Friend will be protecting British jobs and British exports in my constituency in the company of Cossor Electronics by throwing out a bid by the American company that is called Bendix, which is using predatory pricing to get a foothold in the British market at the expense of British jobs. When are we to have a British procurement policy.

Mr. Lee: By and large, we have a British procurement policy. We are proud that about 90 to 95 per cent. of total procurement spend is spent with United Kingdom industry. As for the IFF competition, I can assure my hon. Friend that the strong and genuine representations that he has made to Ministry of Defence Ministers on behalf of the important Cossor factory in his constituency will be seriously taken into account, but we have a competition on at present.

Mr. Campbell-Savours: May we have an inquiry into the case of Mr. Don Pitman, a former employee of Thorn EMI, who reported his company for making excess profits on defence contracts? May we have a statement also on when the Government intend to reply to the Public Accounts Committee's report on excess profits by defence contractor Aish and Company? Will the principle of compensation, which we have advocated, be accepted by the Government, and will Mr. Smith, who is in deep financial trouble, be compensated fully for laying his job on the line in the way that he did three years ago?

Mr. Lee: I believe that there will be a response to the PAC fairly shortly. I am not aware that any investigation is planned into the case to which the hon. Gentleman referred in the earlier part of his supplementary question.

Mr. Latham: It is highly desirable that we should have the largest possible British procurement programme, but is not the concomitant of that that weapons systems should be delivered on time and to cost? Will he study the reports of the PAC, which make pretty depressing reading?

Mr. Lee: I give my hon. Friend the assurance that he seeks. We are becoming increasingly a hard-nosed and commercial Department. Many aspects of our procurement policy are being tightened.

Mr. Meadowcroft: What order is about to be placed with the Royal Ordnance factory at Barnbow, Leeds?

Mr. Lee: I believe that the hon. Gentleman's supplementary question relates to another question, but we are giving serious consideration to the seventh Challenger regiment, which I believe the hon. Gentleman is getting at.

Mr. Dickens: Are not British procurement opportunities and production runs being undermined by the French, who are surreptitiously selling helicopters to South Africa in defiance of the United Nations arms embargo?

Mr. Lee: I have no intention of flying with my hon. Friend on that route.

Mr. Denzil Davis: Will the Minister give the assurance that was given to the Committee that considered the Ordnance Factories and Military Services Bill, as it was then, that there is no intention of selling off the ROFs piecemeal in the course of privatisation?

Mr. Lee: I cannot give that assurance. Such an assurance was never given to that Committee, in which the right hon. Gentleman and I were deeply involved. We said that the preferred option for privatisation was a flotation of the whole, but we did not rule out, in certain circumstances, the sale of individual factories. We would much prefer, however, to deal with Royal Ordnance as a whole.

Falkland Islands

16. **Sir John Farr** asked the Secretary of State for Defence what is the total area in acres in the Falkland Islands at present unusable because of Argentine mines.

The Minister of State for the Armed Forces (Mr. John Stanley): The total area in the Falkland Islands presently unusable because of Argentine mines amounts to about 6,440 acres compared with an area of about 3 million acres for the islands as a whole.

Sir John Farr: While I thank my right hon. Friend for that reply, may I ask him whether he is aware that the land in question is accessible to some of the main centres of the Falklands? What discussions are taking place and what evaluation is taking place on how to detect those mines, which I understand are not metallic but are made of plastic?

Mr. Stanley: My hon. Friend is entirely right, in that most of the remaining Argentine mines are concentrated round Port Stanley, which is the main centre of population on the Falkland Islands. During the past year of so, the Ministry of Defence has been carrying out an in-depth research programme, on which about £3 million has already been spent, to try to deal with the problem. So far we have been unable to identify, and even if we spent many millions of pounds more we would be unable to identify, a sufficiently safe way of clearing those mines that could be employed in peace-time. Three Engineers were seriously wounded in the immediate aftermath of the Falklands campaign while trying to clear those mines. My hon. Friend will agree that it would be unjustifiable to risk maiming for life other sappers while trying to deal with the problem.

Nimrod Programme

17. **Mr. Nicholas Winterton** asked the Secretary of State for Defence what recent representations his Department has received from British Aerospace in respect of the Nimrod AEW Mk. III.

Mr. Younger: None, Sir.

Mr. Winterton: Is my right hon. Friend aware that British Aerospace, which is responsible for the airframe of the Nimrod, has in every way honoured its part of the contract and come up to scratch, without any reservation whatsoever? Can my right hon. Friend say that there has been a breakthrough by GEC Avionics, which is responsible for the other part of the contract, and that there is now no chance that the contract, which is so vital to British Aerospace and to British manufacturing industry, will be placed abroad? If it is, it will be a disaster for employment in my constituency and in the areas represented by my hon. Friends the Members for Hazel Grove (Mr. Arnold), for Cheadle (Mr. Normanton) and Stockport (Mr. Favell). Will he assure us that the contract will be British and that he will buy British for the benefit of British employment?

Mr. Younger: I can confirm to my hon. Friend that the work carried out by British Aerospace on the Nimrod AEW Mk III project is well advanced. However, a decision on the future of the project must take into account the implications my hon. Friend mentioned. I shall say no more about the bidders for the contract, as I wish to assess them all on an equal basis. I shall be waiting to see not only the bids that are put in, but the performance of the equipment to which those bids relate.

Mr. O'Neill: Will the Secretary of State assure us that a statement will be made to the House when that decision is taken, that it will not be taken during the recess when hon. Members will have no chance to question him and that there will be a proper statement, not a hole-in-corner operation such as we are getting today in relation to the frigates?

Mr. Younger: I note what the hon. Gentleman says, and I can tell him that it will be some considerable time yet before I am likely to decide on the matter. I note what he says about the necessity of a statement to the House. My right hon. Friend the Leader of the House will have heard that, and I shall certainly take it into account.

Mr. Leigh: Will my right hon. Friend confirm that whichever company is successful in obtaining the AEW contract, RAF Waddington in Lincolnshire will continue to be used as a base for AEW operations?

Mr. Younger: I cannot give quite such a categorical undertaking, but I appreciate my hon. Friend's strong interest in ensuring that that is so. Such decisions must await the result of the competition, which looks like being a most successful one, for the best equipment to fit the RAF with this important capability.

British Nuclear Test

18. **Mr. Evans** asked the Secretary of State for Defence if he will make a statement on the recent testing of a British nuclear warhead in the Nevada desert.

Mr. Stanley: A British nuclear device was successfully detonated at the United States Nevada test site on 25 June. The yield was between 20 and 150 kilotons. The test was undertaken with the co-operation of the United States under the auspices of the mutual defence agreement of 1958.

Mr. Evans: Is the Minister aware that in the opinion of the majority of British people the action of exploding that device was outrageous and provocative, especially in the aftermath of the Chernobyl disaster? At a time when Britain's ordinary defence forces are being reduced, why are we wasting money on such outrageous actions?

Mr. Stanley: The hon. Gentleman says that it was outrageous. If he believes that, I hope that he will ask himself why it was that during the time when the negotiations were taking place for a comprehensive test ban treaty under the last Labour Government, that Government detonated British nuclear devices on 11 April 1978 and again on 18 November 1978.

Mr. Strang: What has been the Government's response to the Soviet moratorium on nuclear weapons testing, which has been in operation now for almost a year?

Mr. Stanley: The hon. Gentleman must bear in mind that since 1979 the Soviet Union has undertaken in excess of 150 tests, while the British Government have undertaken only 11.

Mr. Bill Walker: Does my right hon. Friend agree that there is no point in having weapons delivery systems unless the warheads fitted to those delivery systems function and do the job for which they are intended, and that there is only one way to find that out, and that is to test them?

Mr. Stanley: I entirely agree with my hon. Friend. It is necessary to maintain the effectiveness of our nuclear capability as the test programme takes place. That is exactly the same view as that taken by the Labour Government, as they stated in this House of Commons.

Mr. Denzil Davies: What is the Government's view now on a comprehensive test ban treaty, since both American and Soviet scientists agree that, with the sophisticated seismic equipment available today, it is virtually impossible to conduct an underground test without it being detected? In view of that, why do the Government not now agree to a comprehensive test ban treaty?

Mr. Stanley: As we have said on many previous occasions, that is not the current scientific view of British Government or, indeed. The American Government, and there are still substantial verification problems that have to be overcome.

PRIME MINISTER

Engagements

Q1. **Miss Boothroyd** asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

Miss Boothroyd: Is the right hon. Lady in favour of early majority rule in South Africa on the basis of one-person one-vote, or is she not?

The Prime Minister: The hon. Lady is well aware that the question is not one-person, one-vote — *[Interruption.]* It might be as well to listen to the end of the sentence first. It is whether it is one-person state one-vote in a unitary state, or a federal state, so the question that she asks is not the correct one.

Mr. Baldry: Does my right hon. Friend agree that the real divide in this country is between those of us who believe that the state should always be the servant of the people and those Opposition Members who want the state always to be the master of the people, and that no playing around with words such as transposing "social ownership" for "nationalisation" will hide that fact from the people of this country?

The Prime Minister: I agree with my hon. Friend. Social ownership is nationalisation and control by Government under another name. We want to reduce the control by Government and increase the freedom on the part of the citizens of this country.

Mr. Kinnock: Against the background of last week and, indeed, last weekend why does the Prime Minister keep insisting that sanctions and negotiations are somehow mutually exclusive alternatives when it is obvious to everyone, including many members of her own party, that real negotiations will be secured only when there are strict sanctions against apartheid, and that persuasion without pressure is utterly hopeless?

The Prime Minister: The right hon. Gentleman uses a new word when he refers to "strict" sanctions; he does not define it. As he will know, his party has rejected general economic sanctions, and every party in power has rejected general economic sanctions for the simple reason that they have never been known to work to bring about internal change. If they will not work to bring about internal change, why does he want to impose them?

Mr Kinnock: Not for the first time the Prime Minister dodges any question that is really related to apartheid. Last week she said that she had done quite well by persuasion, particularly in the last 18 months. In that 18 months the horrific truth is that 2,000 people have been killed in South Africa, the South African regime has undertaken armed aggression against three Commonwealth countries, thousands of people have been put in detention without trial, there have been two states of emergency and two acts of unprecedented oppression. Is that what the right hon. Lady means by doing quite well in the last 18 months?

The Prime Minister: The right hon. Gentleman is well aware of that. If sanctions will not work to bring about internal change, why in the world does he want to bring them in? He knows full well that they would cause starvation of children and that they would cause unemployment in South Africa on a wide scale and unemployment in this country. Why does he continue to want them under those circumstances?

Mr. Kinnock: The Prime Minister's interest in morality in South Africa is very recent indeed. What has she been doing about the fact that half the children in the homelands die as babies? What has she ever done about the fact that there is one doctor to 44,000 black Africans? What has she ever done about the basic atrocity of apartheid? We should not take lectures, and certainly the people of South Africa will not take lectures, from the right hon. Lady about morality.

The Prime Minister: Nor do I take lectures from the right hon. Gentleman, whose party voted against sanctions when it was the Government. Perhaps he will listen to what Chief Buthelezi said in a letter to *The Guardian* recently:

"My forefathers fought British imperialism; today I am prepared to die for democracy, and I will not rest until apartheid is dead. But I am not prepared to lead my people into a battle where they will be decimated. South Africa cannot and will not be liberated with the blood of children." *[Interruption.]*

Mr. Speaker: Order. Will hon. Gentlemen please not shout at each other across the Chamber.

Mr. David Howell: Will my hon. Friend try once more to explain to Opposition Members that by far the best way to raise the dignity, political status and prosperity of black South Africans is not to isolate the South African economy, but to follow the advice of Mrs. Helen Suzman, a fighter for black rights, by expanding investment in black South Africa and bringing new enterprise, managerial expertise and know-how to the black community? Will my right hon. Friend say what talks she has had with other industrial countries and Governments to further such positive enterprise instead of trying to ruin the South African economy, black and white?

The Prime Minister: I agree with my right hon. Friend. Mrs. Suzman also wrote an article in *The Times* a few days ago. Speaking about sanctions, she said:

"The likely effect in South Africa would be the imposition of a siege economy and more repression."

We adopt my right hon. Friend's view. As he knows, we have been in touch with the Economic Community. The communiqué issued recently was a communiqué of the Twelve, who are taking positive measures to bring more aid to black South Africans for their greater education. As he knows, my right hon. and learned Friend the Foreign Secretary will be going this week to Washington to discuss the matter with the Government of the United States.

Mr. Steel: Has the Prime Minister noted the speech made at lunchtime today by the Secretary General of the Commonwealth, in which he reminded us that some of the arguments used today against sanctions are the same as were used by the West Indian planters against the abolition of slavery in the last century? Will she also note that he believes that the decision of the Commonwealth Games Federation yesterday has created what he calls a "window of opportunity" for all nations to come to the Edinburgh games? That window must not be shut in London. Will the Prime Minister support his call?

The Prime Minister: As the right hon. Gentleman is aware, it was this House which had a great deal to do with the abolition of slavery. It had nothing to do with sanctions. We should be proud of the record of this House, before there was a Labour party, in getting rid of slavery.

With regard to what the right hon. Gentleman said about the Commonwealth games, I greatly regret the unjustified action that has been taken about withdrawing. In regard to Zola Budd and Annette Cowley, it is not a matter for the Government but for the Commonwealth Games Federation to decide upon the eligibility of individual athletes within its own rules. It is for it to justify its decision and it is for the federation to administer its rules impartially. Those games have nothing to do with decisions of Her Majesty's Government.

Q2. **Mr. Amess** asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Amess: I congratulate my right hon. Friend on her recent visit to Vancouver, and on batting for British jobs and work. Will she please take every opportunity in her travels abroad and when she meets overseas visitors in London to point out to them that the new Rover car is a victory for joint design and technology?

The Prime Minister: I know that my hon. Friend never loses an opportunity to bat for interests in his constituency and that he never loses an opportunity to bat for that particular car, an opportunity that I share with him. The display in the British pavillion was absolutely first class and demonstrated all that is best in British industry and all of its successes. We are particularly good on several makes of cars and also on the railbus and the Leyland Bus. It was also very good that there was the first flypast of Concorde, which was very much welcomed by the people of Vancouver. It showed how good we are in aerospace matters.

Mr. Robert C. Brown: After arguing the case for sanctions against Libya, Afghanistan, Poland and other places, why has the Prime Minister suddenly taken such an extreme dislike to sanctions against South Africa? Surely she must realise that the British people and the British Commonwealth are crying out for moral leadership over sanctions, the type of moral leadership which, at long last, the Church of England has given?

The Prime Minister: The hon. Gentleman will be aware that when it came to sanctions against Libya we argued that they do not work unless they are totally and utterly universal, and they never are. That is why they were not put on. Certainly we had good cause to turn out of London the Libyan People's Bureau, but that was not an economic sanction. Certainly we have good cause to refuse to supply defence equipment to Libya. Also, we have absolutely refused to supply defence equipment to South Africa. As for moral sense, I see nothing moral in trying to cause starvation and unemployment for people and children in South Africa.

Mr. Donald Stewart: When she quoted from last week's edition of *The Guardian*, why did the right hon. Lady not quote the editorial, which asked when she last took the lead in feeding the starving, when she had shown some sign of trying to find jobs for people without prospects and why, having read the Brandt report, she passed by on the other side? Is it not clear from that, that, while reading moral lectures to people who do not require them, her guiding principle is support for the South African regime?

The Prime Minister: As the right hon. Gentleman refers to *The Guardian*, may I say that I thought that there were one or two rather successful interviews in *The Guardian*

last week, which managed to get across a number of facts that needed to be stated. There were also letters, from one of which I have quoted. As the right hon. Gentleman invited me to go on, let me quote further from the letter from which I have already quoted. Chief Buthelezi said:

"Today, more than ever, negotiation and peaceful change is within our grasp. Whites, more than ever, are ready to negotiate. Nobody can say exactly when and how, but one thing I do know: senseless violence will not help our cause."

Yes, *The Guardian* carries excellent letters.

Q3. **Mr. Temple-Morris** asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Temple-Morris: My right hon. Friend, who is to be congratulated on her forthcoming visit to Moscow, will recollect that Mr. Gorbachev told Lord Whitelaw's recent IPU delegation that he wanted a summit, but Mr. Gorbachev understandably added that there was no point in having one unless it could agree about something. Will my right hon. Friend do her utmost to secure a summit? Will she also do her utmost to secure the prospects of an agreement on chemical weapons and, I dare say, on other matters as well?

The Prime Minister: I agree with my hon. Friend. I think that most people hope that there will be a summit between President Reagan and Secretary General Gorbachev, and that there will be a summit this year. It will be fruitful if it succeeds in reaching some decisions on arms control, possibly as a prelude to a third summit next year. As my hon. Friend says, I believe that chemical weapons offer an area in which the Soviet Union could follow the lead given by Britain and the United States, in that she could substantially reduce her stockpile and agree not to engage in any more manufacturing of these weapons. Also, I believe that there is some hope of making further progress on intermediate nuclear weapons. There are very interesting proposals on the table now between the United States and the Soviet Union. I believe that they will be prosecuted with the utmost urgency and I hope that they will lead to a successful summit.

Q4. **Mr. Terry Davis** asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Davis: What does the Prime Minister mean by her earlier reference to a choice between a unitary and a federal state in South Africa? Does she want to see more Bantustans?

The Prime Minister: With respect, I should have thought that the hon. Gentleman would know what the difference is without needing a lesson on it.

Mr. Maclean: Will my right hon. Friend check with her right hon. and hon. Friends to find out how many letters they have received on the issue of sanctions against South Africa? I am sure she will find that there is no great pressure from our constituents to impose sanctions against South Africa. It is a whipped-up media campaign, and our constituents do not like the hypocrisy of other African nations which have dictatorships, and which could teach South Africa a thing or two.

The Prime Minister: We certainly have not received many letters compared with the amount that we receive on some other subjects. I think that people are very much aware that the Labour party's policy would mean lost jobs and a great deal of misery among those whom we seek to help in South Africa.

Q5. **Ms. Richardson** asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

The Prime Minister: I refer the hon. Lady to the reply that I gave some moments ago.

Ms. Richardson: Following the Prime Minister's visit to Canada, can she name a single Commonwealth Head who does not favour sanctions?

The Prime Minister: I think that there are other Commonwealth Heads — [HON. MEMBERS: "Who?, Where?"] — who do not favour sanctions. It is not for me to mention them here. There are many Commonwealth Heads who do not favour general economic sanctions, and most of them are talking about signals and gestures. That is totally different from the Labour party's policy, which is to create unemployment in South Africa in order to create unemployment here.

Frigates

The following Questions stood upon the Order Paper:

5. **Mr. Michael Hirst** (Strathkelvin and Bearsden) asked the Secretary of State for Defence if he will make a statement about the export potential of type 23 frigates.

13. **Mr. Dick Douglas** (Dunfermline, West) asked the Secretary of State for Defence if he will make a statement on the policy of his Department relating to the intention of ordering three frigates per year; and how this is going to be fulfilled in 1986.

3.32 pm

The Secretary of State for Defence (Mr. George Younger): It remains my intention to maintain a force level of about 50 frigates and destroyers, but the number of frigates to be ordered in any one year will continue to depend on the resources available.

I am pleased to announce today that I will be placing orders for three type 23 frigates of the Duke class, two to be built at Yarrow Shipbuilders Limited on the Clyde and one at Swan Hunter Shipbuilders on Tyneside as soon as outstanding contract terms have been settled. The first two ships will start building in the coming months and the second ship at Yarrow next year.

The order with SHS followed negotiations with it, in the light of the statement made by my predecessor on 28 January 1985, which have resulted in a satisfactory agreement on price. The order with YSL followed a competition with three other yards and the winning tender offered the best value for money.

These orders will demonstrate to prospective overseas purchasers the confidence which the Royal Navy has in this highly capable warship.

Mr. Hirst: I am grateful to my right hon. Friend for his exceedingly encouraging reply, which will be warmly welcomed by the management and work force at Yarrow on Clydeside, where a number of my constituents work. Is his statement not a superb present for the yard as workers leave for their annual holidays? Is my right hon. Friend aware that Yarrow will now build a covered module yard in the facility, which will enable it to build more frigates more competitively? Will that not enhance the yard's export potential for those countries that wish to buy this type of frigate?

Mr. Younger: I am most grateful to my hon. Friend for all that he has said. I fully appreciate that these valuable orders will be good news for many families at this time. Like my hon. Friend, I am glad to hear that there may be an extra covered berth, and if that results in even better value for money for future purchases from the yard, it will be very much to the advantage of the taxpayer and of the defence budget.

Mr. Douglas: The Secretary of State will not think it amiss, I hope, if we look at his answer fairly carefully in the light of what seems to be an abandonment of a commitment to order three frigates a year. Am I not correct to say that last year no frigates were ordered? This year we are ordering not three frigates but two. Can the right hon. Gentleman say when all four orders will be firm so that progress can be made with the covered berth? Will he give us some news that will make up for the leeway in frigate ordering? If we do not make up that leeway, we shall have a very old surface fleet of frigates and other surface ships.

Mr. Younger: The hon. Gentleman is not strictly correct on the figures he has outlined. I should have thought that he would have unreservedly welcomed an order for three frigates at one time. I am sure that he will appreciate, as a person with some experience in the industry, that one has to look at this over a long period. One could say that I have now ordered three frigates this year, but, as I said, we must look at it over a longer period and the hon. Gentleman will have to wait to see what orders come in later years.

Sir Antony Buck (Colchester, North): Would my right hon. Friend agree that what he has announced shows that we are not only able to maintain our own independent nuclear deterrent, but that we are able to maintain an adequate surface fleet?

Mr. Younger: My hon. and learned Friend is absolutely right. He may recall, as I do, the rather sour reaction of the right hon. Member for Llanelli (Mr. Davies) the last time there was a frigate order, when he said that it would be the last such announcement that the Government would be making in this Parliament. He said:

"From now on it is likely to be cancellations all the way."
—[*Official Report*, 28 January 1985; Vol. 72, c. 22.]

My hon. and learned Friend is quite right.

Mr. Nicholas Brown (Newcastle upon Tyne, East): Were frigate type 23 03 and 04 placed on the lowest price, or were the bids of Yarrow's competitors increased by an element for lead yard services from Yarrow?

Mr. Younger: The bids for Yarrow were entirely on a competitive basis. In other words, Yarrow won the competition for those ships. The order for Swan Hunter —the frigate 02—as the hon. Gentleman knows, was a special arrangement announced by my predecessor. I have stuck to his undertakings absolutely. Lead yard services are reflected in the price we expect to get from the ships we ordered from yards other than the lead yard. It is a reflection of the value they get from the lead yard in information.

Mr. Keith Speed (Ashford): Would my right hon. Friend confirm what his predecessor told the Defence Committee, that to maintain an up-to-date and capable 50-strong force of frigates we will need to order three frigates a year for the next few years?

Mr. Younger: As my hon. Friend knows better than most of us, it is not as simple as that. The maintaining of about 50 frigates at any one time is a mixture between the new building of frigates and the length of time for which it is sensible to retain older frigates in service. However, I am sure that my hon. Friend will be encouraged to see the large series of three orders today. I hope that he will feel that that it is a good sign of the confidence we have in keeping a strong component in the Navy.

Mr. Ted Garrett (Wallsend): The Secretary of State has to be congratulated, somewhat belatedly, on finally making the decision. It is of immense importance to the Tyne, especially the Wallsend constituency. I am pleased that he has mentioned a significant factor, which is to impress upon the navies of the world that Britain can build ships which would be to their advantage if purchased. That

point must be emphasised repeatedly by the people who will be marketing the ships. Will the Secretary of State do his utmost to help in the marketing?

Mr. Younger: I am extremely grateful to the hon. Gentleman for everything that he has said. It is a reflection of the hard work that I know he has done for a long time to help to get these orders. I agree entirely about export orders. It should now be possible for us present a strong bid throughout the world for this excellent frigate. Certainly, my Department will do all it can to help.

Mr. Barry Henderson (Fife, North-East): Does the announcement of my right hon. Friend not underline the vital contribution that Scotland makes to the defence of the West and the extent to which defence considerations make an important contribution to the jobs and economy of Scotland?

Mr. Younger: My hon. Friend is absolutely right. Scotland, especially in relation to the Navy, makes an outstanding contribution to the defence of the country and a large number of jobs in Scotland result from it. My hon. Friend is right to draw that to the attention of the House.

Mr. Robert Maclennan (Caithness and Sutherland): I recognise the satisfaction that the announcement will give to Yarrow in particular. However, can the Secretary of State say what action he proposes to take following the resignation of Professor Main from the proposed committee of inquiry into hull design. Are the Government going to take the considerations of the committee into account when considering future policy towards frigates?

Mr. Younger: I am sorry to point out to the hon. Gentleman that he has got the wrong person. I believe that Sir Peter Main is in charge of the teachers' inquiry. I regret that Professor Caldwell found it necessary to resign from the investigation into hull shapes for ships. He did it on his own authority, feeling that his credibility had been undermined. We will now be looking for a suitable and, I hope, independent replacement.

Mr. Peter Griffiths (Portsmouth, North): I congratulate my right hon. Friend on his announcement, but would he recognise that the outstanding export record of Vosper Thornycroft, on the south coast, makes it a prime contender for the next order that he offers?

Mr. Younger: I appreciate my hon. Friend's point. Vosper Thornycroft has a fine record and, as my hon. Friend is aware, it is our lead yard for mine counter-measures vessels. As for other export orders with which Vosper Thornycroft is concerned, we shall do everything possible to assist the company.

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Is the Secretary of State aware that a proper age structure for the 50-surface-ship fleet to which he referred can only be assured if an ordering pattern of three ships a year—referred to by my hon. Friend the Member for Dunfermline, West (Mr. Douglas)—is resumed? Can he say whether the newly ordered type 23s will be fitted with the latest towed array sonar, which is to be denied to the type 22s?

Mr. Younger: I can confirm the hon. Gentleman's last point. I am glad to say that the three ships that we are ordering today will be fitted with new towed array sonar. There has been a gap in the ordering which is quite usual when the first of a new line of frigates is ordered. The type 23 01 has taken longer than usual to produce because it is the first. This year, we have produced an order for three follow-on frigates. The hon. Gentleman must await future announcements for other frigates in due course.

Mr. Jonathan Sayeed (Bristol, East): My right hon. Friend's announcement will be welcomed by everyone who believes in the defence of Britain. The types 23 and 22 are both expensive and too sophisticated for a number of foreign purchasers. How will my right hon. Friend encourage foreign navies to buy British? What plans has he to ensure that yards develop a system for building frigates for naval use which have lower manning levels and cost less?

Mr. Younger: My hon. Friend makes a valid point. The type 23 is much more economical in terms of manpower than its predecessor. It needs a considerably smaller crew and will be fitted with a great deal more sophisticated equipment. It is true that such a sophisticated vessel is of interest only to certain navies which have similar needs, but nevertheless it is more cost-effective than its predecessor. Therefore, it ought to be a better bet for many more navies than the previous type of frigate. We should do all we can to encourage its purchase.

Dr. David Clark (South Shields): Although the whole of Tyneside will be pleased that the Government have confirmed this order, does the Minister appreciate that there is still a considerable shortfall of work in the area? What plans has the right hon. Gentleman to ensure that there is an on-going naval shipbuilding presence on Tyneside?

Mr. Younger: I appreciate the hon. Gentleman's point. That there should be a shipbuilding presence on the Tyne is a matter of great concern to many of us. This order was an undertaking given to Swan Hunter and I hope that the hon. Gentleman will feel that it has been properly and completely carried out. It is worth reminding the House that we are in the middle of a large warship building programme. In real terms, it is probably the largest that we have had for many years. It is a demonstration of the importance that the Government attach to defence.

Sir David Price (Eastleigh): Does my right hon. Friend recognise that his statement will cause great disappointment in Vosper Thornycroft in my constituency? Will he at least confirm the proposed single-role minehunter orders which will make a considerable difference to employment prospects at Vosper Thornycroft, given its disappointment at not getting one of these type 23 frigate orders?

Mr. Younger: I appreciate what my hon. Friend says about Vosper Thornycroft and I am sorry on its account that it did not win the competition for the type 23 frigate. I can confirm that we regard it as a most important yard, especially with regard to the mine counter-measures vessels and the minehunter vessels. I confirm that it is our lead yard for those vessels.

Mr. Harry Ewing (Falkirk, East): Is the Secretary of State aware that this will be good news for the workers in Yarrow before they go on their annual holidays, but will he be a bit more precise about the starting date for the building of the frigates? He did say that, in the case of the two placed at Yarrow, construction would begin in the coming months.

[Mr. Harry Ewing]

Is the Secretary of State further aware that it is entirely appropriate that he should answer the question put down by the hon. Member for Strathkelvin and Bearsden (Mr. Hirst), who, when he worked for the Marathon yard, had his job saved by my right hon. Friend the Member for Chesterfield (Mr. Benn) when he placed an order for an oil rig? Does he think that at long last this will persuade his hon. Friends that public expenditure can not only save but create jobs?

Mr. Younger: The principal consideration that I have to have in mind when I place orders is whether they are the best value for the defence budget and the best equipment for the Royal Navy, and I am sure that the hon. Gentleman will understand that. It will be good news for those who are likely to have their jobs safeguarded.

Let me reaffirm the position on construction times. The precise starting dates for construction are for negotiation between the Department and the contractors concerned, but I understand that the one at Swan Hunter and the first of the two at Yarrow are likely to start in a few months time, and the second one at Yarrow is likely to start next year but it is not yet clear in precisely which month.

Several Hon. Members *rose*——

Mr. Hirst: On a point of order, Mr. Speaker.

Mr. Speaker: I know about it. I will take it at the end of the statement.

Mr. Churchill (Davyhulme): I congratulate my right hon. Friend most warmly on his decision to order three type 23 frigates. What estimate can he give the House of the number of jobs that will be safeguarded or created in the key areas of unemployment on Tyneside and Clydebank?

Mr. Younger: My hon. Friend hits an important note. Approximately 1,200 men per year per ship will be employed in direct labour at the yard with about twice as many again employed on sub-contracts and in the weapons and marine equipment industries. Therefore, about 10,000 jobs overall will be sustained in these important areas over several years and I am sure that my hon. Friend will want to welcome that, as indeed will the whole House.

Mr. Robert C. Brown (Newcastle upon Tyne, North): I congratulate the Secretary of State on at least keeping faith with Swan Hunter with regard to the frigate order. He refers to the jobs that are being saved, but is he aware that, had it not been for the robbery with violence of the auxiliary oiler replenishment vessel from Swan Hunter a lot of men who are now walking the stones would still be in full-time employment? When can we expect an encouraging statement from him on the second AOR for Swan Hunter?

Mr. Younger: I appreciate part of what the hon. Gentleman said, but his remarks about the AORs may be looked at a little askance elsewhere. If I had decided that the firm which clearly won the competition on design and price was not to get the first AOR, I would have been justifiably and severely criticised. In case the hon. Gentleman has forgotten, I remind him that in the course of that announcement I made it clear that I would make sure that Swan Hunter had a particular opportunity to bid for the second AOR order on certain terms. I should have thought that that was a fairly good gesture towards Swan Hunter which I hope is appreciated in the north-east.

Mr. James Wallace (Orkney and Shetland): The Secretary of State's long-awaited announcement is welcome on these Benches, as I am sure it is very much welcomed by the work force at Yarrow and Swan Hunter. As he has rightly and properly taken into account the undertaking given by his predecessor to the Swan Hunter yard and no doubt awarded the order on a basis other than sheer competitive price, will what might be called the difference in price fall on an overstretched defence budget or can it be allocated to some other budget such as, for example, that of the Department of Employment?

The right hon. Gentleman has mentioned that this must be looked at on a long-term basis. Can he assure the House that, over that long term, bearing in mind the pattern of new ships coming into service and older vessels going out of service, there always will be a surface fleet of about 50 vessels, or will there be a shortfall at some stage during that period?

Mr. Younger: I see the point that the hon. Gentleman is getting at about the small amount of extra cost which we shall have paid by placing the order somewhat uncompetitively at Swan Hunter. That is something that we had already undertaken to do, and, therefore, it falls on the defence budget. I make no complaint about that because it was a decision taken openly by the Department some time ago.

The hon. Gentleman mentioned the ordering position generally. He is right in his suspicion that the way in which the orders are placed must be balanced out between how long the existing ships can be kept going economically and sensibly and how much new build is needed to keep the fleet in balance. I have maintained the policy, which has been the policy of the Department for a long time, that about 50 frigates will be kept in commission. I think that the House would like to know that.

Mr. Denzil Davies (Llanelli): The right hon. Gentleman will be aware that his statement will come as a great relief both to the Royal Navy and the warship building yards involved. He will also recognise that it does not solve the fundamental problems of arriving at a modern 50-warship Navy by the 1990s. The right hon. Gentleman said that there would be two orders this year and one next year. What will the cost be in terms of the Ministry of Defence budget in this financial year? In other words, how much money will come out of the Ministry of Defence budget in this financial year as a result of today's announcement?

Mr. Younger: The right hon. Gentleman was somewhat less than generous in his opening remarks. I should have thought that it was a major step towards having a modern force of about 50 frigates in the 1990s. I leave that aside. The position of the frigates in the programme must be balanced out with all the other factors. I hope that the right hon. Gentleman will take that as a clear indication. Costs are commercial and confidential. However, I have aready made it clear that the cost of the frigates is about £115 million each. While I cannot give the precise prices for the group of three frigates, I can say that we have made a saving of about 5 per cent. on what we expected to spend.

Mr. Davies *rose*——

Mr. Speaker: No. The right hon. Member cannot ask a second question. I am sorry.

Mr. Hirst: On a point of order, Mr. Speaker. For the avoidance of doubt and in view of the incorrect statements made by the hon. Member for Falkirk, East (Mr. Ewing), I make it absolutely clear that I have never worked in a shipyard. I am a chartered accountant by profession. I have spent all my working life in private practice. My interest in tabling a question today and on previous occasions about defence matters and shipbuilding relates to the fact that I have constantly championed the excellence of shipbuilding on Clydeside and at Yarrow.

Mr. Ewing: Further to the point of order, Mr. Speaker. For the avoidance of doubt, I have never said that the hon. Member for Strathkelvin and Bearsden (Mr. Hirst) worked in a shipyard. I was talking about the oil rig construction yard that the hon. Gentleman worked for on Clydeside.

Mr. Jim Spicer (Dorset, West): On a point of order, Mr. Speaker.

Mr. Speaker: Does it arise directly from this matter?

Mr. Spicer: It arises directly from Prime Minister's Question Time.

Mr. Speaker: I shall take it after the private notice question.

Commonwealth Games

3.52 pm

Mr. Donald Dewar (Glasgow, Garscadden) *(by private notice)* asked the Secretary of State for Scotland if he will make a statement on the latest position regarding the forthcoming Commonwealth games.

The Secretary of State for Scotland (Mr. Malcolm Rifkind): The present position is that over 2,800 athletes and officials from 54 Commonwealth countries have informed the organisers that they will be attending the games. I hope that that number may be increased to the original figure of over 3,100 athletes and officials if the five boycotting countries reconsider their position.

I remain confident that the organisers will stage the 13th Commonwealth games successfully. Scotland will give its traditional warm welcome to the many Commonwealth athletes and their supporters who wish to come to Edinburgh this summer.

Mr. Dewar: Will the Secretary of State note that we share the general regret about the troubles that have beset the games with the withdrawal of the five African nations and, I fear, indications of further problems to come? I endorse his hope that the games will be a success and that it will be possible to undo some of the damage that has been done.

Will the Secretary of State dissociate himself from the call made today by a Conservative Member of Parliament to cancel the games? Does he agree that it is a tragedy that the friendly games have been fractured in this way and become a victim of our isolation in the Commonwealth because of the Prime Minister's intransigence? Will he make it clear to the Commonwealth that the games are being hosted by the Scottish people, not by Downing street? Will he reflect directly to the Commonwealth the strong feelings throughout Scotland on the issue, our abhorrence of apartheid and our deep differences with the Prime Minister on the sanctions issue? Is it not right to urge on Commonwealth countries, which are concerned and understandably bitter about Britain's attitude to sanctions, that the best way forward is to argue the case in the Commonwealth and not to boycott the games?

As the Secretary of State knows, great efforts are being made to put the games on a sound financial footing. Clearly, that has not been helped by the current turmoil. We are all aware that there has been no financial backing from the Government. That has been conspicuously absent. Will the Secretary of State be prepared to look sympathetically at any future approach for material support to meet liabilities which could not have been anticipated and result from factors beyond the organisers' control?

Mr. Rifkind: I welcome the hon. Gentleman's comment that the Opposition share the view of the Government and, I am sure, all British people that all Commonwealth countries should come to the games in Edinburgh, and that it would be wrong for differences of opinion on other matters to endanger or threaten the value of the Commonwealth Games.

Despite the regrettable signs from five countries that they are not at present intending to come to the games, the remaining countries which are participating will nevertheless send more athletes to these Commonwealth Games in

[Mr. Rifkind]

Edinburgh than have attended any previous Commonwealth Games in the history of the event. Therefore, the games, which will begin next week, still look like being the best and largest-ever games that the Commonwealth has experienced.

Whatever one's views may be about the issue of sanctions against South Africa, the whole value of the Commonwealth Games in the past has been its expression of the multiracial identity of the Commonwealth. There is no better way of showing South Africa our abhorrence of apartheid than by having a successful multiracial Commonwealth Games, symbolising the unity which the Commonwealth should represent.

On the financial aspects, the hon. Gentleman will be aware that the Commonwealth Games organisers have raised substantial sums, and that following changes announced two weeks ago new initiatives, including some exciting ones, have been launched to fill the remaining gap. I remain confident that that will be possible.

Finally, I remind the House and those who have criticised the Commonwealth Games that the games belong not to any one country or Government, but to the Commonwealth as a whole. It is both illogical and undesirable that the Commonwealth Games, which belong to the Commonwealth, should be boycotted by individual countries because of their disagreement with one Commonwealth Government.

Mr. Julian Amery (Brighton, Pavilion): Will my right hon. and learned Friend take this opportunity to condemn in forthright terms the exclusion on purely racial grounds of Miss Budd and Miss Cowley from the games? Will he take on board that eligibility is the criterion? I understand from what I saw on television last night that the team which is representing Monserrat includes one competitor who was born in Monserrat but never lived there and one who has never lived there. Will my right hon. and learned Friend take this opportunity to express the British public's horror at the politicisation of the games?

Mr. Rifkind: One certainly regrets the politicisation of any games. The entitlement of any individual athlete to participate in the Commonwealth Games is entirely a matter for the Commonwealth Games Federation. I cannot properly comment on whether the exercise of discretion by the federation was correct or incorrect. That is a matter for which it must take responsibility.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Further to the point made by the hon. Member for Glasgow, Garscadden (Mr. Dewar), surely the Secretary of State recognises that the countries which have withdrawn from the games are feeling extremely bitter about the situation? Does he agree that it is within the power of the Prime Minister to give signals that she is willing to consider agreement on sanctions in August, and that that would lift the cloud from the games? The Secretary of State said that he was confident that financial matters would be all right. Has he made no contingency arrangements in case there is a shortfall?

Mr. Rifkind: On the hon. Gentleman's latter point, I can state that those who have become involved in the financial aspects of the Commonwealth games have launched certain new initiatives. There is every prospect that the initiatives will raise the funds which are needed.

In relation to the hon. Gentleman's earlier point, certain African countries have expressed their concern about the South African issue by refusing to participate in the games. Other African countries have taken a different view. The Malawi team has already arrived in Scotland and the Gambia has said that it will take part. It is likely that other African countries will take part. There is clearly a difference of opinion within Africa, but it is true that those who wish to support the Commonwealth ideal, which is a multiracial ideal, can express that best by participating in the games.

Sir Hector Monro (Dumfries): Does my right hon. and learned Friend agree that the games will be a resounding success if only 2,000 competitors participate in the right spirit and wish to enjoy themselves? Does he further agree that the federation should not give up its principles for expediency and devalue the games by banning competitors with British passports?

Mr. Rifkind: The federation must be responsible for its own decisions with regard to specific applications from athletes in national teams. I endorse my hon. Friend's view that the games look like being the largest and one of the most successful events ever enjoyed in the history of the Commonwealth. I believe that the vast majority of Commonwealth countries intend to participate, and Scotland will do its best to give them a warm welcome.

Mr. Bruce Millan (Glasgow, Govan): Is the Secretary of State aware that the games will be seriously damaged by the withdrawal of the five nations and the prospective withdrawal of others? Does he agree that it is futile to deny that, just as it is futile for him to deny that this is only the first damage that will be done to the Commonwealth by the Prime Minister's obsessively antagonistic attitude to effective economic sanctions against South Africa?

Mr. Rifkind: I must stress to the right hon. Gentleman that every country in the Commonwealth is a sovereign and independent state, and that includes the United Kingdom. The United Kingdom should be given the right to determine its policy, just as every other member state should have that right.

I must concede that the withdrawal of any Commonwealth country from the games will diminish them. It goes without saying that the attitude of a large proportion of the Commonwealth will be influenced by the fact that all parties in this House, including the Opposition, are appealing to all Commonwealth countries to come to the games and to make them a great success, irrespective of any difference of view about sanctions. The British Parliament and people support that view, and that will carry great weight with many Commonwealth countries.

Mr. Michael Fallon (Darlington): Is it not intolerable that we should take lessons on human rights from the likes of Ghana and Uganda? Why is it always Britain and the British teams that are kicked around? Why do not my right hon. and hon. Friends, instead of washing their hands of this affair, campaign for the five countries that are boycotting the games to comply fully with the declaration of Commonwealth principles on individual freedom and political rights?

Mr. Rifkind: My hon. Friend is correct. Double standards are occasionally applied by countries with regard to human rights. It is appropriate for those

campaigning properly for human rights in South Africa to be sure that they fully observe the same principles in their own country.

Mr. Gordon Wilson (Dundee, East): Does the Secretary of State realise that there is a danger of further withdrawals of Commonwealth countries from the games because of the Prime Minister's attitude? As Scotland's representative — or so he claims — will he write to all Commonwealth countries to explain that the Scottish people were not responsible for the election of the Government or the Prime Minister and to dissociate the Scottish people from the pro-apartheid views held by the Prime Minister?

Mr. Rifkind: The vast majority of the Scottish people do not believe that the Commonwealth games should be used as a method of blackmail on issues of national policy. I hope that the hon. Gentleman shares that view. I remind the hon. Gentleman that while we are delighted that the Commonwealth games are to be held in Edinburgh, the games do not belong to Scotland or to the United Kingdom; they are the games of the Commonwealth, they are being hosted in Scotland, and that is a matter of great pleasure to us.

Mr. Michael Forsyth (Stirling): Will my right hon. and learned Friend confirm that the vast majority of people in Scotland are sick to death of politics intervening in sport? Does he agree that the five African countries which have sought the high moral political ground have a disgraceful record on human rights? All those countries practice political repression and detention without trial. Is it not time that we began to highlight that rather than allow those countries to steal the limelight?

Mr. Rifkind: It is not simply the Scottish people who regret the politicisation of these games by certain countries. The athletes of the countries concerned must also bitterly regret the decisions announced by their respective Governments. Even at this late stage, I hope that the five countries involved will reconsider their decisions and realise that the Commonwealth games will help to further the multiracial ideal and that any damage to the Commonwealth Games will badly affect that ideal.

Mr. Tom Clarke (Monklands, West): Does the Secretary of State recall that when Mr. Gandhi succeeded his mother as Prime Minister, our Prime Minister and the right hon. and learned Gentleman the Secretary of State, then at the Foreign Office, paid glowing tributes to him? Does the Secretary of State think that Mr. Gandhi has changed since then? Are not the words of such a distinguished international statesman important? Is the right hon. and learned Gentleman simply casting them aside?

Mr. Rifkind: I entirely endorse the view that the Indian Prime Minister is a distinguished statesman. That does not require me to say that we must necessarily agree with all the opinions that he holds. The same could be said of other statesmen in various countries.

Mr. Barry Henderson (Fife, North-East): Is my right hon. and learned Friend aware that many people welcome that part of the statement and the earlier comments of the Prime Minister that emphasise that the Commonwealth Games Federation is independent of the Government in this country? That would be welcomed in other countries that are not democracies in the free sense that we understand the word. Will he confirm to the world and to those coming to Edinburgh from the Commonwealth that regardless of colour, creed, race, nationality or the politics of their Government, they will be welcome to tour around Scotland after they have enjoyed the games?

Mr. Rifkind: That is very much the case. I endorse my hon. Friend's comment that it would be highly desirable if the Commonwealth Games Federation could be as independent in the exercise of its discretion in every other Commonwealth country as it is in the United Kingdom.

Mr. Tam Dalyell (Linlithgow): In reply to my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar), the Secretary of State said that he was confident about where finance for the games would come from. He changed that a little in answer to the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) when he said that he was confident that there was every prospect of funds being found. As I have attended many meetings of the main organising committee, which is extremely worried about finance, may I ask the Secretary of State where the shortfall is to come from? What basis does the Secretary of State have for confidence that the money will be forthcoming? It is jolly difficult at present to raise money.

Mr. Rifkind: There may be certain difficulties, but a high proportion of the necessary funding has already been raised. Those responsible for raising finance have expressed confidence in their ability to raise the remaining sums. In the past few days they have launched a number of important new initiatives, and I have no reason at present to believe that they will be other than successful.

Mr. Eric Forth (Mid-Worcestershire): Does my right hon. and learned Friend agree that if the internal political and domestic arrangements of countries are to become the criteria for participation by sportsmen in international sporting events, we would do well to direct people's attention to military regimes and one-party undemocratic states which are prepared to send athletes to international sporting events and to criticise the internal political arrangements of other states? Does he agree that it is high time that there was consistency in these matters before they are taken further?

Mr. Rifkind: I share my hon. Friend's aspiration for consistency. I am not as confident as he is in our ability to achieve that.

Mr. Willie W. Hamilton (Fife, Central): Does the Secretary of State accept that even those Commonwealth countries which intend to participate in the games disagree violently with the Prime Minister's views on sanctions and South Africa? Is it therefore not clear that the damage that will be done to the Commonwealth will be achieved not by a gesture vis-a-vis the games but in other ways? Does he disagree in principle with Government financial assistance for the games?

Mr. Rifkind: On the hon. Gentleman's latter point, I have made it clear that the Government have all along said that the decision to hold the games in Scotland was taken on the basis that there would be no request for Government funding. That position has been repeated on many occasions. I welcome the hon. Gentleman's observation that it is possible to have different views on sanctions against South Africa and still feel it proper to participate in the games. That view is clearly shared on

[Mr. Rifkind]

both sides of the House. We must hope that the five countries that have said they will not attend the games will reconsider their decisions in the light of the unanimous view of all the political parties represented in the United Kingdom.

Several Hon. Members *rose*——

Mr. Speaker: Order. I have to bear in mind that this is a private notice question and, furthermore, a ten-minute Bill and a Standing Order No. 10 application are to come. I shall allow questions to go on for a further six minutes. We must move on after that.

Mr. Bill Walker (Tayside, North): Does my right hon. and learned Friend realise that the people of Scotland were delighted that all the members of the Commonwealth were to come to Edinburgh to participate in the games, but they find it offensive that countries that have had a recent history of genocide and have also practised repression of a sort that is totally alien to Scotland's history and culture now say that their members cannot come and participate in our free country? We object to that. We cannot stop our sportsmen going anywhere. Those countries apparently can.

Mr. Rifkind: I accept my hon. Friend's view that the double standards that are sometimes applied are not only regrettable, but it is difficult to believe that they are consistent with a real desire to enhance human rights in other countries.

Mr. Charles Kennedy (Ross, Cromarty and Skye): In making the valid and proper point that the multiracial nature of the games can send a most effective signal to countries such as South Africa, as the Secretary of State has done, does he agree that such a signal would have been good to see from the Prime Minister, and that the perceived ignorance and insensitivity of her signals have got us into the pathetic shambles that we are now in over the games?

Mr. Rifkind: In his latter comments, the hon. Gentleman was being grossly unfair. While he is entitled to disagree with the Prime Minister's view, he should at least acknowledge that the Prime Minister and the Government as a whole genuinely and deeply believe that the imposition of general economic sanctions could do enormous damage to the livelihood and, indeed, in some cases, the lives of very many poor people in South Africa. As that view is shared by many black and white South Africans, who are totally opposed to apartheid, the hon. Gentleman should not question the integrity of those whose views on the subject are different from his own.

Mr. Richard Hickmet (Glanford and Scunthorpe): Is it not an affront that countries whose democratic experience is limited to one man, one vote, once, should seek to lecture this country on its policies on South Africa, particularly when their own record on racial discrimination is so appalling? The fact of the matter is that this Government will subject themselves to the electorate in 1987 or 1988 in a democratic election, but none of the countries in southern Africa that are boycotting the games will do that. They will all be re-elected, whatever happens.

Mr. Rifkind: It is important to remember that the ethos of the Commonwealth is not that we all necessarily share the same political system but that we have to share certain basic historical experiences and values. The Commonwealth games present an extraordinarily good opportunity to translate that shared experience into a common relevant contribution to the problems in the world at present.

Mr. Ron Brown (Edinburgh, Leith): Does not the Government's morality simply mean that it is all right to murder innocent men, women and children as well as to take action against Afghanistan and the Soviet Union just before the Moscow Olympic Games? Perhaps the right hon. and learned Gentleman has forgotten, but those things happened. However, if the Government are not prepared to take sanctions because they want to protect profits and investments, will they do the decent thing for us in Edinburgh by making sure that no Ministers turn up, including the Prime Minister, because that would be the ultimate insult?

Mr. Rifkind: The hon. Gentleman has made his usual constructive contribution to the discussion.

Mr. John Stokes (Halesowen and Stourbridge): Is not my right hon. and learned Friend encouraged by the questions from Conservative Members, who have shown the humbug that has been exposed in this matter? Is he aware that the British public are thoroughly fed up with the attitude of many Commonwealth countries, which cannot presume to lecture us, an old democracy, and the home of freedom? Furthermore, are not he and the whole of Her Majesty's Government disgusted at the BBC's bias —its anti-British and anti-Government bias—in all its comments on the games, which are supposed to be non-party and for the good of the whole of humanity?

Mr. Rifkind: My hon. Friend's question covers several points, but it is fair to point out that, as we understand the position, the vast majority of Commonwealth countries, including those from Asia, many from Africa, and those from the West Indies and the Pacific as well as the old Commonwealth, are intending to come to the Commonwealth Games in Edinburgh. The vast majority of the original number of athletes who applied are still on their way. Therefore, the Commonwealth Games appear to have the prospect of being a successful occasion, with the number of countries that are not participating remaining a very small proportion of the total.

Mr. Gavin Strang (Edinburgh, East): Is it not an insult to the black nations that have withdrawn for the Secretary of State to say, as he did, that, even after their withdrawal, these will be the best games yet? Surely he must recognise that the withdrawal of just the five countries and those black athletes is a tragic blow to the games? Is he aware that the vast majority of the people of Scotland and Edinburgh hold the Prime Minister responsible for those withdrawals, and that if she persists in her present policy towards South Africa, she will break up the Commonwealth itself?

Mr. Rifkind: The hon. Gentleman must appreciate that at the moment we understand that 2,800 athletes, from every corner of the world, including Africa, are still intending to come to the Commonwealth games in Edinburgh. That means that the games will be the largest Commonwealth games ever held. On that basis I believe

that I am entitled to say that they seem to have every prospect of also being one of the most successful games ever held.

Mr. Norman Buchan (Paisley, South): The Secretary of State has emphasised throughout that these are not British but Commonwealth games. May we now ask him and the Prime Minister to listen to the Commonwealth, which virtually universally has condemned the isolated position that she has taken up? Has not the right hon. Lady now reached the stage where she appears to be prepared not only to sacrifice the games but almost to sacrifice the Commonwealth for her own position?

Mr. Rifkind: I said earlier, and I think that the hon. Gentleman will accept, that the Commonwealth has never survived or prospered on enforced unanimity and uniformity of view on issues in which individual sovereign Governments have to take into account their genuine views as to what the proper development of policy requires. Of course, the Prime Minister of the United Kingdom and the Heads of Government of other Commonwealth countries will discuss those matters. There is to be a meeting at the beginning of August to review the situation, and my right hon. Friend the Prime Minister will make a full contribution to that discussion.

Mr. Alexander Eadie (Midlothian): Does not the right hon. and learned Gentleman realise that if he, as Secretary of State, is to make any contribution at all towards making the Commonwealth games a success—we all want them to be a success—he should at least distance himself from the more strident remarks of the Prime Minister in relation to sanctions on South Africa?

Mr. Rifkind: The hon. Gentleman should realise that my interest as Secretary of State for Scotland is to see a successful Commonwealth games in Edinburgh. I believe that they are likely to be the largest ever held. My right hon. Friend the Prime Minister and, indeed, all my right hon. and hon. Friends, share that aspiration. The best contribution that Opposition Members can make is to emphasise the bipartisan view held by both sides of the House. Those who wish to see the Commonwealth prosper should be encouraging every country to send teams to the games.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): Is the Secretary of State aware that there is an undercurrent on the Right wing of his party, hoping for the collapse of the games and, indeed, like the hon. Member for Reigate (Mr. Gardiner), wanting the break-up of the Commonwealth itself? Will the Secretary of State, on behalf of the Government, dissociate the Government from those views?

Mr. Rifkind: I know of no such view being held as the hon. Gentleman implies, but, if he genuinely believes that such a view is held, I trust that he will encourage those countries that are presently contemplating a boycott to reconsider their position.

Kent County Constabulary

4.18 pm

Mr. James Couchman (Gillingham): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"evidence of serious malpractice by officers of the Kent county constabulary and the inquiry by officers of the Metropolitan police and the Police Complaints Authority thereinto."

Several reports since Sunday in the press and by television and radio have given prominence to allegations by my constituent, Mr. Ron Walker, who is a serving officer in the Kent constabulary. Mr. Walker has alleged that fellow officers have been involved in widespread and systematic malpractice which has led to the clear-up rate of offences in Kent seeming to be better than it really is. Mr. Walker claims that convicted criminals have been persuaded to admit, without fear of further prosecution, offences that they did not commit and that false confessions have been written by police officers, thus allowing offences to be "written off" as cleared up. He further alleges that fictitious offences have been recorded, only to be falsely confessed and written off.

These are serious allegations and Mr. Walker, who has placed his career on the line, has provided sufficient evidence in two specimen incidents to prompt the deputy chief constable of Kent, whose responsibility disciplinary matters are, to commission an inquiry by another force—the Metropolitan police—and to inform, properly, the Police Complaints Authority. That inquiry has now taken place and I understand that a lengthy report is in the hands of the Director of Public Prosecutions.

I am concerned about the nature of the inquiry, especially its terms of reference. It is reported—I know not how reliably—that the inquiry was restricted to an investigation of Mr. Walker's two specific specimen allegations and that no wider investigation took place. In view of Mr. Walker's more wide-ranging contentions, care should have been taken to determine whether they were two isolated incidents or whether, as Mr. Walker suggested, they were but examples of much wider abuse of the write-off system.

The last thing I want is for this unhappy matter to become a stick with which to beat the police by those who would gainsay the normally high standards of the police. I believe, however, that in the public interest we should know urgently from my right hon. Friend the Secretary whether the inquiry was restricted or whether it was drawn widely enough to determine whether there was widespread malpractice and abuse of the write-off system.

I believe that this urgent and important matter should be settled before we rise for the recess so that public confidence in the police, which must inevitably have been damaged by Mr. Walker's allegations, is restored as soon as possible. That is why I have sought leave to move the Adjournment of the House to discuss this matter.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

[Mr. Speaker]

"evidence of serious malpractice by officers of the Kent county constabulary and the inquiry by officers of the Metropolitan police and the Police Complaints Authority thereinto."

I have listened carefully to the hon. Member but I must rule that the matter which he has raised is not appropriate for discussion under Standing Order No. 10. I cannot, therefore, submit his application to the House. I hope that he will find other ways to raise the matter.

Housing Condition Survey (Scotland)

4.22 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I beg to move,

That leave be given to bring in a Bill to impose a duty on the Secretary of State for Scotland to undertake a survey of the conditions of the public and private sector housing stock in Scotland every five years; to provide for the publication of the survey; and for connected purposes.

The first house condition survey took place exclusively in England in 1967. There had been increasing disquiet about the rate of slum clearance in the early 1960s, and in 1964 the Government required local authorities to submit returns of all their remaining unfit houses. A sub-committee of the Central Housing Advisory Committee was set up to deal with the difficulties of obtaining better data on the standards of unfitness. It became known as the Denington committee. It took an active interest in the need to collect accurate information on the condition of the older housing stock and specifically recommended a national house condition survey.

Since then, England and Wales have had the benefit of surveys carried out on a national basis at five-yearly intervals. The first house condition survey played a large part in the switch from demoliton to rehabilitation in housing policy in the late 1960s. In Northern Ireland, house condition surveys began in 1974 and have been maintained on a five-yearly cycle, in 1979 and in 1984.

The English survey is paid for out of the housing research budget. The total annual budget for the 1986 survey is estimated to be about £1·4 million. The cost of the Welsh survey, which, too, is financed from a specific research account, is likely to be £1·5 million. The Northern Ireland budget is included in the block allocation for supervision and management and therefore is not available to be identified as a separate cost.

Of course, it can be argued that, if the research budget is expanded to meet the cost of a survey, less money is available for capital expenditure. I submit that, measured against the estimated cost of the perceived investment need, which the Convention of Scottish Local Authorities estimates to be about £819 million, the £1 million a year, or sums of that order, which would be required to finance such a survey are well worth paying in terms of the benefits that would directly accrue on a continuing basis for all such surveys.

Recent developments have further reinforced the case for house condition surveys to be extended to cover and embrace Scotland. They include the Duke of Edinburgh's recent inquiry into the state of British housing, which was published in July 1985, and the inquiry by the Department of the Environment into the condition of local authority housing stock in England, which was published in November 1985. The latter revealed that the condition of housing stock was much worse than had originally been suspected.

During the passage of the current Housing (Scotland) Bill, the Government were repeatedly pressed—I give credit to the hon. Member for Glasgow, Cathcart (Mr. Maxton), who was in the van of that movement—to make a commitment to set up a nationally based survey. In addition, the third report of the Select Committee on the Environment made specific reference in paragraph 22

to the importance of the English house condition survey and went as far as to say that the next survey should be brought forward.

The Government's response to all this has been, to put it mildly, minimal. Last week, in the housing debate on Estimates day in the Scottish Grand Committee, the Under-Secretary of State for Scotland — the hon. Member for Edinburgh, South (Mr. Ancram)—said that he was keen to set up a project to make technical advice available to local authorities which could then undertake local surveys. Such proposals do not even begin to measure up to the need in Scotland to assess the extent of the investment required and to bring public and private housing stock to tolerable standards. I suspect that the extent of the need is as suggested by COSLA. It will be impossible to finalise arguments on that score until we undertake an objective survey. Until that is done, there will always be room for continuing political argument.

I fully accept that it would be impossible for any Government to respond immediately in meeting the total bill. It would be unrealistic to expect that to happen. However, it is evident to everyone in Scotland, except the Government, that existing sources of information on house conditions are inadequate. At present, there is no basis for knowing whether house conditions in Scotland are worse or better than in other parts of the United Kingdom. It is not known whether Scotland is receiving an appropriate share of national resources. A regular house condition survey would make it possible to review the success of legislation, expenditure, priorities and programmes and would identify problems and new policy directions.

Postponed maintenance is inevitably more costly than maintenance, if not eventual enforced demolition and rebuild. A survey's objectives would include the ability to identify and cost the need for improvement and repair. A survey could make comparisons between tenures and districts, help determine local priorities and provide guidance for legislation. It could embrace also a social survey of family groups and types. A sample of 56,000 houses, which is the suggested number, could be covered over a five-year period at an annual cost of £1 million, which represents only 0·22 per cent. of the 1986 capital allocation. A house condition survey in Scotland is therefore a stitch in time that would save nine. It is urgently required. It should be funded and organised by central Government, and the Bill sets out to achieve just that.

4.30 pm

Mr. Bill Walker (Tayside, North) *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Does the hon. Member seek to oppose the Bill?

Mr. Walker: Yes, Sir; I oppose the Bill. The issues that it raises have been discussed at great length in Committee, as the hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) is aware. Indeed, we have discussed the issues more than once in Committee. We are in a period of scarce resources and cash is required for the improvement of houses rather than for surveys to tell us what we already know is wrong. Local authorities know exactly what they are required to do with their houses. What is required is the necessary resources to put right the wrongs.

The Select Committee on Scottish Affairs has prepared a report, having considered the problems of condensation and dampness. Information was made available and it was clear that local authorities were not too happy that we had discovered that some of them were falling down on their job. The hon. Member for Roxburgh and Berwickshire suggests that we should spend £5 million over five years on a survey, but that £5 million could be spent on putting wrongs right. He has suggested a complete misuse of scarce resources.

The hon. Member for Roxburgh and Berwickshire will be aware that the English survey, which he talked about and complimented, is nothing like what he was advising would be included in the proposed survey for Scotland. If he reads carefully the report of his speech, he will realise that he was proposing something different from the sample which was taken in England. He knows that it was based on a sample because that was made clear in Committee.

The hon. Member for Roxburgh and Berwickshire is indulging in a Liberal party gimmick that is designed to get publicity for something that it wants when the real answer is to deal with the problem directly and solve it. That is why I oppose the Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Archy Kirkwood, Sir Russell Johnston, Mr. Charles Kennedy, Mr. Gordon Wilson, Mr. George Foulkes, Mr. James Wallace and Mr. Malcolm Bruce.

Mr. Archy Kirkwood accordingly presented a Bill to impose a duty on the Secretary of State for Scotland to undertake a survey of the conditions of the public and private sector housing stock in Scotland every five years; to provide for the publication of the survey; and for connected purposes: and the same was read the First time; And ordered to be read a Second time upon Friday 24 October and to be printed. [Bill 208.]

Opposition Day

[18TH ALLOTTED DAY] [1ST PART]

High Technology Industries

Mr. Deputy Speaker (Mr. Harold Walker): I inform the House that Mr. Speaker has selected the amendment in the name of the Prime Minister.

4.33 pm

Mr. Paddy Ashdown (Yeovil): I beg to move,

That this House, recognising the importance to employment, defence, education and the economy of a strong high technology sector, expresses its concern that a regettable consequence of the United States Government's attempts to impose its laws on United Kingdom companies is to damage relationships between the two countries; regrets Her Majesty's Government's failure to take effective action to stop the extra-territorial imposition of United States law on United Kingdom firms exporting high technology from the United Kingdom; notes that a number of British computer manufacturers have been forced out of business by use of the United States blacklist; urges the Government to refuse to allow United States Government officials to inspect United Kingdom companies for compliance with United States laws; and calls on the Government to defend and assist British high technology industries, to preserve United Kingdom sovereignty, to support the rule of international law and to use the opportunity of the Presidency of the European Community Commission to co-ordinate policies to promote European high technology co-operation.

This debate is, in part, about the state of Britain's high-tech industry. Goodness knows, the industry needs some attention. Last year we had a deficit in high-tech trade of £1·3 billion, and the deficit is predicted to rise by 1990 to about £5 billion annually. The industry is suffering severe problems in software, as the recent ACARD report revealed. The earlier NEDO report told us that there are problems in the industry generally. Meanwhile, at a time of high unemployment, the skill gap in trained high technologists is growing wider and wider, with the number of computer graduates leaving university falling further and further behind the industry's needs. I have no doubt that all these matters will be referred to by others during the debate.

I wish to raise a matter that is at once more specific and wider in its overall implication. The United States Government are being permitted by the British Government to impose and even administer their own laws on British high-tech firms operating within Britain. This is damaging appropriate relations between allies and placing burdens on British high-technology trade. It is yet another example of the way in which the Government seem prepared to allow the United States Government increasingly to dictate what happens within the United Kingdom.

Of the top 10 computer companies in Britain, nine are United States subsidiaries. Even ICL, our only home-grown United Kingdom company that is in the list, is 25 per cent. United States owned. Perhaps more important is the fact that 80 per cent. of all components used in United Kingdom high-tech manufacture come from the United States. There is nothing wrong in that because high-tech trade is truly international, and I would not wish to see it otherwise. What is wrong, however, is the way in which the British Government permit the United States to use their powerful position in the United Kingdom market place to impose United States regulations in Britain and to diminish the viability and capacity of United Kingdom companies to trade abroad. This is exactly what is happening and what has happened continuously over the past four years.

This issue surfaced with the now famous IBM letter of 23 December 1983. The letter, which was sent to all IBM's United Kingdom customers, informed British firms that certain computers that they had purchased from IBM could not be moved within the United Kingdom without permission from the United States Government. Despite considerable public comment about the letter, IBM has recently confirmed to me that the letter still applies and will not be withdrawn.

Digital Equipment Corporation — DEC UK Ltd — tells its United Kingdom customers in a written document that they must obey United States export control laws, even when trading within the United Kingdom, and that DEC UK will

"control movement of hardware, software and knowhow"

within Britain. That will be done, apparently, according to United States laws. Texas Instruments and many other major United States firms operating in Britain insist on similar provisions.

The effects of these requirements are considerable. Many United Kingdom banks and large corporations that own certain United States produced computers will be required formally and technically to ask for a licence from the United States Government before moving the computers from one location to another, even within the United Kingdom. This requirement appears even to apply to certain computers owned by the Government themselves, as I shall shortly show. Secondly, United States subsidiaries within the United Kingdom do not generally export any of their products except to their own subsidiaries. That is a consequence of United States law. Thirdly, United Kingdom companies seeking to export their manufactured goods must now apply for United States export licences if the goods contain any United States produced component, no matter how small.

In essence, they must apply for two export licences, one from the Department of Trade and Industry to conform with COCOM regulations and one from the United States Department of Commerce. I am happy to say that they are usually able to get a licence quickly from the DTI. It is a fairly simple process and we are grateful for that. However, this is not the case when it comes to the licence that has to be obtained from the United States. The Department of Commerce frequently takes up to three months to issue a licence, and has in the past been known to refuse a licence to a United Kingdom company without offering any explanation. For example, major export orders were lost to Cable and Wireless because the Department of Commerce in Washington, without any explanation, rejected, ignored and finally returned licence applications relating to equipment for China. It is a matter of record that at the same time United States firms were selling precisely the same equipment to the Chinese Government. They were doing so without restraint.

Dr. Norman A. Godman (Greenock and Port Glasgow): How wide is the hon. Gentleman's definition of high technology industries? Is his definition confined to the information technology industry, or does it embrace, for example, the offshore oil and gas industry?

Mr. Ashdown: In this instance my definition is directed chiefly to the information technology industry and the components that it uses. I am sure that the hon. Gentleman will be able to make his own contribution to the debate.

I am not at liberty to say which British firms have approached me expressing their concern about the situation which I have described and the impact that it is having on their trading viability. The firms concerned are naturally frightened of retaliatory action from the United States Department of Commerce if they kick up a fuss. I can say, however, that numbered among the firms are Britain's foremost computer manufacturers.

On 23 April the United States Government enacted the final formalisation of their export regulations covering high-tech exports under the United States Export Administration Act. Apart from the conditions already described, the new regulations make the Department of Commerce responsible for the policing of United States distribution licences in foreign countries, including the United Kingdom. It also makes the checking of end users abroad the responsibility of other "United States agencies". I understand this to be the normal form of words used in many instances to describe the CIA. We know from a speech in Palo Alto made by the then director of the CIA, Mr. William Casey, on 3 April 1984, that the CIA operates a blacklist of 300 European firms which have contravened United States regulations. I was subsequently informed during a telephone conversation that I had with the CIA that among these are a number of British firms.

It is under this new regulation that United States Commerce Department officials sought to visit the United Kingdom earlier this year to inspect the books of United Kingdom companies operating within Britain in order to ensure that they complied with United States law. I am astounded to know that the Government did not dismiss this application out of hand. Indeed, I believe that they are still considering it. I ask the Minister to make it clear in his speech what the Government intend to do to protect United Kingdom firms from this intrusion, and why they have taken so long to do it.

The Government have always said that they reject these United States claims. When I first raised the matter with the then Secretary of State in 1984 I was informed that they would treat each United States demand on a "case-by-case basis"—the very words, incidentally, used in the Government's amendment to our motion. But they have done nothing about the IBM letter, a copy of which they have; or about the DEC licence instructions, a copy of which they have, or about the Texas Instruments demands, a copy of which they have.

In a letter to me of 3 July 1985, the Attorney-General declared that United States claims in this matter were

"an unwarranted encroachment on UK jurisdiction and contrary to international law".

Yet such claims continue, they are not dismissed — indeed, the Government say that they are still considering them. The House is entitled to know why.

The problem has worsened. In the last few months a major United States subsidiary, Motorola, has refused a British citizen a car phone because he is said to be on a United States Government denial list. This has had the effect initially of denying a British citizen access to the British Telecom network. DEC UK has also recently insisted that any British student attending a DEC course in Britain must sign a form agreeing to accept United States export administration law, even though he will not place one foot outside the United Kingdom.

I have also learnt that United Kingdom companies submitting licence applications to the United States will have full details of their firms and operations passed on to the Pentagon, which will check up on them and the equipment that they are purchasing. The effect of this, as I understand it, is that if a British-manufactured Apricot computer is bought by a firm today and subsequently sold, say, seventh hand in five years' time to a buyer in a prohibited country — which incidentally, includes Iran, Iraq and Syria — that British firm could technically be held responsible for that ultimate destination. Indeed, one United Kingdom company, Systime, has effectively been driven out of business because of United States sanctions —or at least partly because of United States sanctions— against it for exporting in this case to Switzerland. I also understand that Thorn EMI is having considerable difficulty extracting its own equipment and designs for its world-beating transputer from its United States factory.

What have the Government done about this? Perhaps most remarkable of all, in view of the Government's agreement that these United States claims are illegal and will be countered on a "case-by-case basis" — I use the words used in the amendment — is the fact that the Government themselves seem to have agreed to accept a United States claim that they must ask the United States Government's permission to move a computer that they themselves own from one location to another.

As I understand it, the United States Government have forbidden Her Majesty's Government to move their own Cray super-computer owned by the Department of Energy at Harwell to the university of London without formal United States approval. This happened in May, yet our Government are still considering the matter. Indeed, I have just heard today that the United States Government have imposed unilateral third party restraints on the Japanese companies Fujitsu, Hitachi and NEC, and their European distributors Amdahl, Basef and Siemens, to prevent them from supplying London university with an alternative super-computer. Meanwhile our own Department of Trade and Industry, I understand, is still petitioning the United States Government for permission to move its own Government computer 40 miles from Essex to London.

Is this not a disgraceful situation for a British Government to accept? I ask the Minister to indicate clearly to the House whether the United States claim on this matter will be repudiated or whether the Government intend to be party to an act which their own Attorney-General has described as

"an . . . encroachment on UK jurisdiction and contrary to international law".

Our Government's apparent acceptance of the fact that the United States has a right not only to impose but also to administer its own law in Britain is a direct infringement of our sovereignty. It also comprises a major and damaging barrier to United Kingdom trade.

I do not claim that the United States Government's intention is to give their own firms a trading advantage through these actions. I am convinced that United States claims are driven by a genuine, if in my view mistaken, attempt to protect high-tech secrets. But there is no doubt that these regulations are being used by United States industry, and particularly the larger United States firms,

[Mr. Ashdown]

to keep out United Kingdom and European exporters while they move in and clean up. The figures show this perfectly clearly. According to the only figure that I have managed to get out—I stand to be corrected if I am wrong, but it is difficult to pull out figures because they are not differentiated very clearly — while United Kingdom high-tech exports to the eastern bloc have fallen to approximately £40 million a year, in the same period, United States high-tech trade to the eastern bloc countries has risen from $230 million in 1980 to $1·5 billion last year, and is predicted to rise to $5 billion this year.

I do not suggest that we do not need a mechanism to ensure the security of our high-tech secrets, but we already have such a mechanism in place. The international NATO-based multilateral organisation COCOM already provides just such a mechanism. Indeed, one of my major arguments against United States unilateral action in this area is that it undermines and makes a nonsense of international action by western countries through COCOM. I am glad to note that the Minister agrees.

Neither do I necessarily blame the United States Government for trying it on. They are, after all, only pursuing their national interest, which is what governments are supposed to do. If the Government insist on conveniently lying down in front of the United States Government, who can blame the United States for taking the opportunity to walk all over us?

What now needs to be done in this serious matter? First, the Government must use the opportunity of the European presidency to co-ordinate European action to make it clear to the United States Government that we simply will not accept their extraterritorial claims. In this matter I draw the Minister's attention to the fact that a resolution is now before the European Parliament calling on the Community to reject United States claims. I hope that he will make it clear in his speech that the Government welcome this motion.

Secondly, the Government must make it clear that they do not expect United Kingdom firms to deal with Washington themselves but that, where claims are made, the Government will treat these as matters to be taken up on a Government-to-Government basis.

Lastly, in my view, the Government should insist that all letters such as those put out by IBM, DEC UK Ltd., Texas Instruments and others that seek to impose within the United Kingdom the laws of the United States should be formally, and at the Government's request, withdrawn.

United States attempts to impose its law on firms in Britain undermine the effectiveness of the existing international organisation COCOM; they constitute actions that are inappropriate as between allies; they are damaging to United States-United Kingdom relations at a time when anti-Americanism is becoming all too prevalent in our society; they directly infringe United Kingdom sovereignty; they are illegal under international law; they increase the pace of United States high technology colonisation of Europe and they seriously damage the economic viability and trading capacity of the United Kingdom's already depleted high-tech industry.

The question that the House wants to have answered, after the Government have been doing nothing very effective, is: what are the Government going to do about it?

4.48 pm

The Minister for Information Technology (Mr. Geoffrey Pattie): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'recognising the importance to employment, defence, education and the economy of a strong high technology sector, applauds Her Majesty's Government's actions to support this sector through the provision of a favourable climate for business and through support for research and development; endorses Her Majesty's Government's continuing efforts to prevent, by discussion on a case-by-case basis, the extraterritorial imposition of United States law on United Kingdom firms exporting high technology from the United Kingdom; and supports the Government's initiatives to encourage British high technology industries and their intention during the Presidency of the Council of the European Communities to co-ordinate policies to promote European high technology co-operation.'.

The hon. Member for Yeovil (Mr. Ashdown) has raised a very broad subject, which I imagine hon. Members will want to take further in the debate. I look forward, with the leave of the House, Mr. Deputy Speaker, to the possibility of catching your eye, perhaps briefly, to respond to those comments.

The hon. Gentleman has concentrated his remarks on one aspect of high technology, although the motion is quite widely drawn. It would, therefore, seem appropriate to address some of the wider aspects in addition to the points that he has made on extraterritoriality. I share his concern about the cases where extraterritorial difficulties arise, but I want to begin by putting the points that he has made into a broader context.

We have an expanding high technology sector which the Government have taken a number of measures to stimulate and foster. It is an industry that benefits from the multiplicity of commercial and scientific links that this country enjoys with the United States. It is against that wider background that the issues raised by the hon. Gentlman need to be seen.

I shall begin by saying something about United States export controls. We all agree that they represent an important topic. Certainly I welcome the opportunity to restate the Government's position. However, those controls need to be seen in the context of our close links with the United States. They also need to be seen against the background of United States concern, which this Government share, about high technology goods reaching the eastern bloc.

There is, of course, a well-tried mechanism to deal with those concerns in the COCOM framework, about which I shall say something in a moment. I wish to remind the House of the many steps that my Department is taking to make United Kingdom high technology firms less vulnerable in their dependence on United States technology and on sourcing from the United States, by providing support for research and development and strengthening our links with high technology industries in other member states of the European Community, which the United Kingdom currently chairs in its presidency role.

We have very close and harmonious relationships with the United States not only in trade but across the whole realm of defence policy. As the hon. Gentleman has said, high technology is very much an international trade. Of course, we have very close commercial links with many important United States companies that are established in this country; IBM, Ford, General Motors and many others have important British subsidiaries. British companies have a powerful presence in the United States

and, indeed, this country is the largest foreign investor in the United States. At present we enjoy a positive balance of trade with the United States.

In high technology this community of interest is reflected in the COCOM arrangements, which have been in existence for nearly 40 years. As the House knows, the arrangements cover exports to Warsaw pact countries and to China of strategically sensitive goods and technology, including those designed for civil purposes but also having military applications. The controls are co-ordinated through the Paris-based COCOM committee which provides the framework for maintaining agreement between NATO countries on the operation of a controlled list of products. True, COCOM is an informal body, but it provides an essential link in co-ordinating the interests of the United Kingdom, the United States and other countries in their approach to high technology exports. The controls we have are our own, of course, and are imposed through the Export of Goods Control Order 1985 which, as the House will remember, was debated in Standing Committee in July last year.

So the problem in a general sense of controlling sensitive technology is not new. In the United Kingdom's view the right way to go about it remains through multilateral co-operation agreement in COCOM. Against that background, unilateral action on extraterritorial claims to jurisdiction is harmful to such agreement. Because the United States is a dominant economic power in the world and a major source of high technology, the extraterritorial nature of its export controls inevitably leads to tension and dispute.

In our view the only law that applies in the United Kingdom is United Kingdom law on which our own controls are based. We reject out of hand claims by the United States Government to have jurisdiction over United States goods or goods based on United States technology while they are in the United Kingdom or when they are being exported from the United Kingdom. If we could compel the United States Government to withdraw this claim the problem could be eliminated easily, but we cannot. We have tried, and will continue to try, to persuade the United States Government to change their policy. Where we judge that it is the right response we shall not hesitate to use the Protection of Trading Interests Act 1980 to safeguard United Kingdom sovereignty.

Mr. Ashdown: If that is the case—and it is the same case as has been deployed before — surely the Government accept that they could ask United Kingdom firms such as IBM and DEC to withdraw those letters. Why have the Government not done that? Why do the Government even accept the possibility that the United States Government should be able to control the movement of the computer owned by the British Government from Harwell to London university?

Mr. Pattie: The hon. Gentleman made both those points in his speech. I shall come to them in my speech.

Other hon. Members may raise the same point as he did about why the British Government do not have more frequent recourse to our powers under the Protection of Trading Interests Act. We have those powers. They were used originally to direct companies in the United Kingdom not to comply with the extraterritorial provisions of the United States export administration regulations in the Siberian pipeline affair. They could indeed be used again, if that seemed the best way to protect overall United Kingdom interests in a particular case. But hon. Members should be wary of the temptation of thinking that use of the Act to impose a general ban on compliance—which could take no account of the commercial and other interests in broad cases—would offer the right solution to the joint problem.

If I may explain, the usual method by which the United States enforces its extraterritorial controls is by blacklisting companies that do not comply, making it an offence to supply them with United States-controlled goods. Use of the Protection of Trading Interests Act could strike at the application of blacklisting to United Kingdom companies; but the main sanction—denial of supplies direct from the United States—would not be touched. The United States reaction to a direct and comprehensive challenge to its law cannot be predicted, but any indiscriminate use of the Act could jeopardise British companies dependent on continued access to United States goods and technology. The Government therefore believe that a case-by-case approach to problems best serves United Kingdom interests. And, unless a major dispute, like the Siberian pipeline affair, makes confrontation unavoidable, the Government consider that in general it is best for companies to be left free to make their own commercial decision as to whether to comply with United States rules.

United States export controls create uncertainty and the extra burden of compliance is a disincentive to sourcing from the United States. That is a factor which, inevitably, companies here have to consider, and it is a point which the United States Government should reflect upon too. It is in no one's interest that the flow of goods and technology between trusted allies should be distorted by unjustified and over-zealous attempts to impose unilaterally another layer of control, bureaucracy and legal claim.

The hon. Member for Yeovil has also urged the Government to refuse to allow United States Government officials to inspect United Kingdom companies for compliance with United States laws. In doing so, he is referring to the proposals by the United States Government to introduce a distribution licence system, under which United Kingdom companies importing United States goods would have the option of applying for the status of approved foreign consignees and so be released from the need to import high technology goods from the United States under individual United States export licences. I put it to the hon. Gentleman that this could be a benefit. But its cost would be that United Kingdom companies' books might be open to inspection by United States Government officials monitoring compliance with the United States rules.

The United States Government have made an approach to us to ask whether we would be ready to countenance such inspections. A proposal that foreign inspectors should visit companies here to monitor their compliance with foreign rules can never be easy. We thought it right, as a first step, to consult our own high technology industries; and I can tell the House that, while not enthusiastic—perhaps not surprisingly—they would not wish to be denied access to the proposed United States licensing facility. To answer the hon. Gentleman's point, that is why we have taken some time. It is very easy to make the instant, emotional response, which is to say that we deny the jurisdiction and therefore we deny the request.

[Mr. Pattie]

But, as has been made clear, the Government are considering the United States Government's request. I can say now that it is not by any means a request that could be granted unconditionally. We should not get our difficulties in this area out of proportion. We see eye to eye with——

Mr. Geoffrey Robinson (Coventry, North-West): The Minister is aware that his hon. Friend the Minister for Trade has written to me on this matter, and I understand that in some respects it is a difficult issue. However, he will appreciate that this is something that the Opposition could not countenance or agree with. Is the Minister saying, because I could not quite follow him, that in principle his Department is now prepared officially to agree to United States Department of Commerce officials coming here to inspect the books of British companies? Provided that the specific case is satisfactory, is the Minister now prepared in principle to concede that major issue of principle?

Mr. Pattie: No, I am not saying that. I am saying that we thought that it was right first to ask the industry what it would like. We have had previous debates on this matter, particularly in the context of the Systime affair. On that occasion I sought to make it clear that it would be to nobody's advantage to take action with or against the United States Government that had the effect of putting a British company on to a particular blacklist, which effectively would mean that it was denied access to the material that it wished, thereby causing it to be put out of business.

I urge the hon. Member for Yeovil and the House to put the matter into a broader context. The Government's view has always been that on matters of this kind the nation's sovereignty should be respected. We believe that United States claims to jurisdiction over re-export are an infringement of our sovereignty and that they are contrary to international law. I assure the hon. Gentleman that this Government will continue to do their utmost to protect British interests, and we stand ready to support any United Kingdom company that in the course of its legitimate trading has fallen foul of United States extraterritoriality.

It was interesting to note that during the hon. Gentleman's speech, with its echoes of the Systime debate, he said that he had received letters. He felt unable to name companies, but he said that he had a list of companies and that he had been in correspondence with them. That is precisely the nub of the problem. We are not saying that companies should deal exclusively with the United States Government, but if the companies who have written to the hon. Gentleman would care to write to me and make arrangements to come and see me, I should be very happy to see them. The practical question is whether or not they are prepared to comply with the requirements of the American multinational companies. That is primarily a question for them. However, the question whether we shall admit United States Government inspectors to carry out inspections is a completely different matter, and we shall not gladly comply with such a request.

The Government asked whether we would consider using our presidency to draw together a European position. We certainly would. This matter is causing concern to our partner countries in the Community, and we could well take an initiative on it during our presidency. We have been considering the matter, and I am glad to be able to respond positively to the hon. Gentleman on that point.

I shall be prepared, particularly if the companies concerned will make representations to me, to examine again the United States circulars, to raise the matter with the various American companies and find out whether they would be prepared to vary the terms of those circulars. The companies that are making these requirements need to be aware of the fact that, although they are established in the United Kingdom and are trading in the United Kingdom—we are delighted to have those companies here; many of them have been here for many years and they make a valuable contribution to our economy — they need to consider whether the continuation of such a policy is in their best interest, or in the interests of the industry in general.

It would help a great deal if there could be a lessening of the dependence of United Kingdom companies on supplies from the United States. One of the ways in which this can be promoted is by developing greater co-operation throughout Europe. As the hon. Member for Yeovil knows, we have developed in recent years a considerable number of programmes. The most recent is the series of EUREKA programmes. As we have the presidency of the European Community, we are taking a very active role at the moment in developing the research and development programme. We shall need to obtain agreement for the European Community research framework programme at the Research Council meeting on 9 December. If we obtain that agreement, it will be quite a major achievement.

As for domestic support, may I make it quite clear that the Government do not envisage activities in Europe—be they in EUREKA or in the European Community research framework programme—ESPRIT, RACE and BRITE — as a substitute for activities in the United Kingdom.

Mr. Ashdown: Will the hon. Gentleman give way?

Mr. Pattie: May I just develop this point? It is very important for the House fully to understand that the Government are not looking, through greater participation in European programmes, for means of diminishing the national base of research and development. If that were to happen, before very long we should cease to have the ability to participate in these programmes.

When one looks at the support that my Department has given to research and development it is interesting to note that in 1979-80 that support was £143 million and that in 1985-86 it was £440 million—a doubling, in real terms. People write learned articles, or what they claim to be learned articles, alleging that not enough is being spent by the Government on research and development and that this, and this alone, is one of the causes of our problems in the world of high technology and in other forms of technology. I dispute that. Significant sums of money are spent on research and development by the Government, but the problem is that British industry does not spend on research and development anything like the comparable figures that are spent upon research and development by either Japanese or German industry. This country must find ways to encourage industry to spend more on research and development and at the same time to encourage the City to take a more favourable view of investment in research and development.

I do not believe that the problem simply relates to the level of expenditure on research and development. When I carried out my consultations during the run-up to the first EUREKA conference and asked various people in industry what they would like the EUREKA movement and series of programmes to be, it as extremely interesting that they said to me, "Please, not another research and development programme." In their view, research and development programmes are coming out of companies' ears. What they were looking for, and what they have got, is a series of programmes that are close to the market place, that are therefore market-related and that have in view an actual product and a service.

The problem in this country over many years has been not so much the level of our research and development or the amount of innovation, which compares favourably with that of many other nations, certainly in terms of the number of Nobel prizewinners that we have produced, as our inability to exploit our research. We have failed to pull through the science into applied technology. When that is added to the fact that our domestic markets are too small to support many of our high technology firms, it is obvious that United Kingdom companies need to look much more towards European collaboration and markets as the springboard for world markets. Therefore our policies and our industrial research and development expenditure are directed towards stimulating greater European collaboration and a greater investment in research and development by industry from within its own resources.

In Europe, there are some areas of technology, especially over the harmonisation of standards, where there is considerable additional value in having a Community research and development programme.

Under the proposed changes to the treaty of Rome agreed last year, it is recognised that the Community must devote a greater share of its research and development to promoting the competitiveness of European industry in world markets. That has been recognised in the Commission's proposals for a new Community research and development framework. The Government are committed to a gradual growth in European Community research and development and will seek agreement on a new framework programme during the current presidency. The most significant European Community programme is ESPRIT — the European strategic programme for research and development in information technology. The United Kingdom has done extremely well in ESPRIT, being involved in 135 of the 200 projects.

Similarly, my Department proposes to support RACE — another acronym for the research on advanced communications in Europe programme — in which again United Kingdom companies have done well, at a suitable level, reflecting the sharing of collaborative research and development, the opening up of markets and the forging of standards for future telecommunications networks.

The BRITE programme — basic research in industrial technologies for Europe — is also important and allows the more traditional industries to benefit from recent advances in technology.

I have mentioned EUREKA, which is a framework programme involving 19 countries, which seeks to encourage European collaboration on market-led high technology projects, thus helping to increase Europe's competitiveness with Japan and the United States. Seventy-two projects have been announced, 32 of which involve British companies. The EUREKA project information net can help British industry to find partners for collaborative projects and to inform them of other projects in which they might wish to participate. Where firms involved in a EUREKA project discover a market barrier to commercial success, Governments can act as a lobby to resolve that problem. That is one of the most important future developments for EUREKA as a market-opening device to get the internal market that we all wish.

Mr. Michael Marshall (Arundel): I wonder whether, in the course of my hon. Friend's further remarks, he might wish to reflect on our success in European Space collaboration. I know that he is following the work that the British National Space Centre has in hand and which looks towards the future, but does he accept that we have a great success story on which we can build, and which will allow us to collaborate with the National Aeronautics and Space Administration and with the United States generally?

Mr. Pattie: I am grateful to my hon. Friend for that intervention, although he has anticipated a point that I was about to make. It would be remiss of me if I did not mention the Alvey programme, the second annual conference of which was held just recently at the university of Sussex. It is the largest collaborative programme we have, and it brings together my Department, the Ministry of Defence, the Science and Engineering Research Council, various parts of industry and also higher educational institutes in collaborative projects in four main areas of information technology. Some 187 full industrial projects have been approved, and 116 academic-only projects. Public funds of £200 million are provided by the Government, with the remainder coming from industry.

One of the most successful research schemes of recent years is the joint opto-electronics research scheme — JOERS — which is a pre-competitive joint research scheme between industry and higher educational institutions. The take-up of funds — £25 million — has been rapid with many applications of high quality being submitted. Both the motion and the amendment concentrate on higher technology, and the aerospace industry is a very important user of various aspects of it. In March 1984, the Government provided £250 million in launch aid to British Aerospace in respect of its participation in the design and development of the Airbus A320. By the end of May this year, 134 A320s had been ordered by 12 different airlines. That is encouraging and discussions are taking place on the possibility of support for future members of the Airbus family. Launch aid funding of £60 million has also been provided for the new fuel-efficient IAE V2500 in which Rolls-Royce is participating, and for Westland for its participation in the EH101 multi-role helicopter.

As my hon. Friend the Member for Arundel (Mr. Marshall) has said, Government support for space research and development is aimed at creating an industry capable of exploiting the rapidly growing commercial opportunities by producing space hardware, software and services. The British National Space Centre was formed in November 1985. Total Government expenditure on space in 1985-86 was £100 million, of which the largest share, £70 million, was provided by the Department of Trade and Industry. But space development is expensive, and it is

[Mr. Pattie]

therefore essential to work through the European Space Agency. The British contribution to the European Space Agency, administered through the British National Space Centre, was about £80 million, of which the Department of Trade and Industry contributed £60 million. That contribution represents about 80 per cent. of British Government civil space research and development and about 15 per cent. of the total ESA budget.

Mr. John Wilkinson (Ruislip-Northwood): Am I right in thinking that the director of the British National Space Centre, Roy Gibson, presented his British space plan to the Department of Trade and Industry on 4 July? If so, when does my hon. Friend think that he can make a decision on the basis of the proposals in that document? Will he be making a statement to the House? If not, how will we be made party to that final decision?

Mr. Pattie: No, it is not true that Roy Gibson presented the plan although that was his aim. I understand, however, that I am about to receive it. My colleagues and I in the Department will wish first to consider it carefully and will try to arrive at a decision, which may be taken before the House reconvenes. I should be happy to give an assurance to my hon. Friend that there will be a statement on the Floor of the House, but it would be unwise to do so. I am sure that the usual channels will ensure that a debate takes place if that is the wish of the House.

We are conscious of the needs of small firms, and my Department especially welcomes applications from small firms for the various support programmes that we have. In April this year we announced the small firms merit award scheme for research and technology. It draws openly and unashamedly on the experience of the United States and on what is known over there as the small business innovation research programme, which has worked well. The first two examples will cover the areas of biotechnology and instrumentation for a one-year trial.

It is also important for the House to be aware of the great emphasis that the Department of Trade and Industry places on close co-operation between it and the Ministry of Defence. The Department spends £35 million a year in and through the Royal Aircraft Establishment and the Royal Signals and Radar Establishment at Malvern to provide technical underpinning of aircraft, electronics, information technology and space industries.

We have carried through some important recent developments. Defence Technology Enterprises Ltd. has been set up to license technology in such establishments as the Royal Aircraft Establishment, the Royal Signals and Radar Establishment, and the Admiralty Research Establishment and that has now extended to the Royal Armament Research and Development Establishment. The national electronics research initiatives at the Royal Signals and Radar Establishment bring together researchers from collaborating firms to form strong teams.

I strongly believe in the need to bring the civil sector and the military sector together as often as possible, and that initiative at the Royal Signals and Radar Establishment represents an excellent forerunner of technology transfer programmes to come. The teaching company scheme is an important programme for helping to deal with the problems that the hon. Member for Yeovil referred to in his opening remarks about skill shortages and about improving co-operation between the educational sector and industry. We strongly support the technique of research clubs such as those that I have already mentioned in Alvey and JOERS. That seems to us to be a very acceptable way in which to proceed.

The Government generally believe that high technology and other companies can be assisted by the right economic climate, in which taxation is reduced and devices such as the business expansion scheme are introduced.

On the subject of venture capital it is interesting to note that in 1979 there were only five funds investing £7 million. There are now more than 100 specialist funds investing £270 million a year. That is good news for the high technology sector. We have worked hard across Government to reduce many of the bureaucratic burdens in terms of price, dividend, exchange and many other controls. This is extremely important. Various high technology companies have done extremely well following the privatisation programme, such as British Telecom, Cable and Wireless, British Aerospace, and Amersham International. There is now an upsurge of various companies which are emerging from the academic sector. In that context, it is extremely interesting to note the success of science parks. They have done extremely well, not only in Cambridge but elsewhere, often in contrast to the lack of success of similar attempts in the United States.

I hope that the hon. Member for Yeovil will feel that I have given him good measure in my speech. I fully accept that extraterritoriality is a problem. We recognise that, and are also conscious of the practical difficulties faced by companies that are caught up in such practices. I have given the hon. Gentleman certain assurances, and I hope that he will find them acceptable. The Government are running several programmes to help British high-tech firms to be strong enough to cope with those pressures, particularly through developing co-operation and collaboration with other companies in Europe.

The subject of today's debate is important and I look forward to hearing the views of other hon. Members on matters of common concern. I assure the House that this subject is serious, and that the high technology sector is vigorous and developing. We are very pleased with the progress that it is making.

5.20 pm

Mr. Geoffrey Robinson (Coventry, North-West): I am sure that the Minister did not expect many Opposition Members to be impressed by that complacent recitation of the recent activities of his Government and Department.

This comprehensive motion gives us an opportunity to discuss a matter that has in recent years aroused intense and growing resentment in the country, in British industry and, in particular, among British industrialists. I am sure that the hon. Member for Yeovil (Mr. Ashdown) will be pleased to know that we shall support the motion standing in his name and in that of his right hon. and hon. Friends.

When we debated high technology on 15 May 1985, it was again against the background of the infamous IBM letter of December 1983, and of the earlier raging controversy over the John Brown Russian pipeline contract. Those, and a growing number of other similar events, have demonstrated the American Administration's now octopodal interference in the high technology trading relationships of Britain with other countries, in addition to the COCOM member states.

Since our last debate, matters have degenerated further. Far from backing off from its claim to extraterritorial and retroactive imposition of United States law, the Reagan Administration seek to extend it and to institutionalise it with a step-by-step policy of effective commercial coercion orchestrated by Mr. Richard Perle at the Pentagon, and encompassing not just the United States Department of Commerce, but the United States Customs and Excise and, apparently, even the CIA.

The latest step to be taken by the United States authorities—the Minister will know about it, as I have been in touch with the Minister for Trade—involves a set of new regulations for the distribution licence, a system of bulk licensing that allows American exporters to export specified goods to approved foreign consignees without the individual transaction approval that the United States authorities usually require.

In his letter of 30 June, I was informed by the Minister that the system is

"designed to free the companies concerned from the delays and expense of applying for individual licences."

No-one—not even this gullible Government or Minister—would swallow that. The simplification procedure is nothing more than a sprat to catch a mackerel. The real purpose, long hankered after by Mr. Richard Perle and his associates, is that United Kingdom companies that accept those new regulations would be required to accept audit visits by United States Department of Commerce officials.

Furthermore, as the Minister has frankly admitted to the House, the United States Government have sought this Government's agreement to visits by Department of Commerce officials in order to audit the books of British companies. I asked the Minister whether he had conceded that principle, but I am not sure what his answer was. He seems to be confirming that no such concession will be made by the British Government—*[Interruption.]* I am trying to put some words into his mouth for him, which he could then use when he replies to the debate.

On behalf of the official Opposition, I say that any acceptance of any such jurisdiction by the Government in order to audit the books of British companies would be utterly unacceptable. It would be tantamount to an official acceptance of the United States' long-standing attempt to have that imposition of American laws on United Kingdom companies accepted. To us, that is unacceptable.

Mr. Pattie: Will the hon. Gentleman address himself to my point, that it is important to take into account the feelings and aspirations of the companies concerned? What would he do if they said that they preferred to continue with the regulations?

Mr. Robinson: I am grateful to the Minister for that intervention. Given the total lack of support given to companies by this Government, I can well understand companies accepting almost anything that would give them some freedom of access to American technology. But the matter should not be approached in that way. The Government should make it clear to British companies that they are standing four square behind them in resisting that unacceptable pressure from America. What would those companies then say? If they felt that the Government were four square behind them and had embarked on a policy of resistance to pressure from the United States, none of them would want to go along with that set of regulations.

As a Minister, the hon. Gentleman bears responsibility for upholding the laws of this country, and he cannot hide behind any temporary commercial convenience. Incomprehensible and feeble as the Minister's position is, he will no doubt try to explain it at the end of the debate.

Following the Minister's intervention, it is even more clear that the Government will not give any categorical assurance. Consequently, we can do little but echo the remarks that have been made about this Government's attitude towards standing up for British industry. Several British business men sought the Government's support in resisting American pressures. They were interviewed in that remarkable "TV Eye" programme, "Uncle Sam's Law". The Minister should consider his intervention against this background. Mr. Colin Hill, a British business man who was under American pressure, sought help from the British Government and from the Department of Trade and Industry. He said:

"our Government is not strong enough. And certainly our Department of Trade and Industry always gives me the appearance of being like a toothless tiger. I mean, all it does is bare its gums at the opposition."

We know that feeling from our debates in the House.

The same point was put later in the same programme, perhaps even more appositely, by another business man, who said that he did not blame the Americans for defending their interests but

"What I do blame is the British Government for being so wet, and frankly so pusillanimous, not to stand up for British interests."

That is the reputation shared by the Minister and his Department. It is time that he did something about it.

But I am asking that of a Government who, in their supine appeasement of the American President, agreed to the F111 raid on Libya from British territory, and am asking it of a Government who have a total lack of faith in British technology or in British managers and workers. They forced through the sale of Westland to the Americans and tried to do the same when it came to disposing of Britain's vital motor vehicle industry to General Motors and Ford. Consequently, there is not much hope of support for British industry from this Government.

It is not to be wondered at that a Government who are opposed to the very idea of an industrial strategy for a high technology centre should be so wet, half-hearted, hesitant and lacking in self-confidence when it comes to opposng the United States' attempt to impose extra-territorial law on trade in critical high technology components which is being conducted by British industry.

But even if we resisted the Reagan Administration's most overt attempts to ride roughshod over our commercial interests — we could perhaps do that occasionally on a case-by-case basis—as long as that American law stands, the problems experienced so acutely in recent years by the microcomputer industry would persist. I accept that point. I agree with the Minister that we must deal with the real world as we find it. We must be tough about it, not supine.

I would put one question to the Minister. If there are cases where it could be considered to be illegal, especially in the conduct of some American companies or even American agencies such as the CIA—perhaps there is no evidence for that—and the Pentagon and so on, is there no case that we can take to the International Court? Are there no grounds on which we could seek a legal resolution of a problem which seems irresoluble other than

[Mr. Robinson]

by legal action? Even if we do all the things which were valiantly called for by the hon. Member for Yeovil, it will not solve the problem. Even if we get the letters revoked or have Government-to-Government confrontation instead of confrontation of the Minister and a United States Department of Commerce official, I promise the hon. Gentleman that it will not solve the problem. I leave it with the Minister. He should not be as afraid to take on our strong and powerful allies as he appears.

The history of the international relations of the United States Department of Commerce has shown it to be sensitive to actions that call into doubt the exactitude of American commercial behaviour. Nothing showed that better than the action we took on American steel imports which quickly made the Americans rescind the legislation that we considered directly infringed the rules of the general agreement on tariffs and trade. I do not necessarily expect an answer from the Minister tonight. I am sure that our correspondence on these matters will continue. We are definitely looking for a much more vigorous and determined pursuit and defence of British national interest than he or his Department have shown to date.

That can only be half of the issue. The second part of the motion must not be dominated by the first part. What is needed, beyond the negative defence of our interests to the best of our abilities, is a positive and determined British effort to build up a British and European high technology base to lessen, as rapidly as possible, our dependence on United States technology. For once, there is no alternative. However, instead of pursuing that course with vigour and a real commitment to British science and technology, the Government have preached the value of low-wage service industries and boasted only of their commitment to the creation of a low-tech and even a no-tech economy. The fearsome prospect for the country is that in this one area the Government are likely to have achieved their policy objectives. The whole of the distinguished British scientific community has felt so threatened that it has launched a Save British Science campaign supported by over 100 fellows of the Royal Society, 11 Nobel laureates and a substantial number of vice-chancellors and presidents of learned societies.

Mr. Bill Walker (Tayside, North): The hon. Gentleman will be aware that some of the leaders in that campaign, especially one I debated with on radio, were unaware of the amount of money that the Ministry of Defence spends on research and development every year. He did not take that into account and that is nonsense because of the importance that it has for high technology.

Mr. Robinson: That is a valid point. This country spends far too much on defence-oriented research and development and has done so for far too long. The ignorance of that fact on the part of one fellow of the Royal Society or a supporter of the Save British Science campaign in no way detracts from that. Indeed, the continuing heavy commitment to defence research and development explains why vital areas of civil research and development, including those represented among the co-ordinating committee and supporters of the campaign, are being sadly neglected. Later in my speech I shall give the hon. Member for Tayside, North (Mr. Walker) some examples from the campaign literature which I am sure he has seen but has not found time to read.

I should like to deal with one more of the Minister's arguments. It is becoming tiresomely familiar to all hon. Members. The argument goes along the lines that, although we have a long and distinguished record of basic scientific research, as a nation we have failed to capitalise on British inventiveness by translating the research into marketable products for world trade. That is a fair representation of how the argument goes. It is my view that we trumpet rather too much about our scientific research and its successes. In that area, as in many others in today's world of rapid and extensive development, there can be no room for such complacency.

Even if we accept, for the sake of argument, that Britain has done well at fundamental scientific research and less well at exploiting it, it is utterly perverse logic to argue that we should cut basic research, which is what we are doing. It is perverse to argue that by hacking to pieces what we are good at and by chucking overboard decades of priceless scientific fundamental research, we would be able to improve our record in exploiting it. The argument does not begin to stand up.

The attack on British science is part of the Government's attack on the whole educational framework of the country. Its consequences are felt in the critical shortage of mathematics and physics teachers in our secondary schools, in the shortage of electronic, computer and engineering graduates from universities and colleges of further education and now in the haemorrhage to posts abroad of many of our most brilliant research graduates.

As I promised, I shall give a few examples from the Save British Science campaign document. It gets better with rereading. One example deals with inorganic chemistry where, in the assessment of one of the fellows of the Royal Society,

> "'the best of the British inorganic chemists in the age group 30-45 are now employed by American universities of high repute.'"

A further example comes from the head of an important department of Glasgow university. The extent of the move abroad, the brain drain of British research, is quantified in this way:

> "Of our 15 British Ph D graduates since 1981 only 3 are working in science within the UK; 10 are in the USA and one is in France."

One further example is about a lost "new blood" appointment where a "superb candidate" according to the head of department, was being interviewed and was offered a place in Lancaster physics department in the area of experimental low-temperature physics. The reasons given by the superb candidate for not taking up the offer, as set out in the document by the head of department, were as follows:

> "I understand that the reason for his change of heart lay not so much in the inadequate salary per se—although this doubtless played a part—but in the belief that the British university system was being allowed to collapse . . . (he will) continue his career in North America."

Mr. James Hill (Southampton, Test): Some of the facts from the university of Southampton in the latest University Grants Committee allocations for departments that are really making their way in scientific and development work, show that the university got £750,000 and it raised £13 million by doing outside work in science and development. I do not think that the denigration of our universities is helpful.

Mr. Robinson: I am sure that the hon. Gentleman's remarks concerning the university in his constituency are

well noted. I shall refrain from telling him about the outstanding record of Warwick university in my city. If the hon. Gentleman cares to check, I think that he will find that there are some quotations from Southampton making the same points. It is not me who is making the comments but those who are working in British universities and are concerned about maintaining and developing British science in the universities.

The hon. Gentleman should address to those concerned his queries and remonstrations as to whether documents of that kind are harming science. I am sure that he would be rapidly convinced to the contrary. If he reads the report again he will read the conclusion:

"Our conclusion is not only that damage has been done but that some of it may now already be irreversible. The lead even in technologically important areas of research has been allowed to slip to other countries."

The Government are presiding over a brain drain of Britain's top scientific talents, the extensive damage of which will be felt over the next decade and beyond, when it will become clear that Britain has wasted a golden opportunity to capitalise on its strong research capabilities, and to play a leading role in the creation of the new technologies on a Europewide basis.

We accept that the scale of resources required for research and development, as well as the size of the homogeneous market required, will mean that the organisation and exploitation of the next generation of scientists and technologists must take place on a European scale. That is why, from the beginning, we have supported ESPRIT and RACE and BRITE. The Minister also referred to RACE and BRITE, which are lesser-known but still very useful European projects. We condemned the Government when they dragged their feet over the EUREKA project when it was initiated by the French. Equally, we welcomed the Government's change of heart and the backing they are giving to EUREKA during this important period of the British presidency of the Community.

What continues to puzzle us—I hope the Minister will address himself to this when he replies—is how we shall sustain a high profile active role in Europe if the overall funds from the Department of Trade and Industry and Government support for innovation and other schemes, are not increased. The Minister has refused to tell us whether the funds will be increased and if so by how much. He will be aware that a good deal of anxiety persists in industry as to whether the Government will continue to support ESPRIT and more importantly, EUREKA. Such support will require new additional money to be found from the existing DTI budget at the expense of other national programmes.

The Minister made it clear that he did not consider the European projects as substitutes for national projects but he has been extremely coy about how much money the projects will cost and whether there will be adequate money for both sets of programmes. I have raised this matter with him on a number of occasions, most recently at Question Time on 18 June 1986. With regard to the companies participating in the European projects, he gave me the assurance:

"we are not talking about alternative or substitutional activities. It is important to put that on the record."—[*Official Report*, 18 June 1986; Vol. 99, c. 1019.]

He put that on the record again today.

If that is the case—industry will be relieved that it is so—there must be new additional money for EUREKA. Following the completion of the Bide committee's report later in the year there must be new and additional money for Alvey. I urge the Minister not to postpone the new funding which is urgently required on Alvey. He will be aware of the immense damage that was done by the five-month moratorium which was introduced—I give him the benefit of the doubt—prior to his taking over his position. Later in the year, industry and universities will be looking to the Government for urgent and positive decisions on Alvey.

If we consider the scale of Government resources needed, I draw to the Minister's attention two instances which give us some idea of the scale of competition which we will face. On 1 July, when the latest EUREKA project was announced—to a general welcome, as the Minister said — the *Financial Times* stated that the French Government expected to pay 40 per cent. of the near £400 million which French companies are expected to spend on EUREKA. That is the scale of the French involvement. It comes on top of the five times greater spend by the French on electronics. German expenditure on support for electronics is running at over three times the British level.

Mr. Phillip Oppenheim (Amber Valley) *rose*——

Mr. Robinson: I will give way in a moment.

The Minister has said that he is committed to additional programmes and in his reply to me during a recent Question Time, he gave a commitment to meeting industry's requirements for EUREKA. Can he tell us where the money will come from, how much it will be, and what he means by "satisfying industrial requirements"?

Mr. Oppenheim: I thank the hon. Member for giving way. A moment ago he said that the French Government spend five times what our Government spend on their electronics industry. Is he aware that a vast proportion of this is spent to make up the losses in the nationalised French electronics industry? It was nationalised in the 1980s and previously had been profitable, but it is now making massive losses and is costing the French taxpayer a huge sum of money.

Mr. Robinson: The hon. Member is not aware that French research and development represents 3 per cent. of its gross national product. Since the war, the French have had a long successful tradition of Government-backed research and development in industry through to bringing products on to the market. In many ways France has set a pattern for us of what can be achieved by positive collaboration between Government and industry. That is anathema to this Tory Administration.

My attention has been drawn by that intervention to the French microelectronics industry. I am sure that the hon. Member for Amber Valley (Mr. Oppenheim), when he intervened to so little effect, overlooked the fact that when the three major semiconductor manufacturers—Thomson of France, Philips of Holland and Siemens of Germany — met in June this year to discuss joint research and development on advanced technology needed to design and make microchips in the late 1990s, no British company was invited. A couple of years ago when the French and German Governments were holding talks about industrial co-operation — talks that led to the important plans for the key design and production technologies wich western European semiconductor makers will need in order to be competitive with the

[Mr. Robinson]

Japanese and the United States in 1995 — the Conservative Government of Britain were venting their bitter spite against any form of public or private co-operation by crippling INMOS as an independent British producer.

The result of the Government's attack on British research and development, their inadequate funding for national and joint European projects, their failure to harness the power of public purchasing for the purpose of developing British technologies is evident, in its cumulative effect, in the massive deficit that we now face on our balance of trade in information technology products. The deficit on the balance of trade has grown from £384 million in 1980 to no less than £2·3 billion in 1984.

The Minister may take some comfort from the apparent stabilisation of the deficit in the past couple of years, but he will know, as every expert will tell him, that the situation is getting worse.

The recent Advisory Council for Applied Research and Development publication which dealt primarily with software and of which the Minister is so fond, also addressed itself to the growing critical deficit in information technology. It projected that, by 1990, we shall be facing no less than a £9 billion deficit on our balance of trade in information technology products. What are the Government going to do about it? We do not expect an answer from the Minister, because the harsh truth is the Government do not know what to do. If the Government wanted a plan, they are forbidden one anyway and above all, whatever is done must not involve any further expenditure. *[Interruption.]*

I am aware that many Members wish to speak, and I will certainly make haste, I wish to consider two documents which have recently been published by ACARD — "Software: a Vital Key to UK Competitiveness" and "Exploitable Areas of Science". These documents, which have brought together experts in different areas, make it clear that what is lacking in Britain is a coherent strategy for the development and exploitation of science and technology. These experts cannot bring themselves to say that, as they are contorted by the need to observe Thatcherite semantics. The criticism has been dressed up in the process of consultation, and despite the evidence of recommendations in the software report, the document states that there is no need for Government intervention or subvention. Yet it is clear that six of the principal recommendations of the report need direct Government intervention and indirect Government subvention.

Rather than set up a planned, independent procedure for the valuation of British science, the Government have sneaked through, in a Cabinet Office document, a science and technology assessment office. Nobody is clear as to the exact purpose of this office. It is significant that, on the same day that it was announced, Mr. Fairclough let slip in his evidence to the House of Lords Select Committee on Science and Technology that the Government had announced £5 million further cuts in their research funding. No doubt Mr. Fairclough has only just started.

The combination of the Prime Minister's craven subservience to President Reagan and her pathological antipathy to constructive Government and industry co-operation make it impossible for the country, under this Government, to develop and carry through a coherent industrial strategy.

Such a strategy must be driven by three engines of recovery — research and development, training and investment. In all of those the Government have a major role to play. The next Labour Government are pledged to those policies, which will halt the decline of British science and high technology. The implementation of those policies awaits only the sure and certain victory of the Labour party at the next general election.

5.49 pm

Mr. Richard Page (Hertfordshire, South-West): I congratulate the alliance on choosing this important topic for debate. I must confess some surprise that the hon. Member for Yeovil (Mr. Ashdown) took an important but narrow point in the motion. I was hoping that we might be given a little insight into the Liberal party's policies on information technology.

I want to know whether the Liberal party has moved on from the days of the Lib-Lab pact when, as the House knows, it supported the Labour party when it spawned the National Enterprise Board when the Government of the day went out to pick high-tech winners.

I take the strictures of the hon. Member for Coventry, North-West (Mr. Robinson) slightly awry when I think of the companies that were chosen. The names of those companies that went bankrupt should be inscribed on a brass plate so that politicians can constantly look at them and be reminded of their own fallibility. I do not know how many tens of millions of pounds it cost the taxpayer, but it was a great number.

Having said that, I recognise that we need a balanced and dynamic programme for high-tech research, if Britain is to maintain its position as an industrial power. For any country to have a high-tech policy it must have an efficient communications system to communicate data throughout the country and, if required, on through the rest of the world.

For that reason, Conservative Members should take considerable pride in the fact that we brought about the improvements in British Telecom by its privatisation. We did that just in the nick of time. The delays in installation, the poor quality and the few choices of equipment were becoming a scandal. There was no way that the vast sums of money needed to bring about the new systems could have been generated out of earnings and the Treasury was reluctant to find such vast sums of money from the taxpayer. As we know, there is no way that the value added network services, which are now doing such a valuable job throughout Britain, could have been allowed without the liberalisation of the system.

It is interesting to note that the parties responsible for the debate tonight had their usual voting pattern on that measure. Some voted for it, some against it, and some abstained. I think that that covers all the possible options. For the record, I should point out that BT is now providing the Treasury with £1·3 billion a year, near enough double what it was producing when it was a nationalised industry. That point should be repeated time and again.

I hope that, when the hon. Member for Stockton, South (Mr. Wrigglesworth) replies, he will mention what he sees

as the future of BT if and when the unlikely event occurs that the Social Democratic and Liberal parties have a say in its future.

Mr. Stuart Randall (Kingston upon Hull, West): Does the hon. Gentleman agree that under the new privatised regime, domestic telephone charges have gone up?

Mr. Page: Yes, they have, but the formula is such, as the hon. Gentleman knows, that the overall bill has not changed and, if inflation continues to fall, telephone bills will come down.

Mr. Bill Walker: Does not my hon. Friend also agree that telephone bills have always gone up? I can never remember them coming down.

Mr. Page: Yes, that is a fact of life. The only thing that I have noticed recently that has come down in price has been the second-class stamp.

I have already pointed out what would happen if the Government started to try to second-guess the market place. But there is no doubt that, if we are to remain an industrial power, our industries must be willing and eager to embrace the sunbelt sector.

The predictions of the market for information technology and electronics vary, but everybody agrees that, whatever the figure, it will be huge. To secure a fair slice of that market, the Government have already played an important role in encouraging companies to introduce new technology into their methods of operation and the CADCAM and robotic programmes are examples of what they have already done.

In addition, as my hon. Friend the Minister has already mentioned, in 1983 the Government launched the biggest collaborative research programme that Britain has known since the second world war — the Alvey programme, which has pulled together the universities and companies to combine theory with the demands of the market place.

As my hon. Friend knows, that programme comes to an end in 1988 and talks are already taking place on Alvey mark 2. I appreciate that there must be an evaluation of the effectiveness of that programme, but I want to echo what has already been said by Opposition Members. I hope that my hon. Friend will announce his decisions as soon as possible, for a variety of reasons. One is that research teams take a little time to put together. They cost money to bring together, and, as their programmes come to an end, they want to know whether they will have a continuation or whether that is the end of the line for their project.

Let me make one further suggestion to do with Alvey clubs. At the moment, there is a general feeling that there has been a little too much emphasis on the supplier input rather than on the user input. I hope that when my hon. Friend comes to make his decisions on that point he will bear that in mind. The field of opportunity is probably larger at the moment on the user side than on the supplier side.

The vital role that Government have to play is to ensure that the United Kingdom competes successfully with the other two major powers, the United States and Japan, who have not only been making most of the technological discoveries that have recently been brought before us but have been bringing them to the market place with great effect. That has led our Government to seek the support of our EEC partners and with it a market potential to match that of the competition. That could be the answer to the extraterritorial question. If we have our own continental alternatives, we shall not have to go down the route of all the legal hassle and argument with the United States.

As has already been mentioned, one of the participating programmes is that of ESPRIT, which is similar to the Alvey programme, and must be the way in which the huge investments needed for this type of research can be found. The other, which puts a more commercial face on research, is EUREKA. Any collaboration must have an end in view — a product that can be bought by the customer, particularly in the EEC, and, I hope, in the rest of the world. I am glad to hear that my hon. Friend emphasises the need to exploit those discoveries.

The hon. Member for Coventry, North-West made great play of the Save British Science campaign. It has its particular arguments, but he did not read out — this is why the Alvey programme is successful — that the theme of the Government's pronouncements on research is that support depends upon perceived economic benefits. If we are to compete with the rest of the world, we must make a product that will eventually be bought. Vast sums for pure research that have no financial benefit at the end of the day cannot be funded for ever. I believe that the EUREKA programme is attacking the matter in exactly the right way.

The theme running through the speeches of Opposition Members is the desire to become involved in the use of taxpayers' money, whether by way of nationalisation — another phrase that is used now is "social ownership" — a national investment bank, which is rumoured, or the new technological enterprise corporation. That still adds to a severe case of the politicians' disease of them knowing better than the experts in the industry. I hope that the Government will follow the path of providing support but not of going into the realm of endeavouring to pick winners. I believe that Government can only lay the ground rules and create the framework. British people and British companies will provide the growth, wealth and employment for the people of this country.

6 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): A great deal of the debate has focused on the information technology industry. That industry is important to my constituency. For example, IBM, which employs 2,900 people, is the biggest employer in my constituency. That company, along with National Semiconductor, generates work for thousands of people.

I wish to widen the debate a little and talk about the United Kingdom's offshore oil and gas industry and the problems that it faces. With your favour, Mr. Deputy Speaker, the title of the motion — "Defending British High Technology Industries" — allows me to do so. The Government's amendment refers to the defence of British high technology industries. The offshore oil and gas industry must be one of the most advanced industries. On 24 June, the Minister of State, Department of Energy told the Scottish Grand Committee:

> "The industry is taking the lead, particularly in offshore technology, not only in our own continental shelf but in other parts of the world." — [*Official Report, Scottish Grand Committee*, 24 June 1986; c. 3.]

I would not dispute that comment. It is an important industry to Scotland as well as to the United Kingdom.

[Dr. Norman A. Godman]

The Scott-Lithgow company in my constituency is building one of the most technologically advanced semi-submersible rigs ever built for drilling purposes in deep water.

The low oil price since the end of 1985 has led to a marked reduction in exploration and appraisal drilling and the deferment and delay of the development of new fields in the North sea, although no significant reduction in production has taken place. A survey of oil company intentions by the Grampian regional council this year suggests that the downturn in development activity will last throughout the whole of this year, 1987 and 1988. That report, commissioned by the Grampian regional council, suggests that there will be an upturn in 1989 and that there will be a large increase in activity in 1990 and into the 1990s.

The problem with such a projection is that the three lean years of 1986, 1987 and 1988 almost certainly mean that a considerable capability that has been built up in the oil service and supply sectors in the United Kingdom, especially in Scotland, will not survive to 1989 to enjoy the benefits of an upturn in the market. Scotland is already seeing the redundancies coming through. Britoil recently declared redundant 400 of its employees in Glasgow. Forty of those employees were senior technologists and managers. The company gave them an hour to clear their desks.

Aberdeen, which is an employment bright spot in Scotland—male unemployment is less than 10 per cent., which is a vastly different position from that which exists in my constituency and others on Clydeside — is suffering redundancies in the oil and ancillary industrial organisations. An upturn in the market in 1989 will encounter severe shortages in local services and supplies, leading to rapid price inflation and a greater dependence than hitherto on overseas supplies.

My intervention is a plea for a temporary amendment to the tax regime in respect of the North sea, which might help to even out the cycle, to the long-run benefit of the oil companies, the services and supply industries and employment in Scotland and the United Kingdom.

At the moment, oil operators offset the development costs of a new field against the petroleum revenue tax payable on production from that field. However, the oil companies need money up front to develop the field first. Since the drastic fall in the oil price, those companies are saying that it is a simple shortage of cash that is causing them to defer or delay developments in new fields. For my constituents and the rest of Scotland, that spells disaster. If orders are not made, the fabrication yards, the engineering industry and the information technology industry will suffer.

One change to the present tax regime that might help to overcome the problem would be if the oil companies were allowed to offset the development of new fields against the petroleum revenue tax that they are currently paying on existing production from other fields in the North sea. Such a tax regime would provide the oil companies with the money to carry out new development. In order to ensure that the United Kingdom achieves some additional benefit from such a change to the tax regime, it could be limited to projects approved after the announcement of the change and the costs incurred on the projects before the end of 1988.

By that means, the gain to the companies would accrue only to new projects brought forward and implemented later this year, in 1987 and in 1988, not to existing projects already under way, and only to expenditure incurred in that period. That might be a substantial encouragement to some oil companies to bring forward into 1986-88 projects that would not otherwise be developed until after 1989. The state would not necessarily lose tax revenue because it would accrue a tax revenue from the new field. The tax take could be rescheduled from 1986-88 to 1989 and onwards.

There may be some loss of revenue to the extent that the new fields would yield less tax than existing fields. The net outcome for the Treasury would need to be calculated on the basis of likely effects of the tax change and the tax profiles of particular fields. The advantage of such a proposal is that it would directly address the need for cash up front to develop the new fields. Being for a limited period only, it would be a direct incentive to bring forward deferred projects. The limited time would also ensure that the tax concession would be operative only where there was a gain in activity. Also, the delay or loss in tax revenue implied by the proposal would be kept to a minimum by the limited time period.

Given the drastic fall in the price of oil, Scotland, in particular, faces massive employment problems. The industry, including its ancillary activities, is one of the most important and technologically advanced that we have. It has a huge market potential overseas wherever oil exploration takes place on continental shelves or even in much deeper waters.

A positive response is needed quickly from the Government to prevent those worsening circumstances leading to much higher unemployment in the bright spots of the Grampian region.

6.10 pm

Mr. John Wilkinson (Ruislip-Northwood): I shall not seek to follow the remarks made by the hon. Member for Greenock and Port Glasgow (Dr. Godman), although they are relevant to my speech. He described adequately and with force the impending decline of Britain's first-class sub-sea industry unless drastic measures are taken. I wish to contrast that possibility of decline, which we all hope will not happen, with the undoubted possibilities of expansion, profitability and scientific return from an enlarged space programme on the part of the United Kingdom.

My hon. Friend the Minister briefly alluded to the United Kingdom's space programme in his opening remarks and referred in particular to the inauguration of the British National Space Centre at Farnborough, which has borne fruit under his stewardship. I give full credit to my hon. Friend for that event because it brings us in line with our French and German counterparts, and will enable us to play a better co-ordinated part in the European Space Agency's programme for the next 10 years, which was decided at the ESA ministerial meeting in Rome in December 1985.

The space progammme for Europe, which my hon. Friend approved, was extremely important strategically for the United Kingdom and Europe. Our expenditure on space is to be increased by some 70 per cent. over a 10-year period. Many key decisions were made. One such decision was that we are to continue the development of Europe's launcher capacity through Ariane 5. If the full potential of

Ariane 5 is to be realised it should be a man rated vehicle, and this possibility was to be studied. I understand ESA's latest decision is for a preparatory programme to study how Hermes, a manned vehicle to be carried by Ariane 5, could be constructed. It is not merely a question of simple evaluation. It is a concrete programme to prepare for the launch of Hermes. The launch date for Hermes will be in the middle of the next decade.

Furthermore, the breakdown of funding for Hermes was approved in principle at the June meeting of ESA. If reports are correct, the French are to assume 50 per cent. of the responsibility and the Germans 25 per cent., leaving a further 25 per cent. to be divided among the remaining nine ESA members.

The House will recall that the United Kingdom was in the forefront of launcher development. We unilaterally developed Blue Streak, initially as a ballistic missile system. Following the cancellation of the Blue Streak missile, it was adopted by the European Launcher Development Organisation as Europe's satellite launcher. Some eight launches were achieved and then, regrettably, Europa, as it was known, was cancelled. Since then, the United Kingdom has been out of the launcher business.

However, British Aerospace and Rolls-Royce have put to the ESA our proposals for a revolutionary re-usable horizontal take-off and landing vehicle, designated HOTOL, with an exciting new power plant, the commercial potential of which is so great that it must be classified. The power plant is both air breathing in the lower layers and rocket-powered in exo-atmospheric flight.

I do not see HOTOL as a direct competitor to Hermes, but it is important that the British National Space Centre and the Government in their inputs to ESA secure the ultimate development of HOTOL by ESA. I do not think that there need be a conflict with Hermes, which is a more immediate programme. The technology of Hermes is less advanced and its systems less sophisticated than those of HOTOL. To support Europe's participation in the NASA space station — this is a key element in ESA's 10-year programme — the Columbus module, primarily to be constructed by the Germans and Italians, will be the central European element. The European module and European activity in support of the NASA station will require a manned re-usable vehicle, and Hermes could have real merits.

There are two essential deficiencies in the European space programme. First, until now we have not had a manned space programme of our own. The United States and the Soviet Union recognised the key importance of man in space, which has enabled them to mobilise public opinion and political support for the ambitious programmes they have pursued. The Soviets recognised that to an extreme extent through the development of the Soyuz series of vehicles. They intend to place a permanent manned space station into orbit, probably in two or three years' time. Indeed, Commander Leonid Kizim, the present commander of Soyuz 15, is the first astronaut who has spent over a year in space. He reached that point on 5 July 1986. Another Soviet cosmonaut, a flight engineer, has completed 361 days in space. Clearly, the Soviets have long experience of sustained manned space flight operations, not merely for the greater good of Marxist-Leninism, but for sound strategic purposes. The Soviets' space programme is essentially military in nature.

I hope that the lack of a manned element in Europe's space programme will shortly be remedied through Hermes and HOTOL. It was a shame that Squadron Leader Nigel Wood, who was to have been the payload specialist for the launch of Skynet 4, has had to return to the United Kingdom following the decision to launch Skynet 4 on Ariane. We want an independent European manned space programme, not just that European astronauts should fly on the shuttle, as was done by the German payload specialist for Spacelab, or the French astronaut Chrétian with the Soviets. We need an indigenous, autonomous, European manned space programme. Secondly, we must develop the full potential of space technology for our European defence.

The Federal German Minister for Defence, Manfred Wörner, has been at the forefront of efforts to push the European members of NATO towards the development of a European strategic defence initiative. Lieutenant General Jim Abrahamson was in this country yesterday on his way to Brussels in an attempt to goad the Europeans into a more active participation in the strategic defence initiative—and rightly so in my judgment.

In no area is European participation more important than in the development of short-range systems to protect Europe from the growing threat of SS21, SS22 and SS23 ballistic missiles situated in the western military districts of the Soviet Union and in Czechoslovakia and East Germany, against which at present there is no defence. The current negotiations — on intermediate range and strategic nuclear arms reductions — do not cover these weapons.

As part of the European input to the strategic defence initiative, I hope that we will do all that we can to play as full a part as possible in the development of these short-range, defensive, anti-ballistic missile systems which, in this exposed and much threatened continent, we badly need.

In conclusion, I see the need for an expanding European space programme with an enlarged British participation. It could be a major engine for economic growth and above all for the development of new high technology industries. To their credit, the Government have made significant steps in the right direction but their commitment in financial terms has not matched their good sense in political judgment.

If Roy Gibson's national space programme is approved, we are likely to see a doubling of the British space commitment which runs to the tune of some £100 million at present. However, we spend £40,000 million on social security. A lot of the money goes straight down the drain. If we compare that prodigious expenditure with the paltry amount which we invest in space—the technology of mankind's future—we can see the lack of proportion in our expenditure priorities. I commend the amendment and I hope that the Government will do more in the area of space technology to create an enlarged and more effective European space programme.

6.22 pm

Mr. Michael Meadowcroft (Leeds, West): I am glad that we have selected this topic for debate. It is natural that the topics raised reflect a wide range of interests, and these have ranged wider than the terms of the motion. Nevertheless, we have heard interesting comments from hon. Members on both sides of the House.

[Mr. Michael Meadowcroft]

It is interesting that we are talking not simply with hindsight. The present position was predicted some time ago. I have always been impressed by the comments of the French Liberal, Servan-Schreiber, who, in his book, "The American Challenge", which was written almost 20 years ago, described what would happen if we were to follow the path that we have followed in the intervening 20 years. He remarked at the time:

"If Europe really wishes to escape American domination, there is only the way of federalism and social justice."

He went on to state:

"If Europe is not to be defeated in this battle of computer manufacturing, it must unify its efforts under a single command."

The high technology industries are a perfect example of the problems that we face in endeavouring to compete fairly on an international scale. Supplies within our industries are dominated by huge United States corporations backed by the extraterritorial application of United States export laws, mentioned by my hon. Friend the Member for Yeovil (Mr. Ashdown). In some cases, there have been questionable trading practices. It is extremely difficult for smaller United Kingdom companies to challenge this market domination. It is not impossible for them to do so on the basis of a lack of imagination or technical knowledge. In a sense, the Americans wish to restrict and constrict the market for our companies because of the excellence of some British innovations. If it had not been for the fact that some American-based companies were fearful of what would happen if there were fair competition with the United Kingdom, I doubt whether they would have wanted to exert the pressure that they have on British companies.

The Minister commented on the Systime problem, which we raised in an Adjournment debate in February. I received a response from the Minister of State yesterday, and my colleagues and I are carefully considering our response to it. Under the United States Freedom of Information Act—their system is somewhat better than ours because it enables us to obtain material on these matters — we have received copies of the documents involved in the recent case in which Systime was fined a substantial amount of money by the United States Department of Commerce.

When I received those documents, I was interested to see, contrary to what I had fondly imagined, that the case against Systime was not against the United States subsidiary of Systime UK but was directly against Systime Computers Limited of Millshaw park, Leeds 11. It is astonishing that the American Department of Commerce —the documents are available and clearly state this— should seek to impose its legal jurisdiction on a United Kingdom company in that way. As I understand the law, if Systime wanted, it could have refused to take part in any conduct of that case. It could have walked away and claimed that the department had no jurisdiction over that company.

As the Minister made clear in his opening remarks, the problem is that if companies do not believe that the Government will defend them against such extraterritorial intervention, there is no way that a company can hope to survive without submitting. Unless a company can continue to receive supplies, it cannot trade. Companies do not have the cash flow or resources to enable them to carry out a long battle with American companies. Therefore, rather than fighting under such circumstances, they can do nothing but give in.

The Minister wondered whether companies wanted to go on to a blacklist. It is astonishing that the Government accept that there could be a blacklist for our companies. I accept that that is the reality, but throughout this debate we have asked what the Government will do to make such a blacklist ineffective. We know that such a blacklist will exist and we know of the existence of export denials of companies that export in this country. We know that that happens and that efforts are made to continue that process.

The American Government will continue to push against the door to open it as wide as possible to affect our industry. Will the British Government try to close that door? At present, we believe that the United States Department of Commerce is pushing against an open door. That increases interference week by week, month by month. The Minister also questioned whether it was better for a company to be consulted to discover whether it wanted to take part in a process of the Americans examining its accounts rather than taking part in the licensing process. The Minister appears to be prepared to allow commercial companies to decide whether sovereignty is waived. It is astonishing that a Conservative Government, who pride themselves on a belief in sovereignty, could allow such a discussion to take place.

There is far more freedom for smaller companies to contest against larger companies in the United States than there is for United Kingdom companies to defend themselves in this country against United States companies. Emulex, which trades in this country but which is American-based, has managed to win concessions out of DEC in the United States which it could not possibly have won had it fought under United Kingdom law from this country.

The Minister has asked for examples of such cases and I noted his stricture to my hon. Friend the Member for Yeovil about confidentiality and anonymity. It is no wonder that companies are not anxious to have their names broadcast when they are worried about future restrictions on supply. On that basis, I can quote an example, but, as we are in the real world, I dare not give the name of the company. A letter that I received on 22 April states:

"All our activities are approached with full support of the Board of Trade and with all necessary UK Export Licences, but now we find ourselves in the crazy situation where our activities are illegal with regard to the American Government. To give you an example, we took an order from a Singaporian customer for £500,000 worth of computer system which we had put together using American components: this was in November of last year. We got the UK Export Licence within seven days, and at the same time applied to the Department of Commerce in Washington on the infamous ITA699P 'Permission to Re-export Application'. Our customer had been approved by the Singaporian Government, and yet we are still waiting for the US Licence to be approved. As a business decision we shipped the order, and as a result we have won follow-on orders from this customer."

That is a United Kingdom high technology business that has fought its way in an overseas market. It said that to make sure that it was able to fulfil that order and get repeat orders, it had to ship illegally according to the United States Government. That is unacceptable.

Are we being anti-American by raising such points? If any of us are concerned about our relationship with the

Americans and the development of our relationship not only on a governmental level but between our different peoples, it is important that we warn our American friends and allies when we feel that they are doing things that are harmful to that relationship. It is no friend or ally who sees the Americans heading towards greater bitterness and distress from what they are doing in this country without warning them that that is happening. That is why it is crucial that we debate the matter today before it goes further.

In view of what was written 20 years ago and what we have said on numerous occasions in the House and outside, I believe that unless there is a united European market, and unless there is united European co-operation on those matters, there is no way that we can stand up to the Americans' desire to involve themselves in our market for the sake of maintaining their own economy. I believe that the United States economy is in deep distress. It has cumulative problems, and it seeks to maintain the American dream by looking at other places where it can develop. Unless we in Europe are prepared to say that we have a strong, powerful and effective industry and that we have resources that the Americans might want to use, it will be impossible to prevent the blacklist and the extraterritorial export rules. This is all about being able to compete fairly. That is all that the customers, the clients and the companies with which we have been involved wish, but we do not see the British Government standing up for their rights.

6.32 pm

Mr. Phillip Oppenheim (Amber Valley): One of the Opposition's consistent themes is that our information technology industry is doing badly. They say that it is doing badly simply because there is not enough Government money to support it. It is true that some of the raw statistics show that the deficit in our IT products trade has been growing, although it has been stabilising recently. However, of course that deficit has grown, in the same way as the whole sector has grown. The IT deficit is also growing at a far faster rate in Europe and, indeed, in the United States, which went into deficit on its IT products a couple of years ago. Looking at the raw statistics hides the fact that in many areas of our information technology and electronics industries we are doing exceedingly well. Where companies are making good quality products and taking the trouble to go out into the world, and go to Japan and sell them, they are prospering.

The Opposition claim that the Government have no strategy in information technology. Let us have a quick look at what the Opposition's strategy is. Their policies rely on two major pillars — more money and more Government control and intervention. The Opposition spokesman, the hon. Member for Coventry, North-West (Mr. Robinson), looked to the French as an example of successful intervention in industry. He could not have chosen a more disastrous example if he had tried. In the 1950s, the 1960s, the 1970s and the 1980s the French Government poured billions of francs into the French electronics industry. In the mid-1960s under de Gaulle they encouraged the merger of CII and Bull, and later they brought in Honeywell as well. That was a disaster. When the Communist-Socialist coalition came into power in 1981 the Government nationalised the French electronics industry and encouraged the merger of Thomson Alcatel and CGE. At the time they promised that employment in the French electronics industry would double. In fact, it has fallen by 25 per cent. and the French electronics industry is in a disastrous state. What is more, it is costing the French taxpayer billions of francs every year.

However, we do not have to look across the water. We can look at the policies of the Labour Government when they were in power in the 1970s. They tried the old interventionist, dirigiste themes. We had the National Enterprise Board. One of its favourite companies was one called Nexos, which has recently been the subject of an investigation by the Public Accounts Committee. Nexos was meant to be Britain's answer to IBM. With Government support, the politicians and the civil servants were going to create a British IBM. What happened? Nexos went bust a few years later, having cost the taxpayer £40 million. During its brief reign it succeeded in importing vast quantities of Japanese office equipment. It managed to import more Japanese facsimile machines in one year than could be sold in the whole of the market. When the company finally went bust it still had on its books 1,000 of those Japanese facsimile machines. The British Technology Group, which took over from the NEB, had to sell those machines, which had been bought for more than £1 million, for £1—not £1 each, but £1.

Mr. Randall: Will the hon. Gentleman give way?

Mr. Oppenheim: I apologise. I cannot give way as time is short.

I attended the debate in the House a few years ago on technology, in which many Opposition Members praised INMOS, which is another of the NEB's creations. At that time INMOS was riding on the crest of one of the biggest booms that the electronics and microchip industry has ever seen. Obviously, it was doing well then. Since then, unfortunately, it has sunk into great losses. Although many people admire its transputer products and other products, the fact is that, unfortunately, it is not doing very well in selling those products on the world market.

What is Labour's new policy? Its new policy for the 1980s and 1990s, should a Labour Government be elected, involves renationalisation of British Telecom. What a pathetic, backward-looking policy. Our privatisation of British Telecom has been one of the most successful policies ever carried out by a Government in this country. It has meant not only that the workers in that company have a share in the company, but consumers have a better deal and the Government are getting more money from the company. The fact is that under Labour, when the General Post Office ran the telecommunications system, if one wanted to buy anything from the telecommunications side, and if one wanted an interview with a sales representative, it was almost like trying to get an interview with the Pope. It was almost impossible to get anything. Businesses had to bribe telecommunications engineers to get the essential equipment that they wanted into their companies.

If those policies are implemented in the late 1980s and the 1990s, we shall have the same results as those policies produced in the 1970s. We shall have a vast waste of public money and demoralisation of our industry because of the simple fact that Opposition Members, with their lack of business experience, have not learnt that politicians and civil servants simply cannot run private industry. It is as simple as that. They have not learnt that lesson.

Opposition Members say that the Government have no strategy for the information technology industry. They do

[Mr. Oppenheim]

have a strategy. It relies on creating the conditions in which businesses can prosper. Our IT industry is no different from any other of our industries in that regard. It needs the same preconditions for its prosperity. It needs long-term pro-enterprise policies, stable prices, good industrial relations and quality in management, which is allowed to manage its company, and above all it needs profit. Of course, "profit" was a dirty word under the Labour Government. The countries that have done best in information technology—the United States and Japan—have followed those policies consistently for the past 30 or 40 years.

As we are all aware, Britain does not have an especially large market compared to the Japanese or the United States home markets. It is unfortunately true that we do not yet have a full internal market in Europe. Unfortunately, a number of non-tariff barriers in Europe prevent us from selling our equipment on the European market, especially the telecommunications market. In many ways, those tariffs are illogical. For example, tariffs on fully assembled computers or sub-assemblies are higher than tariffs on the imported components. Clearly, that is a disincentive for British manufacturers to get their goods assembled onshore. That is why companies such as Amstrad and Apricot have to get much of their equipment assembled offshore.

Time is running out. I believe that this Government have done more to encourage the IT industries than any previous Government. Their policies are forward-looking. If there is another Labour Government—I hope that will never happen—we shall be back with the stale old ideas and policies that have failed before in this country and abroad.

6.40 pm

Mr. Ian Wrigglesworth (Stockton, South): It is regrettable that the hon. Member for Amber Valley (Mr. Oppenheim) did not dwell more on the role of the subject of the debate, which he at last reached in his final sentences. I shall comment on one point made by the hon. Gentleman and the hon. Member for Hertfordshire, South-West (Mr. Page) about British telecommunications. Clearly, that industry is central to the development of high technology and all industry. It is regrettable that the question of the renationalisation of British Telecom has been raised because of the Labour party's recent pronouncements and the decision of the court in Strasbourg as a result of the British Government's action.

The waiting list for telephone equipment and handsets was ended not by privatisation but by liberalisation and the introduction of competition. British Telecom might give better service to its customers, offer more competitive prices and be more efficient if there were even more competition than the Government allowed under the British Telecommunications Bill which was introduced to privatise telecommunications. Competition, not privatisation, has brought about better service for the consumer.

The debate has ranged widely between the constituency interests of the hon. Member for Greenock and Port Glasgow (Dr. Godman), who has apologised because he had to leave to go to his constituency, and the future of the space industry, which was raised by the hon. Member for Ruislip-Northwood (Mr. Wilkinson). I agreed with many of the remarks by the hon. Member for Ruislip-Northwood about the development of the space industry. Unfortunately, he spoilt them by his references to spending on social security. He slightly over-egged the pudding. He ignored the small contribution—2 per cent.—that we are making to the European Space Agency. The development at Farnborough is excellent and I hope that it is built up and strengthened and will work in co-operation with the ESA. I hope, too, that British Aerospace's work with HOTOL is successful and can be integrated in or at least co-ordinated with the work in Europe.

The hon. Member for Ruislip-Northwood did not mention the excellent work on satellites by British Aerospace. One of our major contributions on space has been through the work of British Aerospace and other companies on satellite technology. We have been involved in European as well as other rockets.

I wish to refer to the core of the motion and debate. Over a long period, my hon. Friends the Members for Leeds, West (Mr. Meadowcroft) and for Yeovil (Mr. Ashdown) have vigorously pursued this issue. The House and the industry owe them a debt for the vigour with which they have pursued it. They have displayed their interest and knowledge of extraterritoriality—United States law restricting British companies and high technology development in this country.

We are saying two things. First, the United Kingdom is doing badly in high technology. It cannot afford this impediment to progress of British companies in high technology. Secondly, it is unacceptable in principle that United States law should be used in the way described by the lawyers of the Crown as an unwarranted encroachment on our territory and contrary to international law. An analogy can be drawn with our battle with the United States over the imposition of unitary taxation. I was part of a delegation which recently went to make representations to the United States Government and Congress about that issue. Once again, United States law was used in a way that penalised British companies, outside all the conventions of international law, and operated basically on the basis of "might is right". We should be saying loudly and clearly that we are not prepared to accept that.

We are doing badly in high technology. I believe that all hon. Members will feel that the response by the Minister for Information Technology to my hon. Friend the Member for Yeovil was disappointing and displayed tremendous complacency in the light of the damage being done and the weaknesses of our high technology industries. The crude balance of trade for information technology has widened from a deficit of £468 million in 1979 to £2·4 billion in 1984 and £1·8 billion in 1985. For microelectronics, the trade deficit widened from £13 million in 1979 to £645 million in 1984 and £565 million in 1985.

We have dangerous levels of import penetration in a number of key respects. For example, it is 57 per cent. in electronic data processing, 67 per cent. in office machinery and 24 per cent. in radio/electronic capital goods. One could go on citing key aspects where the level of import penetration is disastrous for our industry.

An article in today's *Financial Times* estimates that 70 per cent. of the crucial European software market is dominated by the United States. The Government have not been able or prepared to take action to reverse that pattern.

The major subject of the motion is the unwarranted encroachment by United States law on our companies. It is intolerable—I hope that the Minister will recognise this and reflect it in his language—that businesses are being impeded by having to wait for up to three months for licences from the United States Department of Commerce. What is the Minister prepared to say—he did not respond to my hon. Friend the Member for Yeovil—about the United States preventing the Government from moving a computer from Harwell to London university? What will the Government do about that? Do they accept it? Are they prepared to tolerate it? What have the Government said about it to the United States?

Companies which are being impeded by this extraterritorial action would be given some hope if the Government were at least prepared to do more on their behalf. They are in an impossible position. I am afraid that one concluded on listening to the Minister that he was prepared to allow companies to be put into a position in which they fundamentally have to give way to blackmail. They face the threat of being put on a blacklist, of losing business and of not being able to obtain and to export products if they do not accept the legislation of the United States Government. That is unacceptable.

Companies are not strong enough to take on the whole of the United States Administration. In many instances, they are not even strong enough to take on the bureaucracy and expense involved in going through that whole rigmarole. That is doing enormous damage. When the Minister replies, I hope that he will go much further than he did in his earlier remarks and give hope to companies that have been hit by this requirement of the United States that the British Government will fight in a way that we have not seen to date.

There is a well known, well recognised and possible way of resolving the problem with the United States. Everyone knows that the answer is to go through COCOM in Paris. There was no need to go down the road that the Government chose. That route was inappropriate and there is the possibility that relationships between the United Kingdom and the United States will be impeded and interrupted, but we must make it clear that we shall be a thorn in the side of the United States unless it is prepared to take action. That was the message that was taken to the White House and the United States treasury on unitary taxation. I hope that Ministers will make it clear to the Department of Commerce and Congress that good relations will be impeded unless the United States Administration is prepared to act.

The Minister has an opportunity this evening to give that message loud and clear to the United States Administration and to give hope to the companies that have been hit. He can make it clear that the Government will give them backing in fighting the requirement. We must demonstrate that might is not right and that we are not prepared to be blackmailed, whether the blackmail comes from individuals, from institutions or from a Government.

Mr. Pattie *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Does the Minister have the leave of the House to speak again? I take it that he has.

6.52 pm

Mr. Pattie: We have had the extensive and wide-ranging debate that was foreshadowed when it began. I am sure that alliance Members realised that it might range far. My hon. Friend the Member for Hertfordshire, South-West (Mr. Page) talked about the transformation of the performance of British Telecom and raised various matters concerning the Alvey programme. I can confirm that the user aspect will be emphasised when we come to examine the Bide report. My hon. Friend the Member for Ruislip-Northwood (Mr. Wilkinson) talked about space, about which he knows a great deal. As I said to him in an earlier intervention, we await with interest the plan of the British National Space Centre, on which we shall take decisions in the near future.

My hon. Friend the Member for Amber Valley (Mr. Oppenheim) correctly assessed by the less than entirely successful position in France caused by interventionist policies over the years. He reminded us of the considerable benefits and improvements in the performance of British Telecom. I have received a message from the hon. Member for Greenock and Port Glasgow (Dr. Godman) that he has had to leave the Chamber to return to his constituency. The matters that he raised about tax regimes for offshore oil companies, for example, are not for me. They will, however, be referred to the appropriate Department.

The hon. Member for Stockton, South (Mr. Wrigglesworth) was right when he said that it was not simply the creation of British Telecom that had produced improvements and a dramatic increase in performance. He omitted to say that liberalisation and competition are part and parcel of the same process. We cannot have liberalisation and competition unless we create something in the nature of British Telecom in the first place.

The hon. Member for Stockton, South referred to the excellent work on satellites that British Aerospace carries out. This reference was characteristic of the thoughtful speeches that the hon. Gentleman makes in the House.

The hon. Member for Coventry, North-West (Mr. Robinson) always gives me some problems. I make notes and address myself to his reasonable arguments, only to find that suddenly he changes gear and produces a stream of complete gibberish. That is one of his specialities. I prepared myself to respond to his question about whether we would delay taking a decision on the Bide committee's follow-on to the Alvey programme. The answer is that we shall not. We shall want to take a decision as quickly as possible once the Bide committee has reported in October. When I was making that note, the gibberish began. There was a series of rapidly uttered non sequiturs — for example, the assertion that Westland is being sold to the United States. Such assertions make me wonder where the hon. Gentleman has been.

The hon. Member for Coventry, North-West spoke about France. It seems that he, like many others, thinks that everything that is done in France is marvellous. He said that France spends more as a percentage of its GDP on research and development than we do. In fact, France spends 2·1 per cent. of its GDP on research and development and not 3 per cent. as he claimed. We spend more as a percentage of GDP as our spending amounts to 2·3 per cent. The hon. Gentleman should concentrate a little more on getting his facts straight.

To be fair to the hon. Member for Coventry, North-West, he was the only Member to participate in the debate

[Mr. Pattie]

who referred to the International Court of Justice and a juridical outcome. He was saying, in effect, "How about Her Majesty's Government taking the United States to the Court of Justice?" Further research would have told him that the United States has decided, on the basis of Nicaragua, I think, that it will not be party to any actions brought in the International Court of Justice unless it agrees that it will accept the jurisdiction. There is no point in anyone inside or outside the House wringing his hands about that. We accept that we are faced with a serious problem, and what I would call the juridical route is not open to us.

The hon. Member for Stockton, South listed various examples of import penetration and added that most of it involved the United States, without being prepared to say that that does not put us in a very strong position to take the crusading attitude that he would like us to adopt. He told us that, with others, he went to the White House and bearded the Congressmen in their den on Capital hill. That is great, and I applaud his efforts. If penetration of our market by the United States has reached the extent that he claims—I do not refute any of his figures—that does not put us in a very favourable position to take a strong line on behalf of British companies——

Mr. Ashdown *rose*——

Mr. Pattie: No, I shall not give way.

Mr. Ashdown: Deal with the Harwell computer.

Mr. Pattie: Very well. The impression has been given by the hon. Member for Yeovil (Mr. Ashdown) and others that nothing is being done, and that every time the United States talks about the moving of the Harwell computer to London university we say, "That is fine. There is no problem." We are making the most urgent and strenuous representations——

Mr. Ashdown: It is the Government's computer.

Mr. Pattie: Discussions are in progress now. If the hon. Gentleman listens, I shall answer his questions. The computer is in the United Kingdom and there is a service, maintenance and enhancement contract.

Mr. Ashdown: It is your computer.

Mr. Pattie: The contract is with an American company. Even the hon. Gentleman, with his incredible stupidity, will realise that we must take account of a contract. What is the position if the United Kingdom Government or a university want to move a computer and the company which has supplied it says, "If you wish to move it, you will have to break down the computer and comply with the agreements that have been made."? We do not like that and we are having discussions with the United States Government. They are not taking place on the Floor of the House for the benefit of the hon. Gentleman or of anyone else. To suggest that nothing is being done is a travesty, and I want to take the hon. Gentleman to task. The Liberals and SDP have decided to base their case on what could have been a wide-ranging debate on a very important topic; they have decided instead to base it on a very narrow point, and have not proved their case.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 158, Noes 250.

Division No. 257] **[7.00 pm**

AYES

Adams, Allen *(Paisley N)*	Johnston, Sir Russell
Anderson, Donald	Jones, Barry *(Alyn & Deeside)*
Archer, Rt Hon Peter	Kennedy, Charles
Ashdown, Paddy	Kilroy-Silk, Robert
Ashley, Rt Hon Jack	Kirkwood, Archy
Ashton, Joe	Lamond, James
Atkinson, N. *(Tottenham)*	Leadbitter, Ted
Barron, Kevin	Lewis, Ron *(Carlisle)*
Beckett, Mrs Margaret	Lewis, Terence *(Worsley)*
Beith, A. J.	Litherland, Robert
Benn, Rt Hon Tony	Livsey, Richard
Bennett, A. *(Dent'n & Red'sh)*	Lofthouse, Geoffrey
Bermingham, Gerald	Loyden, Edward
Boothroyd, Miss Betty	McCartney, Hugh
Boyes, Roland	McDonald, Dr Oonagh
Bray, Dr Jeremy	McGuire, Michael
Brown, Gordon *(D'f'mline E)*	McKay, Allen *(Penistone)*
Brown, N. *(N'c'tle-u-Tyne E)*	McKelvey, William
Brown, R. *(N'c'tle-u-Tyne N)*	MacKenzie, Rt Hon Gregor
Bruce, Malcolm	Maclennan, Robert
Caborn, Richard	McTaggart, Robert
Callaghan, Jim *(Heyw'd & M)*	Madden, Max
Campbell-Savours, Dale	Marek, Dr John
Carlile, Alexander *(Montg'y)*	Mason, Rt Hon Roy
Carter-Jones, Lewis	Maxton, John
Clark, Dr David *(S Shields)*	Maynard, Miss Joan
Clarke, Thomas	Meadowcroft, Michael
Clay, Robert	Michie, William
Clwyd, Mrs Ann	Mikardo, Ian
Cocks, Rt Hon M. *(Bristol S)*	Millan, Rt Hon Bruce
Cohen, Harry	Morris, Rt Hon A. *(W'shawe)*
Coleman, Donald	Nellist, David
Corbett, Robin	O'Brien, William
Corbyn, Jeremy	O'Neill, Martin
Cox, Thomas *(Tooting)*	Orme, Rt Hon Stanley
Craigen, J. M.	Owen, Rt Hon Dr David
Cunliffe, Lawrence	Park, George
Dalyell, Tam	Parry, Robert
Davis, Terry *(B'ham, H'ge H'l)*	Patchett, Terry
Deakins, Eric	Pavitt, Laurie
Dewar, Donald	Penhaligon, David
Douglas, Dick	Pike, Peter
Dubs, Alfred	Powell, Raymond *(Ogmore)*
Duffy, A. E. P.	Prescott, John
Dunwoody, Hon Mrs G.	Radice, Giles
Eadie, Alex	Randall, Stuart
Eastham, Ken	Raynsford, Nick
Edwards, Bob *(W'h'mpt'n SE)*	Richardson, Ms Jo
Evans, John *(St. Helens N)*	Roberts, Allan *(Bootle)*
Ewing, Harry	Roberts, Ernest *(Hackney N)*
Faulds, Andrew	Robinson, G. *(Coventry NW)*
Field, Frank *(Birkenhead)*	Rogers, Allan
Flannery, Martin	Rooker, J. W.
Foot, Rt Hon Michael	Ross, Ernest *(Dundee W)*
Forrester, John	Sheerman, Barry
Foster, Derek	Sheldon, Rt Hon R.
Foulkes, George	Shields, Mrs Elizabeth
Freeson, Rt Hon Reginald	Shore, Rt Hon Peter
Freud, Clement	Short, Ms Clare *(Ladywood)*
Garrett, W. E.	Short, Mrs R.*(W'hampt'n NE)*
Gilbert, Rt Hon Dr John	Silkin, Rt Hon J.
Gourlay, Harry	Skinner, Dennis
Hamilton, James *(M'well N)*	Smith, C.*(Isl'ton S & F'bury)*
Hamilton, W. W. *(Fife Central)*	Smith, Cyril *(Rochdale)*
Hancock, Michael	Snape, Peter
Hardy, Peter	Soley, Clive
Hattersley, Rt Hon Roy	Steel, Rt Hon David
Heffer, Eric S.	Stewart, Rt Hon D. *(W Isles)*
Hogg, N. *(C'nauld & Kilsyth)*	Stott, Roger
Home Robertson, John	Strang, Gavin
Howells, Geraint	Thomas, Dr R. *(Carmarthen)*
Hoyle, Douglas	Thompson, J. *(Wansbeck)*
Hughes, Dr Mark *(Durham)*	Thorne, Stan *(Preston)*
Hughes, Robert *(Aberdeen N)*	Tinn, James
Hughes, Roy *(Newport East)*	Wardell, Gareth *(Gower)*
Hughes, Simon *(Southwark)*	Wareing, Robert
Janner, Hon Greville	Wigley, Dafydd
John, Brynmor	Wilson, Gordon

Woodall, Alec
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. John Cartwright and
Mr. James Wallace.

NOES

Alexander, Richard
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Bulmer, Esmond
Burt, Alistair
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Fenner, Mrs Peggy
Fletcher, Alexander
Fox, Sir Marcus
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Gower, Sir Raymond
Griffiths, Sir Eldon
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Harris, David
Haselhurst, Alan
Hawkins, Sir Paul *(N'folk SW)*
Hayhoe, Rt Hon Barney
Hayward, Robert
Heddle, John
Henderson, Barry
Hill, James
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Lawler, Geoffrey
Lawrence, Ivan
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lyell, Nicholas
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Major, John
Malins, Humfrey
Malone, Gerald
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Montgomery, Sir Fergus
Moore, Rt Hon John
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Newton, Tony
Nicholls, Patrick
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Pattie, Geoffrey
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Watson, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Michael Neubert and
Mr. Tim Sainsbury.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments):*

The House divided: Ayes 246, Noes 149.

Division No. 258] **[7.15 pm**

AYES

Alexander, Richard
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Boyson, Dr Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.

Bulmer, Esmond
Burt, Alistair
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Fenner, Mrs Peggy
Fletcher, Alexander
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Gower, Sir Raymond
Gregory, Conal
Griffiths, Sir Eldon
Ground, Patrick
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Harris, David
Haselhurst, Alan
Hawkins, Sir Paul *(N'folk SW)*
Hayhoe, Rt Hon Barney
Hayward, Robert
Henderson, Barry
Hill, James
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howarth, Gerald *(Cannock)*
Howell, Rt Hon D. *(G'ldford)*
Hubbard-Miles, Peter
Hunt, David *(Wirral W)*
Hunter, Andrew
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Lawler, Geoffrey
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lester, Jim
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lyell, Nicholas
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
McNair-Wilson, P. *(New F'st)*
McQuarrie, Albert
Major, John
Malins, Humfrey
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Montgomery, Sir Fergus
Moore, Rt Hon John
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Needham, Richard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Pattie, Geoffrey
Pawsey, James
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Proctor, K. Harvey
Pym, Rt Hon Francis
Raffan, Keith
Rathbone, Tim
Rhodes James, Robert
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sainsbury, Hon Timothy
Sayeed, Jonathan
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Twinn, Dr Ian
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Tony Durant and
Mr. Gerald Malone.

NOES

Adams, Allen *(Paisley N)*
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Atkinson, N. *(Tottenham)*
Beckett, Mrs Margaret
Beith, A. J.
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Bruce, Malcolm
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Coleman, Donald
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Freeson, Rt Hon Reginald
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter
Harrison, Rt Hon Walter
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Kilroy-Silk, Robert
Kirkwood, Archy
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Livsey, Richard
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
Maclennan, Robert
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan

Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robinson, G. *(Coventry NW)*
Rogers, Allan
Sheerman, Barry
Sheldon, Rt Hon R.
Shields, Mrs Elizabeth
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stott, Roger
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Tinn, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Wigley, Dafydd
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Noes:
Mr. James Wallace and
Mr. John Cartwright.

Question accordingly agreed to.

Resolved,

That this House, recognising the importance to employment, defence, education and the economy of a strong high technology sector, applauds Her Majesty's Government's actions to support this sector through the provision of a favourable climate for business and through support for research and development; endorses Her Majesty's Government's continuing efforts to prevent, by discussion on a case-by-case basis, the extra-territorial imposition of United States law on United Kingdom firms exporting high technology from the United Kingdom; and supports the Government's initiatives to encourage British high technology industries and their intention during the Presidency of the Council of the European Communities to co-ordinate policies to promote European high technology co-operation.

Felixstowe Dock and Railway Bill *(By Order)*

Order for further consideration, as amended, read.

Motion made, and Question proposed, That the Bill, as amended, be now considered.

7.24 pm

Mr. Andrew F. Bennett (Denton and Reddish): On a point of order, Mr. Deputy Speaker. Last night I was rather disappointed that I sat here for the full three hours of the debate but was unable to catch your eye before the promoters of the Bill moved the closure. I make no complaint about that, but it leads me to think that it is possible that the promoters will seek to move the closure on this first group of amendments some time between now and 10 o'clock. I put it to you, and through you to the promoters, that it might be a little unusual if extra time were to be found for the Bill, in view of the very large amount of parliamentay time that has been consumed by it so far. If the closure were to be moved tonight, it would make it extremely difficult for the promoters to negotiate with those Opposition Members who are a little tired of the Felixstowe Dock and Railway Bill and wish to produce an agreed Bill that might come back to the House at a later stage.

It would be very difficult for the House if new clause 2 were to be defeated tonight as part of a deal with some Opposition Members. I put it to you that it might lead to better progress in the long term if the House did not rush to a speedy vote tonight and if an opportunity could be provided for further negotiations to take place.

Mr. Deputy Speaker (Mr. Harold Walker): The hon. Gentleman has raised a number of points, one or two of which are hypothetical. It is not for me to communicate the hon. Gentleman's views to the promoters, but I am sure that his views will be communicated in one way or another.

The hon. Gentleman's question relating to new clause 2 is entirely hypothetical and will be a matter for the judgment of the Chair, in the light of the circumstances.

New Clause 2

CONSENT OF SECRETARY OF STATE REQUIRED FOR CERTAIN WORKS

'(1) The Company shall not exercise the powers conferred by Section 6 of this Act without first obtaining the consent in writing of the Secretary of State in any case where—

(a) the works include works of land reclaimed, and

(b) the area of land which is to be reclaimed is to be used for purposes which require close and convenient access to a berth which is to be constructed within the area of jurisdiction of the Company.

(2) The Secretary of State shall give his consent under this Section in any case where he is reasonably satisfied that—

(a) further development of the land which is to be reclaimed will be commenced not later than one year after the date on which the works of reclamation have been substantially completed;

(b) no reasonable alternative site for that further development is available on other land within the area of jurisdiction of the Company; and

(c) the area of land to be reclaimed is no greater than that which is reasonably required to accommodate that further development.

(3) Where an application has been received by the Secretary of State from the Company for his consent under

[Mr. Deputy Speaker]

this Section, the Secretary of State shall, within the period of eight weeks following that receipt, give his consent or notify the Company of his decision to withhold it.

(4) A consent given under this Section shall come into force as soon as it is given and shall remain in force for a period of one year or for such longer period as may be specified by the Secretary of State when he gives his consent and the duration of a consent so given may, at any time before its expiry, be extended for such further period or periods as the Secretary of State may specify by written notice given to the Company.'.—[*Mrs. Ann Clwyd.*]

Brought up, and read the First time.

Mrs. Ann Clwyd (Cynon Valley): I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker: With this new clause it will be convenient to discuss the following amendments: No. 6, in clause 3, page 4, line 9, leave out 'or any land reclaimed,'.

No. 8, in clause 6, page 5, line 33, leave out 'enclosing an area of 95 hectares'.

No. 9, in page 5, line 39, leave out from 'and' to end of line 41 and insert 'contained within the limits shown on the deposited plans and described as "Limits of deviation of work"'.

No. 10, in page 6, line 1, leave out from beginning to end of line 5.

No. 11, in page 6, line 2, after 'above', insert 'and subject to the consent in writing of the Secretary of State for the Environment,'.

Mrs. Clwyd: I should remind hon. Members of the contents of new clause 2. Subsection (1) reads:

"The Company shall not exercise the powers conferred by Section 6 of this Act without first obtaining the consent in writing of the Secretary of State in any case where—

(a) the works include works of land reclaimed, and

(b) the area of land which is to be reclaimed is to be used for purposes which require close and convenient access to a berth which is to be constructed within the area of jurisdiction of the Company."

Subsection (2) provides:

"The Secretary of State shall give his consent under this Section in any case where he is reasonably satisfied that—

(a) further development of the land which is to be reclaimed will be commenced not later than one year after the date on which the works of reclamation have been substantially completed;

(b) no reasonable alternative site for that further development is available"—

Sir Eldon Griffiths (Bury St. Edmunds): It is quite unnecessary for the hon. Lady to read out the entire new clause, because every hon. Member has it in front of him and is able to read.

Mr. Ken Weetch (Ipswich): On a point of order, Mr. Deputy Speaker. Surely it is in order for my hon. Friend the Member for Cynon Valley (Mrs. Clwyd) to read out the text of the clause. I take it that there is nothing in Standing Orders that prevents my hon. Friend from doing so. Could we have your ruling on that point?

Mr. Deputy Speaker (Sir Paul Dean): If the hon. Lady had been out of order, I should have pulled her up, but what was said by her was in order.

Mrs. Clwyd: Thank you, Mr. Deputy Speaker. It was perfectly in order, because during last night's debate it was quite obvious that some Conservative Members had not read the report of the main discussions that took place in Committee on the Felixstowe Dock and Railway Bill. It is proper that they should be reminded of what we are trying to do.

The new clause continues:

"*(c)* the area of land to be reclaimed is no greater than that which is reasonably required to accommodate that further development.

(3) Where an application has been received by the Secretary of State from the Company for his consent under this Section, the Secretary of State shall, within the period of eight weeks following that receipt, give his consent or notify the Company of his decision to withhold it.

(4) A consent given under this Section shall come into force as soon as it is given and shall remain in force for a period of one year or for such longer period as may be specified by the Secretary of State when he gives his consent and the duration of a consent so given may, at any time before its expiry, be extended for such further period or periods as the Secretary of State may specify by written notice given to the Company."

Mr. Weetch: On a point of order, Mr. Deputy Speaker. The Under-Secretary of State for Transport is listening to the debate, and presumably monitoring points about it for the Government, but most of the points that we shall discuss tonight will not be about transport. They will be very much about the environment. Is it in order to ask for the presence of a Minister from the Department of the Environment so that we can have some sense when environmental points are answered?

Mr. Deputy Speaker: The hon. Gentleman knows very well that who is on the Government Front Bench at any time is not a matter for the Chair, but I have no doubt that his comment has been heard.

Mrs. Clwyd: My hon. Friend the Member for Ipswich (Mr. Weetch) has made a good point, because the fundamental purpose of the new clause is to subject to the authorisation of the Secretary of State for Transport reclamation works of a primary nature which might otherwise take place well in advance of the company's need to construct new berths under the powers in clause 6. Our point is that the company has been given powers to do some work, but that monitoring by the Secretary of State for Transport and his Department is not enough. As my hon. Friend the Member for Ipswich said, we need, in addition, the Secretary of State for the Environment.

Clause 7 seeks to place a restraint on the deposit of any material of

"more than three years before the start of construction of the quay,"

or parts of the quay. We believe that three years is too long. Furthermore, valuable though it is to deal with peripheral dumping, clause 7 is full of weasel words. It requires the company to give notice to, but not obtain the authorisation of, the county and district councils which have legitimate local interests in the matter. We hope that clause 7 will receive support from both sides of the House tonight.

The powers sought by the company have a direct bearing on matters of more than local interest. They have an impact on several areas of national policy. Last night we heard much about the national importance of the development at Felixstowe docks. In Committee, we discussed national docks policy, national landscape conservation policy, in view of the adjacent area of outstanding natural beauty, and national nature conservation policy because of the damage that will be caused to a site of special scientific interest. The European

Commission will take an especial interest in that site because of the United Kingdom's legal responsibilities under the directive on the conservation of wild birds.

Mr. Robert Rhodes James (Cambridge): Has the hon. Lady ever been there?

Mrs. Clwyd: Yes.

Mr. Rhodes James: When?

Mrs. Clwyd: Is this a dialogue, Mr. Deputy Speaker? I answered yes.

Mr. Weetch: My hon. Friend has just given way to an intervention from a Conservative Member. I am glad that my hon. Friend has been there. Does she know that the hon. Member for Cambridge (Mr. Rhodes James) has described the area as a grotty piece of coastline? If the hon. Gentleman has described it in those terms, it is outrageous that he should show this synthetic concern and intervene in that way, trying to cause my hon. Friend the maximum embarrassment. It is disgraceful.

Mr. Rhodes James *rose*——

Mr. Deputy Speaker: Order. The hon. Gentleman cannot intervene in an intervention.

Mrs. Clwyd: Those of us who served on the Committee on the Felixstowe Dock and Railway Bill, even for a relatively short time, were well acquainted with the arguments put forward by the environmentalists and had considerable sympathy with them.

Amendment No. 11 seeks to require the authority of the Secretary of State for the Environment for works which involve the enclosure and reclamation of the seabed, the river and its foreshore. I understand that it is a normal provision of port and harbour legislation for the authority of the accountable Secretary of State for Transport to be required for such works. Section 12 of the Felixstowe Dock and Railway Act 1968, entitled

"Tidal works not to be executed without approval of Board of Trade,"

does just that. That provision is expressly re-enacted in clause 10, and provides an additional safeguard for other persons whose navigational interests might be affected by such works.

But who is to provide safeguards for our wildlife? Hon. Members spend many hours legislating to protect property and user rights, but we too infrequently protect the rights of other creatures or the rights of citizens to enjoy them. We are considering an area that attracts birds, and which is a national asset. We are asked by the people who support the development to allow wide open powers to a private company which intends only, as we heard so often last night, to serve its own financial interests. In so doing it will destroy thousands of birds of all descriptions which come to Britain in winter from many parts of Europe, and from Iceland, Greenland and Canada.

In European Community terms the area is recognised as warranting special protection in law. If, against the arguments of Labour Members tonight, the Bill passes into law substantially unchanged, it will almost certainly run into difficulties with the Commission in Brussels. All too often the Government have got into difficulties with the European Court of Justice and have been brought before it on some issues more frequently than many other countries. If we run into those difficulties with the Commission, there will be no long-stop power in the hands of the Government to halt damaging reclamation activities being carried out by the company while proceedings are taken against the United Kingdom in the European Court. As Department of the Environment Ministers must answer charges which undoubtedly, if the Bill proceeds, will be laid against the United Kingdom—not simply in court but in the Council of Ministers—it is appropriate that long-stop powers should be placed in their hands. Our amendments seek to do that.

Mr. Andrew F. Bennett: I rise to support the new clause and amendments. If I thought that this Bill would lead to the construction of a new dock within the next 12 or 18 months which would in turn create many new jobs, I should be happy for it to be enacted. But there is no evidence that it will create new jobs. The best that the promoters can claim is that it will create new jobs in Britain at the expense of jobs in Europe. Others say that it will take jobs away from Britain. Whatever the case, I can see no evidence for the Bill creating new jobs.

Until I have some evidence that the Bill will create new jobs, I can see no justification for a proposal that will damage the natural environment. We all have a responsibility to try to balance protecting the environment with the need to develop jobs and industries. I have always thought that we have a duty to try to leave the environment in as good a state as we inherited it from previous generations.

Mr. Rhodes James: The proposals involve 500,000 new trees being planted and 85,000 acres of additional woodland. Is that bad environmental practice? Moreover, the doubling of a dockland surely involves jobs.

Mr. Bennett: I thought that the hon. Gentleman had listened, like me, to last night's debate. It was forcefully pointed out then that the different types of environment are important. It is worth protecting these mudflats, because they attract certain types of birds. Trees may be attractive in certain places, but they will not provide a suitable environment for those birds. On occasion, I have severe reservations about the number of trees that are planted. Some of the Forestry Commission's areas do not enhance our natural environment at all. If there is to be a new development, let us screen it and make it as attractive as possible, but that does not mean that we would be improving the environment. We would merely be trying to screen the damage from others.

As I have said, genuine new jobs would be one thing. However, I understand that the promoters claim only that they are trying to take jobs away from Rotterdam or from other European ports, so we are not creating new jobs but merely moving unemployment around——

Mr. Rhodes James: Employment around.

Mr. Bennett: One can say that we are moving unemployment around, or the reverse of that, which is that we are moving employment around. The promoters argue that the development will take jobs away from Europe and give jobs to Felixstowe. But we rightly argue that it will take jobs away from Tilbury and elsewhere. No one has said that jobs will be created. There is a tendency for products to be smaller in size, so the number and size of items is falling. Consequently, as I have said, there is no evidence that the Bill will create new jobs.

Mr. Weetch: Does my hon. Friend realise that the port of Ipswich will be an early casualty of that dock extension? Before the Bill began its passage, I had detailed discussions

[Mr. Weetch]

with the trade unions and management at the port of Ipswich, and they are very worried about the employment consequences for Ipswich. The Bill would bring excess dock capacity to East Anglia, which would mean that dog would eat dog, and the port of Ipswich could become a ghost port in 15 or 20 years.

Mr. Bennett *rose*——

Mr. Deputy-Speaker: Order. I have allowed the hon. Gentleman to go reasonably wide of the new clause; I am sure that he is now rapidly coming to the subject of the new clause, and the amendments associated with it.

7.45 pm

Mr. Bennett: I was trying to talk about the new clause and the amendments, but in passing I wanted to point out that I would have been sympathetic to the Bill if it had created new jobs. My hon. Friend the Member for Ipswich (Mr. Weetch) has just pointed out that it is likely to take jobs away from Ipswich. That brings me to the new clause, because we now come to the environmental argument. If new jobs were going to be created, it might be worth sacrificing some of the environment. But that is not so, so there can be no excuse for sacrificing wetland areas and mudflats.

Sadly, dock developments have been allowed along the east coast of England and Scotland, and habitats have been destroyed. Recently, proposals came before the House that would affect Seal sands in the Tees and Hartlepool dockland area. Opposition Members resisted those proposals, but there was a great disappointment. Indeed, a much stronger case could be made for creating jobs in Middlesbrough or Hartlepool than for creating them in Felixstowe, but with the support of Conservative Members and with the encouragement of the Royal Society for the Protection of Birds, we fought hard to protect those wetlands. Substantial parts of the same sort of wetlands have gone for docks at Hull and Immingham, and all the ports round the Wash have gradually gone for reclamation schemes.

Therefore, there have already been many demands to take away the natural habitat of birds that use those estuarial areas. The same sort of habitat has also been lost along the Thames. A lot of work has been done to enclose land round the Solent in preparation for developments that have not taken place. There were proposals to extend that work, thus affecting——

Mr. Ted Leadbitter (Hartlepool): On a point of order, Mr. Deputy Speaker. I seek your advice on a matter of importance to the House and of relevance to the new clause. It has been raised with you previously, but having thought about the issue, I realise that we are placed in a special difficulty. It is on record in the minutes of the Committee that the Secretary of State for the Environment said that there were certain detailed conditions which were relevant to the site under discussion. He then added that only proven national interests and a lack of alternative sites could justify any exception from what he said in 1982, in support of a site of natural beauty.

From my experience in the House I know that, technically, I am not quite in order. But a voice has to be heard and courtesies have to be established so that the Chair can consider the point that the House is in a weak position, because we cannot challenge a Minister from the Department of the Environment. That is an important point, and I hope that the Under-Secretary of State for Transport will consider it. But I thank you, Mr. Deputy Speaker, for hearing me, as I know that I am technically not quite in order.

Mr. Deputy Speaker: The hon. Gentleman has dealt with his own point of order. He has raised a point of argument and not a point of order for the Chair, as he himself has virtually admitted.

Mr. Bennett: That was a very interesting point of order. Those of us who served on Committees under the guidance of my hon. Friend the Member for Hartlepool (Mr. Leadbitter) would have been pleased to get away with one like that.

We have lost a lot of similar estuarial land along the coast to port authorities that have every intention of developing it for extra port facilities. On many occasions, having carried out the reclamation, they have found that the economic circumstances have changed or that their future plans were too grandiose and they have not gone on to develop the dock or put the containers on to the site. They have stopped halfway through the process. Therefore, we have lost the natural environment but have not gained any jobs or docks.

Mr. Rhodes James: I wonder whether the hon. Gentleman has read clause 16 of the Bill.

Mr. Bennett: I have read clause 16.

The current proposal is that the company will carry out reclamation on the basis that, within three years, it will continue the development. I am sure that the hon. Gentleman will accept that in three years all sorts of circumstances will change. I am not casting any aspersions on the integrity of the Tees and Hartlepool dock authority or the dock authorities at Immingham, Yarmouth, Tilbury, Southampton or Falmouth. All the people involved in those docks genuinely believed when they reclaimed land that they would be able to expand their port facilities and attract new jobs. All I am saying is that the evidence is that it is not as easy as that.

Unfortunately, at Southampton a considerable amount of the estuary was reclaimed with every good intention, but at present the land has not been used for dockland. It is logical, having enclosed the land at Southampton and taken it away from the birds, to let that harbour develop rather than run the risk of taking away more land at Felixstowe, with a question mark over whether the development will take place.

The new clause is to ensure that the company has to satisfy the Secretary of State that within a year it will go ahead with the development. That is a reasonable test of sincerity. I accept that even within a year circumstances may change. However, at least there is a reasonable possibility that the development will take place. Of course, there is always the risk that the reclamation will go ahead and that at the end of that period there is a financial crisis within the country or the company or a change of circumstances which leads the company to decide that it will not go ahead with the rest of the development.

The new clause says that to allow that risk over 12 months may be reasonable, but to allow it over three years is a little unreasonable. I would not be particularly happy about a development that took jobs away from other ports

but I am sure that I should be very unhappy about reclamation taking place and then, at the end of two or three years, the company announcing that it could not go ahead with the development.

Sir Eldon Griffiths: It would follow, in the purely hypothetical circumstances that the hon. Gentleman is postulating, that the promoters would have provided the new nature reserve, the many new environmental improvements, the tree planting and so on. Is the hon. Gentleman not able to recognise that even in the strange circumstances he describes, there would have been an environmental gain?

Mr. Bennett: I am not certain about that. Unfortunately, I am not a specialist in biology, so I cannot say whether the particular species of birds that use the mudflats at present will find the alternative proposals at Trimley marshes as attractive. I am certain that other birds will find it as attractive and I am also certain that some birds will find the trees attractive. However, the area was designated as a site of special scientific interest because of particular wading birds. The problem we face on the east coast is that it is that type of environment which is continually being taken for dock development or development associated with it. If the circumstances I described had occurred and the alternative land and trees had been provided, we may have had some environmental gains. However, if the land has been reclaimed and the jobs do not materialise and the dock does not develop, we have lost an environment which is at present attractive to the particular groups of migratory birds that use it.

Dr. David Clark (South Shields): My hon. Friend, with some modesty, says that he is not an expert, although he is well known for his expertise in these matters. It may help if I quote the advice of the Nature Conservancy Council, which is the Government's official adviser on things natural. In its comments on this proposal, referring in particular to grey and ringed plover and turnstone it says that it has

"advised the Department of the Environment that there are no sites on the Orwell estuary with features comparable to those at Fagbury Flats and that the passage of this Bill would prejudice Britain's international obligations towards nature conservation."

Although my hon. Friend may not be able to reassure the House, I hope that the House will be reassured by the Nature Conservancy Council which, as the nation's guardian of the environment, feels that the flats are irreplaceable.

Mr. Bennett: I thank my hon. Friend. It certainly makes the case and answers the points made. Even if we got all the things that the company is saying it would provide for the environment, welcome as they are, they would not solve the problem of the area that is being lost.

My concern is that, once the land has been reclaimed, it cannot be restored as mudflats. Therefore, one suspects that if at some point the company is not sure whether it should go ahead, as the Bill stands it will go ahead and reclaim the land. At the moment the company has only to take the view that it would be reasonable to develop the docks within three years. At the end of those three years there is no way in which the House or anyone else can compel the company to go ahead and develop the dock if it decides that circumstances have changed. It can come back to the House to ask for a variation in the legislation and there is nothing that we can do in legislation to stop the company coming back.

The company can go ahead, reclaim the land, provide the environmental amenities it has promised and, if it decides not to go ahead with the development, it can stop. The company can then leave the reclaimed land, as much other reclaimed land along the east coast of Britain has been left, in an almost semi-derelict state. It may attract other birds and animals but not those that have been displaced. The company can then let the matter rest for several years before deciding to go ahead with the development.

The company can decide that, because of the change in trade, perhaps brought about by the Channel tunnel, that it will never want to go ahead with the development. What would the company do? It would have a piece of reclaimed land on which it had spent a considerable sum of money, so it would have to look for ways to get the money back. The temptation is to use the land for some other purpose, such as a light industrial development or something else. It may be that the company would have to come to the House to get new legislation or it may be that it decides it has to go to the county council and apologise for taking the land, saying, "We know that it was of special scientific interest; however, at the time we had every intention of going ahead but, sadly, we were unable to. It would be a pity if we lost our money and it would be a pity for the local community to lose jobs. Let us use the land for some other purpose." That is the risk at the moment. If the company can say that it has every intention of going ahead within three years, it can do so, knowing that, if having reclaimed the land it becomes uneconomic to go ahead with the development, it can come to the House or go to the planning authority with a proposal to use the land for some other purpose.

The House would not have dreamt of allowing the company to reclaim this sort of marshland if it was to be used for light industrial purposes. The House would have insisted that there were lots of other sites within Felixstowe or East Anglia to use for that purpose. All we are seeking with the new clause is a safeguard so that there is a high probability that the land will be used for the purpose that the promoters are putting forward rather than a risk that, because of the passage of time, the very good intentions of the promoters will be thwarted by economic circumstances.

Mr. Rhodes James: The Bill ensures that 176 acres of Trimley marshes are preserved. The promoters and others will guarantee a sum of £145,000 to ensure its preservation. That is written into the Bill. How can the hon. Gentleman object to a Bill which, in my view, is unprecedented and which gives that kind of guarantee?

8 pm

Mr. Bennett: It is not a guarantee of like for like. One is taking away something which was prized in Europe—the wetlands area—and one is giving people something else in return. People are not objecting to this attractive alternative but it is an alternative; it is not a replacement, and that is the problem.

I am certainly not complaining because the promoters are offering something else, but they are not offering back the same environment. My hon. Friend the Member for South Shields (Dr. Clark) read out an article which made

[Mr. Bennett]

the point that something else is being offered in exchange for the land. I can think of many cases when I would like to have traded an environmental improvement in one place for some damage elsewhere, but that does not justify the damage. We must have a certainty that the damage is absolutely necessary. So far I have not had that proof. No one has been able to convince me that the development will create new jobs. I have grave doubts that, over three years, circumstances will remain exactly the same to enable the promoters to carry through their undertaking, given in the Bill, to develop the area.

There are many uncertainties, especially concerning what will happen to ports policy in this country as a result of the possible building of a Channel tunnel. The future is difficult to forecast, and the Government are reluctant to predict the changes. Southampton is upset about the Channel tunnel, but what will be the reaction in Dover? If harbour activities are reduced at Dover because of the tunnel there will be tremendous pressure in Dover to try to grab some of the container work. Nothing would be more logical than for ships to put in at Dover, offload and bring containers into Britain. The containers could then go back through the tunnel to Europe. It is certain that Dover will fight for that work. Will shippers be encouraged to come to Britain or will they be encouraged to go to French ports and send goods through the tunnel? The future is extremely difficult to predict.

Mr. Roger Stott (Wigan): I am very interested in what my hon. Friend says about the capacity of our existing ports to handle existing cargo. He may be interested to know that the port of Dover, both in volume and value terms, shifts more cargo than the port of Felixstowe. If we are to have a fixed link of some description, clearly the movement of cargoes through our ports will be seriously affected. I believe my hon. Friend is absolutely right in questioning whether or not the existing volume of cargo will be present when this dock development is complete.

Mr. Deputy Speaker: Order. I hope the hon. Gentleman is not tempted to go wide of the debate, which relates to the consent of the Secretary of State to certain works.

Mr. Bennett: The reason we want the consent of the Secretary of State is to have as near certainty as possible that if the reclamation is allowed to go ahead the docks will follow.

As the Bill stands, the reclamation will start on the basis that the company believes that, over three years, it is likely to go ahead with the dock development. I am trying to demonstrate to the House that, for all sorts of reasons, and whatever the company's good faith, that certainty cannot exist, because of the great doubt about the fixed link and the doubts over the attitude of other ports which may decide that is worth dropping their prices. Dover, which will see much of its work disappear, will try very hard to take on container work.

At the moment, approval will be given for the work to start, the reclamation will go ahead and land will be lost to the environment and the birds. In the end, the company may decide that it cannot go ahead with the proposal. We wish to ensure that the company will go ahead. When it wishes to start the reclamation it must make its case to the Secretary of State for the Environment. The Secretary of State must be satisfied that, within 12 months, the company would be ready to continue with the remainder of the construction. That appears to be an eminently reasonable proposal. If the promoters are attempting to resist this new clause, there must be some doubt in their minds as to whether they really want to go ahead with this development. There may be some doubt that, having undertaken the reclamation, they will place the port facilities and container berths on that site.

That brings us back to the other possibility — that once they have the land they will decide to use it for some other purpose. Along the whole of the east coast there is land which was reclaimed — in most cases in good faith — for dock development but which is sadly unused and is no longer a good natural environment for waders and other birds.

One of the other amendments in this group requires the approval of Ministers when changes are proposed to the channels along the estuary. At present, we have the odd situation of competing measures for the enclosure of the water in the estruary. A competing measure has been put forward by the promoters of the Bill to enlarge the docks at Harwich. I understand that the question of working out tidal flows in river estuaries is extremely complicated and complex. Although models can be made in water tanks it is difficult to predict what will happen to the natural environment. If a dock is constructed on the Harwich side of the river and the Felixstowe enclosure is taking place on the north side of the river, the interests of those two developments could be in some conflict.

Both the projects wish to spend the minimum on retaining the navigable channels which would allow ships to pass up as far as Ipswich. Each Bill implies that the changes it will carry out will not alter navigation but that the other Bill will. The Minister's approval should be sought to guarantee that the implications of any changes to navigational channels which may occur as a result of this Bill will not adversely affect the ships which go up the river to Ipswich.

Once one starts to change navigation channels, one affects much wider areas of the mudflats. If the entrance to the river is narrowed it may start a scouring effect and damage much larger areas of the mudflats than those attacked directly by the Bill. It would be reasonable to call in the good offices of Ministers to arbitrate on the claims of the dock companies as opposed to the requirments of other users of the river, both for recreational purposes and as an attractive area for birds and other animals.

We should support new clause 2, the other amendments which pave the way for that and the further amendment which deals with the estuarine matters. I can see no reason why the promoters should not accept the new clause. If they want to demonstrate their good faith and confidence that they can carry out the development, I can see no reason for them not to accept it. If they insist on trying to persuade us not to accept the new clause, I can only suggest that it is because they do not have the confidence, like so many of my hon. Friends, that there is a demand for extra port facilities along the east coast or anywhere in Britain, or, for that matter, anywhere within western Europe, and they are interested in the possibility of enclosing the land if the development goes only halfway and then returning with another Bill with a suggestion that the land should be used for other purposes. Therefore, I hope that the House will support new clause 2.

The Parliamentary Under-Secretary of State for Transport (Mr. Michael Spicer): First, may I say, in answer to the points of order raised by the hon. Members for Ipswich (Mr. Weetch) and for Hartlepool (Mr. Leadbitter), that I am informed that it is normal for one Minister to monitor the progress of a private Bill such as this, particularly when the Government have expressed their neutrality on the major issues of conservation and development. Therefore, there is nothing particularly untoward about my presence here tonight.

Mr. Leadbitter: The Minister is correct insofar as he has gone. It is not unusual for a Minister to monitor for another, but it is an unusual practice for the House of Commons to be deprived, not of monitoring, which is a matter between Ministers, but of the opportunity of challenging the Secretary of State for the Environment or the appropriate Minister on the firm undertakings given in 1982, as we have been. That is something that should concern the House. I apologise to the Minister because he is not answerable for that, but I hope that, as part of his monitoring function tonight, he will convey to his colleagues in the Department of the Environment that the House is disturbed about the matter.

Mr. Spicer: I shall convey the points that the hon. Gentleman has made in such a courteous and reasonable way. However, as I say, it is not abnormal for a Minister to monitor a private Bill such as this.

Amendment No. 10 would involve the deletion of clause 6(3) and would threaten the company's ability to undertake the works authorised elsewhere in the clause. Therefore, it could be construed as undermining the purpose of the Bill. It is the Government's view that, as the Bill has received its Second Reading and has now been approved in Committee, it would be perverse to wreck the Bill as the amendment could do.

Mr. Weetch: I am grateful to the Minister for monitoring the Bill and giving us the benefit of his advice, especially when he is heavily pressed on other matters. However, when I come to speak on new clause 2 and the amendments I have some environmental questions to ask, one of which is difficult. It is an environmental point involving the Nature Conservancy Council which is disputed by the company and I should like such questions answered. I know that the Minister is competent in his own sphere, but will he be able to give us information on such a point?

Mr. Spicer: I thank the hon. Gentleman for his flattering comments, but the Government are not the sponsor of the Bill——

Dr. Oonagh McDonald (Thurrock): The Minister should not be taken in by them.

Mr. Spicer: I have never been taken in, particularly by anything coming from the hon. Lady.

The sponsors of the Bill are responsible for guiding the Bill through and, indeed, for answering specific points. There are other opportunities to question Ministers about their responsibility for their Departments and policies. I think that that is the best answer that I can give to the hon. Gentleman.

Mr. Andrew F. Bennett: The Minister said that new clause 2 is a wrecking amendment. As I understand it, that is almost — I say "almost" — questioning the Chair's selection, because the Chair does not select wrecking amendments. I hope that the Minister will try to justify that comment or perhaps withdraw it.

8.15 pm

Mr. Deputy Speaker: I did not regard the Minister's comments as a reflection on the Chair. He was making legitimate comments about the amendments that we are discussing.

Mr. Spicer: I would not want to question the Chair's selection, nor was I talking about new clause 2. I was talking about amendment No. 10.

However, on new clause 2 and amendment No. 11 I have to say that the effect of the Bill would be to give Parliament's permission, which is, after all, the highest authority in the land, to the plans for this development.

If Parliament gives its approval, the Government believe that a requirement for the further consent of the Secretary of State for the Environment is not only unnecessary but creates ad hoc control by the Secretary of State which we would not favour. A well-established procedure is involved here by which Parliament is giving detailed consent.

My point is fairly minor: that we believe that the Secretary of State should not further intervene in the process which Parliament has approved. That is the only comment that the Government have to make on these amendments and why we would not favour them.

Dr. David Clark (South Shields): Let me take up the point with which the Minister left us because in a sense it is at the core of the thinking behind this group of amendments and the new clause. As I understood it, the Minister was basically arguing that new clause 2 was not applicable because if the Bill had gone through the necessary stages of Parliament, Parliament would have so decided and therefore it was not necessary for the Minister to be consulted.

In the debate yesterday it became clear that if the Bill becomes law, it will override the wider Wildlife and Countryside Act 1981 as that appertains to sites of special scientific interest. Therefore, this Bill affects the overall judgment of the major Wildlife and Countryside Act of Britain. In that sense, an additional safeguard, which is only a time safeguard — essentially that is what new clause 2 and the subsequent amendments are about—is well justified.

New clause 2 relates to clause 7 which places a constraint on the types of operation and works which can be undertaken by the company.

Before I develop that point, let me return to the problem which seems to be causing a great deal of difficulty for some hon. Members and which is one of the reasons why we feel that new clause 2 is necessary. That involves the issue of the site of special scientific interest which will be affected, and, indeed, destroyed by the Bill. I do not think that any hon. Member would deny that. The only point of difference is that those who support the Bill say that the site will be destroyed, but it will be improved because 500,000 trees will be planted. It is worth making the point, crucial to new clause 2, that the site was declared to be of special scientific interest because of the estuary, the wetlands, and the bird population which, at certain critical times of the year, occupies those mudflats.

We do not really understand all the meanderings and wandering of birds. We cannot understand the migratory

[Dr. David Clark]

patterns of swallows or wintering birds. It is a finely tuned operation. It is quite clear that if we remove the wintering area of some of those birds, we threaten the species. It is as serious as that. I use the poignant example of Duich Moss. The reason why the EEC is threatening the British Government over Duich Moss is that, if that area, where about 8,000 to 10,000 white-fronted Greenland geese are present over the bad months, is excluded, it is quite likely that the whole species will disappear. I am not arguing that that will apply directly in this case, because it is not as critical as that. What we suggest in new clause 2 is a limitation of time which will allow the birds to continue wintering in certain respects.

Sir Eldon Griffiths: I respect the hon. Gentleman's sincerity, as I hope he does mine. It is not fair to describe the alternative as the 500,000 trees. About 176 acres of arable land in the Trimley marshes will be converted to grazing marsh — that is, part wetlands. The hon. Gentleman should be aware that the Royal Society for the Protection of Birds has said:

"with suitable management, such as that practised by ourselves in Elmley in Kent and elsewhere, it would be possible to create a worthwhile reserve on these Trimley marshes that would probably attract birds in nationally significant numbers."

The hon. Gentleman and I have considered the RSPB's letter. The RSPB is specific that the development would create a reserve able to

"attract birds in nationally significant numbers."

That is the important point.

Dr. Clark: I wish, in a sense, that the hon. Gentleman has not raised that point, for the simple reason that I had not intended to quote from the letter from the RSPB. Quite rightly and fairly, he quoted from the letter yesterday and today. What he said was absolutely correct. It is important to note that the RSPB—I know that the hon. Gentleman will check it—went on to say:

"We have considered this most carefully and have decided that we cannot restrict ourselves in this matter."

The RSPB said that it would

"not withdraw its opposition and voluntarily enter into a 'compromise' over the future of an internationally important SSSI".

Additional land will be set aside. Hopefully, that will satisfy some, if not all, of the birds. However, we do not know that, I think that we all agree that it is a jump into the unknown. One can understand the RSPB, in a back-up or fallback position, writing in the way that is has about Trimley marshes. Let us not deceive ourselves. The RSPB still opposes the Bill. It has made that clear to me in a telephone message today, and by sending me a copy of the letter that the hon. Gentleman and I discussed earlier.

New clause 2 tries to restrict the time in which the operations of the company can be carried out. It has been drawn up carefully by my hon. Friends and me. We took as a model the now defunct Tees and Hartlepool Port Authority Bill which contained a similar clause. We believe that the clause is apposite to Parliament and is legally correct. The new clause would require the Secretary of State for Transport to give his consent for certain works involving reclamation. If the House permits the Bill to pass as reported from the Committee, we believe that it will allow the company to meddle in important matters of national and international policy. The key point is that the area is not only an SSSI. It is further designated as not only grade 1 status but supergrade status by being declared under EEC directive 79/409. That gives the area further status.

We believe that if a private company interferes in issues which are nationally and internationally important, it is wise for Parliament and for the Government to have as much restraint upon the company as possible. Therefore, when we deal with a site, such as an SSSI, and if it is to be disposed of, the final decision must remain with the Minister. That is what the new clause provides. We have given the matter considerable thought. We thought that perhaps the Minister should be the Secretary of State for the Environment, but we felt it was right that it should be the main Minister—the Secretary of State for Transport.

If hon. Members agree to the new clause — I wish that the promoters felt able to agree to it; it does not restrict them too much — it may prevent the death of literally thousands of birds if major reclamation works are started and not completed. One might justify that if the economic expansion and industrial operation had got under way, providing jobs and employment. There is no guarantee of that. The new clause would try to restrict the development work within a time constraint. That would be a sensible move.

The consequential amendments, Nos. 8 to 12, develop that further. We envisage the construction of a quay frontage along the lines intended by the company, but we would not allow the reclamation of the whole of Fagbury flats and the salt marshes immediately. In reality, we take a step-by-step approach. The amendments and the new clause require that. The company would have to justify every stage of development. We realise that the company has commercial interest to protect, and we acknowledge that, and we suggest that we concede powers to construct berthage, hard standing for cranes and the temporary storage of containers — in other words, the works and the facilities necessary for the ongoing construction.

As my hon. Friend the Member for Denton and Reddish (Mr. Bennett) has suggested, the development could be constructed on an island site rotated at the outer limits of the bay. That would allow the gradual development of the site to take place with the minimum threat to the wildlife. It would exclude the company from reclaiming a substantial area of mudflats and salt marsh on the landward side of the quay.

We suggest the island site because that could be constructed in such a way as to maintain the tidal flow in a partly contained bay of Fagbury flats. The whole venture would be constructed to try to restrain as large a part of the mudflats system as possible, because that is the area that is regarded as the most valuable when it comes to the bird feeding area. We believe that that could be achieved quite easily.

We submit that neither the company nor the Committee, when it reported on the Bill—we accept all its good endeavours — made any serious attempt to consider a port development which tries to retain, as far as possible, the necessary wildlife interests in the area. By tabling new clause 2 and the amendments, we have attempted to combine, as much as possible, what may appear to be diverse activities and to build in a kind of linkage system so that each stage of the development would not take place until there was an absolute necessity for it. By so doing, we would have the maximum impact

on the protection of the environment and the wildlife that lives on it. For those reasons, we have tabled new clause 2 and the amendments.

Sir Eldon Griffiths: I hope that the House will follow the advice of my hon. Friend the Minister who spoke neutrally when he pointed out that new clause 2 would wreck the Bill. That is the intention of the Opposition and particularly of the hon. Member for Ipswich (Mr. Weetch), who has never made any bones about it. I was surprised to hear him in one of his many interjections earlier suggesting that if this Bill were passed, in 20 years' time Ipswich would be a ghost port. That is the sort of exaggerated language that should have no serious place in such discussions.

8.30 pm

Ipswich is an important, well managed, municipal port and complements the ports of Felixstowe and Harwich. It is one of a complex of ports in those estuaries which service not only eastern England, but, increasingly, the whole of our trade. There is an efficient division of labour between the group of ports. The growth of Felixstowe assists the growth of Ipswich. One port benefits the other.

Dr. McDonald: Will the hon. Gentleman give way?

Sir Eldon Griffiths: I would prefer to give way to the hon. Member for Ipswich, but if the hon. Lady wishes to intervene, she may do so.

Dr. McDonald: I do not regard the hon. Gentleman's remarks as being entirely a private row between him and my hon. Friend the Member for Ipswich (Mr. Weetch). The hon. Gentleman talked about a general division of labour between the ports. I do not understand what he means by that. Tilbury, for example, is an extremely important container dock and will be adversely affected by the development of a large new container berth at Felixstowe. Therefore, I cannot see what the hon. Gentleman is talking about when he speaks of a division of labour between the ports.

Sir Eldon Griffiths: If the hon. Lady had listened a little more attentively, she would have realised that I was dealing with the prediction that Ipswich would become a ghost port. I was saying that that was a hopelessly exaggerated statement which had no place in a serious discussion such as this.

These amendments are primarily directed to the reclamation of land. It is important to keep the matter in some perspective. The shoreline of the River Orwell where the development is to take place is 22 miles long. The proposed extension of the port area is about half a mile of that shoreline, which is 2·5 per cent. of the entire area. Therefore, the development cannot be described as an environmental catastrophe, which was the language used by the hon. Member for Ipswich. Some 97·5 per cent. of the shoreline will remain completely untouched.

Obviously, I regret any intrusion into an area of outstanding natural beauty. Indeed, I had some part in establishing those areas. However, I must remind the House that of that 151 square miles of outstanding natural beauty in Suffolk, one third of one square mile will be covered by the port extension. I am advised that that is just under 0·25 of 1 per cent. That puts the matter into some perspective.

Mr. Andrew F. Bennett: Has the hon. Gentleman considered the promotion of earlier Bills, in relation to the docks at Felixstowe? Does he accept that the argument is always that only a little piece of land will be taken, and that in the end all the extra pieces build up to the destruction of the whole environment?

Sir Eldon Griffiths: I understand the piecemeal argument, but if the hon. Gentleman will study the Bill he will see that it provides a guarantee against the further movement of the port upriver. The promoters inserted that specifically to deal with the anxiety that he has raised.

I came across the problem of bird life when I sat on the Front Bench, taking the Maplin measure through the House. It was extraordinary how much time we spent on Brent geese. I am worried about the bird life, but it is to the credit of the promoters of the Bill that when the Royal Society for the Protection of Birds intervened, they immediately financed 75 per cent. of the cost of an extensive bird survey—the best that has been done in the area. The survey was carried out by the Suffolk Trust for Nature Conservation. I hope that the hon. Member for South Shields (Dr. Clark) will accept that the trust is an entirely objective and deeply concerned body.

The report showed that the dock extension was in an area that was certainly important for three of the 30 species of birds to be found there. Therefore, we are talking about a small fraction of the bird population. Moreover, the count showed a considerable migration of birds in the Orwell and Stour rivers area. That has strengthened the view that development would displace a relatively small number of birds and would not disrupt the ecological balance of the estuary as a whole.

I must accept that any development such as this requires a balance. It would be absurd to suggest that there is no environmental impact, because obviously there is. However, one must balance that against the replacement of that lost proportion of land by alternatives. One of the alternatives, which I have already suggested in an intervention, is that a substantial area will be changed from arable land into grazing marsh. That will assist the bird life in the area. A great deal more assistance will be provided by flooding areas that are not now regularly flooded. The combination of the ...es, the grazing marsh and the prevention of further mo...ement up the estuary adds up to an enhancement of the total environment. Judged as a whole, there are gains and losses, but there is no environmental catastrophe of the sort forecast by the hon. Member for Ipswich.

Mr. Andrew F. Bennett: Will the hon. Gentleman tell us which of the three bird species the Suffolk trust said would be most affected, and whether the replacement land would be of any use to those birds?

Sir Eldon Griffiths: I hesitate tonight to quote from the report, but I shall be pleased to obtain that information for the hon. Gentleman, if he wishes to press me for it. I suggest that he writes to the Suffolk Trust for Nature Conservation.

Dr. David Clark: The hon. Gentleman has made a fair point that the ecology and environment of the area will be changed, and, rightly, talks about the flooded areas and marshes. However, it is not merely the ecology that could be changed, it is the ecology of those three bird species that is at risk. I think that they are the grey and ringed plover and the turnstone, which are rare birds. The marshes are of no particular use to them and are much more suited to

[Dr. David Clark]

Brent geese and other species. The key point is that we must consider not only the ecology of the area, but the existence of the three rare species of bird.

Sir Eldon Griffiths: I respect the hon. Gentleman's concern in the matter and he will understand that my concern is no less than his. I remain of the view expressed by the Royal Society for the Protection of Birds, that with suitable management—all reserves need that these days—it would be possible to create a worthwhile reserve on Trimley marshes which would probably attract birds in nationally significant numbers. It is a matter of balance, but I do not believe that that balance was remotely accurately described by the hon. Member for Ipswich, when he described the proposal as an environmental catastrophe. That is an absurd exaggeration and he knows it.

New clause 2 would wreck the Bill because clause 6 is the essence of this development. Clause 6 confers powers on the docks company to construct the proposed works. Clause 14(1) provides that those powers may be exercisable for a period of 10 years from the passage of the Bill or for such extended period as the Secretary of State may allow.

The effect of new clause 2 would be to restrict the docks company's powers to construct the works by requiring the company to obtain the consent in writing of my right hon. Friend the Secretary of State before the company can exercise any of the powers where land reclamation was involved. Since the entire development requires land reclamation, that would mean that the Secretary of State and his civil servants would have to give their consent to every item of contruction or development that was required.

The docks company may have every confidence in my right hon. Friend the Secretary of State taking a sensible and objective view of these matters. I am delighted to see the Minister of State, Ministry of Agriculture, Fisheries and Food — my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer)—sitting on the Front Bench. He represents the area where these developments are to take place. It was only because my right hon. Friend has many duties to perform in Brussels — which he performs so well—that he was unable to present during our prolonged debate last night. However, I am sure that my right hon. Friend will agree that my right hon. Friend the Secretary of State would take a sensible view in that case.

Having listened to the language of Opposition Members and the interventions by the hon. Member for South Shields, I would not be surprised if a developer or customer of the port of Felixstowe, at home or abroad, believed that a Secretary of State of a Labour persuasion would take a biased and prejudiced view of the development of Felixstowe. The Opposition have demonstrated perfectly clearly—yesterday and today—that they would use the new clause to wreck the Bill if they were in office. That is a good reason why we should reject the new clause.

Amendments Nos. 6, 8, 9 and 10, with which new clause 2 is grouped, would produce an absurd position. If passed, they would reduce the area over which the new works could be constructed by removing any power to reclaim land. I am advised that that could be the effect of the amendments. Since the works cannot be constructed without reclaiming and that is an essential feature of the work, the result of carrying the amendments would be to make it impossible to proceed. The amendments are simply nonsense.

Amendment No. 11 would also require the docks company to obtain the consent of the Secretary of State before any work could be carried out — the same approach as that under new clause 2. In effect, that means that the company would be put into the leading strings of the Department of Transport. It would effectively make the company a branch of the Civil Service and tie it hand and foot to whatever view was prevailing on the items of contruction and reclamation involved in the work. The House would not sensibly wish to tie the hands of any private developer in that fashion. Worst of all, the amendment would effectively put the decision of the House into commission. Notwithstanding the view of the House — I remind the House of the overwhelming majority on Second Reading—

8.45 pm

Mr. Weetch: That was the payroll vote.

Sir Eldon Griffiths: If the hon. Member for Ipswich wishes to intervene, I will give way.

Mr. Weetch: One of the laughable things about this debate is the Government's "neutrality". It is the oddest form of neutrality that I have ever seen. Last night, the Opposition polled about 38 votes, but at least we made no attempt to make this a party political matter. The Bill has been pushed through by the payroll vote. This is a piece of Government legislation masquerading as private business.

Sir Eldon Griffiths: The hon. Gentleman's comments illustrate the point that I have been making. Every hon. Member in this House is responsible for his vote to his constituents and to his conscience. It is a slur on the 140 hon. Members who voted last night for the hon. Member for Ipswich to describe them as he did. Only 38 Opposition Members could be bothered to support his shenanigans. It is rare for a private Bill to attract a vote of 201 to 54, as was achieved on this Bill's Second Reading. Since such a majority is unprecedented, the hon. Member for Ipswich should not have used such language to cast a slur on those who voted.

Mr. Peter Hardy (Wentworth): As one of those hon. Members who took part in the Second Reading debate, may I remind the hon. Member for Bury St. Edmunds (Sir E. Griffiths) that apparently the reason for the 201 Conservatives voting the way they did was that one of their colleagues, speaking on behalf of the Bill, made the assessment that all that was in question were some utterly worthless mudflats. The 201 Conservative Members who supported the Bill were prepared to accept that description and prepared for Britain to ignore an important international commitment to which it should pay much more regard.

Sir Eldon Griffiths: I do not doubt that the hon. Member for Wentworth (Mr. Hardy) will develop that point if he has a chance to make a speech later. I was trying to deal with the issue raised by the hon. Member for Ipswich, who cast a slur on those who voted. We have been in this House long enough to see major decisions taken on the nationalisation and denationalisation of industries

carried by tiny majorities. A majority of this size should not be treated as lightly as the hon. Member for Ipswich suggests.

The crucial point is this: the purpose of new clause 2 and the opposition which the hon. Member for Ipswich has mounted is to wreck the Bill, and to deny to East Anglia——

Mr. Andrew F. Bennett: On a point of order, Mr. Deputy Speaker. I thought that we had established that the Chair does not select wrecking amendments. It is insulting for the hon. Member for Bury St. Edmunds (Sir E. Griffiths) to describe the selected amendment as a wrecking amendment.

Mr. Deputy Speaker: The Chair is not as sensitive in these matters as the hon. Member for Denton and Reddish (Mr. Bennett) suggests. No hon. Member has been critical of the Chair. The hon. Member for Bury St. Edmunds (Sir E. Griffiths) is making a perfectly legitimate comment on the amendment, and he is in order.

Sir Eldon Griffiths: I repeat the words that I used. I said that the purpose of the amendment is to wreck the Bill. That has been the aim of the hon. Member for Ipswich right from the start. He seeks to deny to East Anglia the opportunity of modernising its leading port. He seeks to deny to our industry and trade the opportunity, through a modernised port, to compete more effectively, not only for the North sea traffic but for the great world-girdling container lines. He seeks to deny us the opportunity to compete more effectively for that trade of the future.

The hon. Gentleman seeks to prevent the jobs being created in Felixstowe and in his own constituency of Ipswich. In so doing he flies in the face of the stated wishes of the Transport and General Workers Union. Brendan Lambe, the regional secretary, has said time and again that that union wishes the Bill to proceed. The hon. Gentleman seeks to deny to that union the jobs that its members wish.

Dr. McDonald: Will the hon. Gentleman give way?

Sir Eldon Griffiths: I shall not give way. I shall finish my speech.

The hon. Member for Ipswich further seeks to deny to that part of East Anglia the new investment that will enable us to improve our infrastructure. He is giving the lie to his party leader's frequent demand for more investment and more jobs. Here is more investment and here are more jobs. Here is a chance for us to be more competitive. I should have thought that a Labour party that brags about its desire to reduce employment and to create more jobs would have welcomed the Bill, instead of which the hon. Gentleman stands there seeking to wreck, to deprive, to deny and to destroy. He should be ashamed of himself. The House should reject the new clause.

Mr. Leadbitter: The House might show considerable interest in the manner, approach and vigour of the hon. Member for Bury St. Edmunds (Sir E. Griffiths), who, in view of his constituency responsibilities in Bury St. Edmunds, does not appear to me to have any particular interest in ports. I have an interest in ports as a constituency Member, and I have had some experience of such legislation, so I believe that the House should be wondering at the excitement, the aggravation and the charges that the hon. Gentleman is making. I wonder whether it is connected with the relationship that may exist between the Felixstowe docks authority and the Conservative party. I do not know. I have heard suggestions that that company contributes large sums to Conservative party funds. Of course, I do not know. I am merely wondering why the hon. Gentleman is behaving in the way that he is.

Mr. Rhodes James *rose*——

Mr. Leadbitter: Another hon. Gentleman is rising. I understand that some of the land is owned by Trinity college, Cambridge. The hon. Gentleman is anxious to intervene, but I want to test the veracity of the words spoken by the Secretary of State. I want to put things in such a manner as to test the House, by asking a simple question. Where does truth really lie? Who is shifting whose feet? On the Opposition Benches, it is impossible for us to be charged in that respect, because this is not our Bill. We are merely reacting to submissions that have been made to us from communities in the area that is affected. We are reminding ourselves of the undertakings that the Secretary of State gave, to which I shall refer.

Sir Eldon Griffiths: The hon. Gentleman says that he is representing the communities in question. I take it that he would suppose that the local authorities of the area in question would be representative. Suffolk county council does not oppose the Bill. Ipswich borough council does not oppose the Bill. Suffolk Coastal council does not oppose the Bill. Let the hon. Gentleman tell the House who those representatives of the local area are who oppose the Bill, because one thing is for sure — the hon. Member for Ipswich does not represent them at all.

Mr. Leadbitter: The hon. Member for Hartlepool who, for the hon. Gentleman's information, happens to be the person holding the Floor at the moment, never suggested that he represented the communities in Suffolk. I said that I had a port interest. It so happens to be the third largest port in the United Kingdom—the Tees and Hartlepool port authority. I was saying that I had had some experience of such legislation as is now before us. I emphasise that in point of fact the hon. Gentleman's attitude raised self-evident questions in the minds of reasonable hon. Members on both sides of the House. But I said that I did not know. I am told that there is a relationship. I am told that there is a funding relationship. I am told that that has not been rebutted. The hon. Gentleman is not in a position to rebut it, either.

The only point that I am making in a debate as serious as this is that where there is genuine opposition to the proposals, the House must be concerned. In addition, we still do not have a Minister from the Department of the Environment. The hon. Member for Bury St. Edmunds apparently has no port interest in the sense that his whole time in the House of Commons is concerned with two things. The first is his proper responsibility as the Member of Parliament for Bury St. Edmunds. The second is that he is a paid officer representing the police.

Mr. Deputy Speaker: Order. I am allowing the hon. Gentleman a fairly long preamble, but I am looking forward to his coming to the amendment.

Mr. Leadbitter: I apologise.

The hon. Member for Bury St. Edmunds said in his intervention that Suffolk county council was not an objector. It so happens that Suffolk county council, not unlike some other county councils, changed its mind when pressure was put on it. Originally, it objected, as far as I

[Mr. Leadbitter]

am aware. The proposals are in direct conflict with the county council's structure plan, which was approved by the Secretary of State for the Environment in August 1979. It is interesting that there has been that movement in the county council from a position that was agreed to by the Secretary of State.

I now come to a matter that fascinates me. The hon. Member for Bury St. Edmunds described the position thus: the proposal involves only half a mile in a shoreline of 22 miles. Experience suggests to me that, once there is an incursion into land which has been designated for a particular purpose — in this case, in the words of the Secretary of State for the Environment — that is a precedent for further incursions. The nibbling process continues after that first weakness of changing one's mind about the designation.

The hon. Member for Bury St. Edmunds referred to the half mile out of the 22-mile shoreline to show the minimum impact of these proposals on the area, but he was not even correct in that respect. The Bill's sponsors sent out a memorandum which stated:

"The extension area is about one third of a square mile"

—

that is a bit of a difference—

"and comprises a relatively small south-eastern corner of a strip of roughly 150 square miles."

Notice the trick—only a square mile, which is a linear measure, compared with a square measure. The innocent who reads the document may think that not much land is really affected because it refers to a minimum amount of land, as shown by the linear measurement, along the coastline.

9 pm

The sponsors are not content with that. After all, they think that hon. Members are rather innocent. The memorandum continued:

"The extension area therefore is about 0·25 per cent. of the area of natural beauty and comprises about 90 acres of poor — that is, heavy clay — low lying, level, agricultural land separated by a clay wall from an area of roughly 140 acres comprising a small area of salt marsh and creeks and a larger area of mud flats which are only exposed at low tide."

That is all to tell us that we are making noises about an exceedingly small area and land of exceptionally poor quality.

On 29 July 1982 the Secretary of State for the Environment said:

"in general,"—

referring to this land—

"it would be inconsistent with the aims of designation to permit the siting of major industrial and commercial development in AONBs. Only proven natural interest and lack of alternative sites can justify any exception" — [*Official Report*, 29 July 1982; Vol. 28, c. 708.]

Why was there a change of heart within such a short period? I spent some days looking up evidence which might be helpful to the House, and to me, so that I might address myself fairly to the substance of clause 6. Part of my exercise involved considering the 23 sittings of the Committee. I noticed something strange but understandable. The Felixstowe port authority appeared to be bringing before the Committee witnesses who had a special relationship with it—they were either on friendly terms, were directly related to trading within the port or had shipping and other agency interests. One such person was Mr. George Patrick Gardiner who was sworn in on 5 December 1985. He agreed that he was

"a director of a number of companies concerned with transport matters and transport facilities".

Further questioning brought out the fact that he had a much closer relationship with the company doing the main business in representing shipowners in the United Kingdom, sometimes but most specifically at Felixstowe. I was fascinated with that use of witnesses.

When Mr. Gardiner was cross-examined, Mr. Whybrow, representing the petitioners, said:

"You said last that it was essential for Felixstowe to continue to expand. Would you be prepared to accept the qualification to that expression of opinion, 'Unless suitable alternative facilities are available'?"

The witness replied:

"Yes. In the context of the national interest, of course".

He was further asked:

"And you have already agreed with Mr. Fatchett that there are potentials in other sites, Bath Side I think?"

The answer was:

"Yes."

That is a fascinating observation.

The Secretary of State for the Environment laid down two conditions. First, there was the national interest; secondly, there were alternative sites. Those were the two conditions that had to be met before there could be an alteration of the designation. The witness to whom I have referred is a man of considerable experience and authority. He appeared before the Committee purportedly to assist in upholding the proposals set out in the Bill, but under cross-examination from the petitioners he admitted that other sites were available for the development that the docks authority had in mind. Once that has been made abundantly clear, the House must draw back from the emotive expressions of concern that we have heard lately and ask itself where the truth really lies.

The Conservative Administration made certain things abundantly clear. They stated that there were only two exceptions that would prevent an intrusion. One was the national interest and the other was the lack of alternative sites.

What were the three main reasons for the Bill and the proposed works? It is rather surprising that only three proposals in principle and in purpose were outlined in Committee by Mr. Ryan, QC. He said that the first reason for needing the land and for having works on it was that of international trade. He claimed that the facility was required for major shipping lines in the container business. The second reason was the justified expectation of a substantial increase in trade. We did not have any figures——

Mr. Deputy Speaker: Order, I am finding it difficult to relate the hon. Gentleman's remarks to the new clause and the amendments that are before the House. We are dealing with whether the consent of the Secretary of State should be required for certain works. We cannot go over the arguments that were advanced in Committee; nor can we have another Second Reading debate. The hon. Gentleman's remarks must be related to the new clause and the amendments that are grouped with it.

Mr. Leadbitter: I understand, Mr. Deputy Speaker, the difficulty in which the Chair finds itself. The first two lines of the new clause read:

"The Company shall not exercise the powers conferred by section 6"—

I must refer, therefore, to section 6—

"of this Act without first obtaining the consent in writing of the Secretary of State in any case".

The difference between section 6 and the wording of new clause 2 is that the section provides that the work outlined shall be allowed to proceed without the Secretary of State's permission. New clause 2 seeks to have the Secretary of State's permission attached to the same works. That being so, I must apologise to the House for finding it necessary from time to time to refer to the objectives and purposes that were outlined in Committee in the use of the designated area and the works that are outlined in section 6.

It was argued that the works should go ahead because of a justifiable expectation of a substantial increase in trade. I have seen no figures to support that expectation of trade. There are many imponderables, not the least of which is the Channel tunnel proposal. There are no projected statistics that make it clear that the designation of the land in question should be impinged upon in the interests of urgency or essential need.

The final reason that Mr. Ryan gave in his submission to the Committee was that the proposal was in the national interest. Therefore, this half mile of land, as it was described by the hon. Member for Bury St. Edmunds, or two thirds of a mile of land, as it was described by the Felixstowe harbour authority, apparently has become of national importance and interest. How can that be when it is agreed that there are sites available on the east coast and on the south coast? How can that be when there are areas already designated for industrial development at Port Harwich? Where does the truth lie?

There is clearly on the Conservative Benches a commitment to support the Bill, because the Bill is there and because it has come from a Committee set up to consider opposed private Bills. Conservative Members are not saying clearly why they turn their backs on their own assurances to that area and to the people in it. The land was designated for a particular purpose and accorded that designation by the Secretary of State, yet they say that it does not matter. If it does not matter now, am I to understand that, when the Secretary of State made the designation in 1979 and his statement in 1982, it did not matter then?

How can responsibility accrue to the House of Commons if hon. Members are conveniently going to forget their responsibilities and obligations to a community after firm commitments have been given? How can we test the House of Commons if Conservative Members are shy and coy about declaring the extent of their party interest? If the undertaking that was given does not matter now, and the Bill is essential for a small piece of land in the national interest, then we have to say that the Minister and the Secretary of State did not mean what they said in 1982 and in 1979.

Here is a situation of power and influence overriding the parliamentary protection of the people whom we represent. That is what it is—overriding roughshod and horse trading. How many hon. Members when the Bill is passed will sit in the dining room congratulating each other on how Parliament was used in this way, with the Opposition virtually neutralised?

Mr. Rhodes James: Is the hon. Gentleman alleging—and he is a member of the Speaker's Panel of Chairmen—that I am corrupt?

Mr. Leadbitter: The hon. Gentleman has a remarkable record in the House of Commons of which, I am happy to say, he ought to be proud, and the House should not in any way impugn his character by words of the kind that he has used. That is not the intention. It was not he, but the Secretary of State, in the name of his party, who gave certain undertakings only a short while ago; and those undertakings have been breached.

Private Bills should be channelled through the House so that proper opposition can be expressed with the ability to challenge the exercise of responsibility of Ministers who are answerable to the nation. I submit that the House should have concern in this respect, and shall express a view as forcibly as I have. In my view, the House should consider the necessity to change its rules. Opposed private Bills in Committee cannot have——

Mr. Deputy Speaker: Order. We cannot go into private Bill procedure on this amendment.

Mr. Leadbitter: I shall try to make the same point and keep in order, Mr. Deputy Speaker. In the example that I have described to the House, the use of this land in a further incursion into the environment would have devastating effects on an area that has been agreed by the Government to be an area of natural beauty. It is a pity that we have not been able to defend the Secretary of State's first assertion because the procedures of the House do not allow us to do so. I have made the points that I wanted to make, and there rests my case.

9.15 pm

Mr. Hardy: I shall be brief because my voice would not allow me to emulate the passion that my hon. Friend the Member for Hartlepool (Mr. Leadbitter) has deployed.

I was very angry during part of the speech of the hon. Member for Bury St. Edmunds (Sir E. Griffiths). He misinformed the House. I hope that he will allow the record to be corrected. He told the House that Ipswich borough council was not opposing the Bill. What I think he meant to say was that the borough council did not petition against the Bill.

Mr. Rhodes James: That is what he said.

Mr. Hardy: No; he said that the borough council did not oppose the Bill.

My hon. Friend the Member for Ipswich (Mr. Weetch) is a modest man. His local authority did not petition against the Bill because it knew that it need not waste ratepayers' money on the lavish fees that lawyers would have required. The council had every confidence that my hon. Friend the Member for Ipswich would put the case against the Bill as well as a whole army of lawyers. Of course, the ratepayers of Ipswich have benefited greatly because my hon. Friend has demonstrated over the months that no one, whether or not a lawyer, could have opposed the Bill with greater consistency or ability. Even his political opponents must concede that my hon. Friend's efforts have been honourable and remarkably effective and competent.

Sir Eldon Griffiths: The hon. Gentleman suggested that I had misinformed the House. If he had been here yesterday when we were dealing with the matter, he would have heard me say precisely that Ipswich borough council had not petitioned against the Bill. Tonight, in saying that none of the local authorities is opposing the Bill, I was using the word "opposing" in the technical sense in which

[Sir Eldon Griffiths]

we deal with these matters. It was open to the borough council of Ipswich to petition against the Bill. It elected not to do so. When the county council decided to withdraw all further opposition, the borough council of Ipswich could, if it had wished, have tried to introduce a petition. It decided not to do so. I was entirely correct in informing the House that none of the local authorities is opposing the Bill.

Mr. Hardy: The hon. Gentleman may indulge in semantics as much as he likes. The fact remains that the hon. Gentleman said that Ipswich borough council was not opposing the Bill. I presume that he wanted to create the impression that Ipswich borough council and my hon. Friend the Member for Ipswich are on opposing sides of the argument. That is not the case. My hon. Friend's local authority is opposing the Bill but it has not wasted ratepayers' money, for which the ratepayers will in due course be grateful. My hon. Friend has performed a remarkably effective role.

Mr. Rhodes James: Is Ipswich borough council opposing the Bill?

Mr. Hardy: My hon. Friend the Member for Ipswich, whom I am sure the hon. Gentleman will believe, as I do, has assured me that Ipswich borough council is opposing the Bill. My hon. Friend knows his borough council and his constituency far more intimately than anyone else. I accept my hon. Friend's word. I hope that no Conservative Member is casting doubt upon it. It is a pity that doubts were cast.

I could not take part in yesterday's debate. Hon. Members may have gathered that my voice does not have its normal mellifluous quality. Even so, it would have been impossible for me to be here yesterday. I have an interest in the subject. I should declare an interest because I am a member of the council of the Royal Society for the Protection of Birds. I am concerned that the views of the society should receive proper respect. I have not yet had an opportunity to read *Hansard*, but I have been informed that a Conservative Member suggested that the RSPB was somehow in favour of the Bill. I am glad that the hon. Member for Bury St. Edmunds has made it clear that he did not offer such an imputation. I do not wish to pursue the matter at length, because I want to confine my remarks wholly to the amendment.

Dr. David Clark: As aspersions have been cast on the Royal Society for the Protection of Birds, it is incumbent to put it on record that the society telephoned me today to say that it still opposes the Bill entirely.

Mr. Hardy: I am very glad to have that clear message from my hon. Friend the Member for South Shields (Dr. Clark). It confirms the view that I had formed.

I have not devoted a vast amount of time to the Bill, because the arguments that were advanced on Second Reading were sufficiently powerful to convince Her Majesty's Government about the proper and responsible role and attitude that they should have adopted. I regret that the Government have been pressurised—no doubt by the regional interests—to take a view. That is quite wrong, and it is an example of very serious misjudgment. I shall turn in a moment to that statement and to the reason for the importance of the amendment.

The evidence presented on Second Reading justifies the amendment. It demonstrated that the port is unnecessary. As my hon. Friend the Member for Hartlepool (Mr. Leadbitter) pointed out, Britain has adequate port facilities. The Government are pursuing a dreadful and inaccurate obsession. Britain is a mercantile country. At one time it had a great merchant fleet. The General Council of British Shipping used to be the biggest financial contributor to the Conservative party, but it is so busy developing ports that it seems to be paying no attention to the fact that the British merchant fleet is disappearing——

Mr. Deputy Speaker (Sir Paul Dean): Order. The hon. Gentleman is straying very wide of the new clause and the amendments.

Mr. Hardy: I shall not pursue that point. All I am trying to suggest is that the amendment would provide Ministers with an opportunity to reflect upon realities of this kind.

My major reason for involvement in this debate is that I am chairman of the Council of Europe's environment committee and that I have been acting as chairman and rapporteur on matters relating to the natural environment for a very long time. For the last few years I have been able to do so on a non-partisan basis. Conservative Members who serve on my committee have always agreed with the line that I have taken. That was certainly true in April of this year when I took the Committee through a report on the implementation of the Berne convention.

Throughout this period of five or six years, Conservative and Labour Members have sought on the Council of Europe—the leading international body on conservation matters—to try to ensure that Britain's leadership on conservation is maintained. I hope that the Department of Transport and the Department of the Environment will take note of the fact that, if we do not confer upon the Secretary of State the power that is contained in this amendment, our international position will be gravely embarrassed. Many other countries have copied the United Kingdom's example. If the other signatories of the Ramsar convention on wetlands see Britain going headlong into retreat in the face of the Ramsar commitment, they will do the same.

On Second Reading, Conservative Members said that this was an area of unimportant, valueless and uninteresting mudflats. Conservative Members appear to have learnt a little during the proceedings on the Bill, because of the efforts of my hon. Friend the Member for Ipswich. They now recognise that this is an area of both national and international importance. It would be remarkably injurious, not merely to the ecology of the Suffolk coast but to international integrity and to the example that our country should continue to set, for this project to go ahead. If the amendment is accepted, it should be borne in mind by Ministers that this port development was demonstrated by the RSPB study to be utterly unnecessary.

That is a particular cause of offence no doubt to those in Suffolk and certainly in the rest of this country, who are concerned that we should fulfil our international commitments. If we do not fulfil our international commitments to conservation, it will be little use hon. Members saying what should happen in other parts of the world. That is the nub of the argument, and as I have said, I do not want to speak for too long.

I urge Ministers to recognise that the voice of constituency interest should not necessarily be paramount. Ministers from the Suffolk region may feel that they can dictate Government policy but no wise Administration would ever set such a precedent. The views and advice of Ministers from that locality should be discounted as a matter of principle; that is particularly true when national and international interests are before us. If the Minister allows the national interest to be subordinated to the commercial interest that Conservative Members so ably serve, he will be acting in a very damaging way. One of the most important wetlands in western Europe will be destroyed or imperilled. Moreover, if he allows that to happen, it will greatly embarrass the significance of Britain's international conservation lobby.

Mr. Malcolm Thornton (Crosby): I had not intended to speak in this debate, but, having listened to the remarks of the hon. Member for Hartlepool (Mr. Leadbitter), I felt that I had to comment. He asked where the truth lies. Well, it certainly does not lie in the distortions that we have heard from Opposition Members.

Mr. Leadbitter *rose*——

Mr. Thornton: I should like to finish my point. I listened to the hon. Gentleman's speech with some attention. But aspersions have been cast on me and other Conservative Members, if not by name by implication. If the truth lies anywhere, it lies in the 23 sittings that took place when only two of us, as the original members of that Committee, listened to every word of evidence put before us. I am prepared to be told that we are wrong, but I am not prepared to told that I was subjected to influences that in any way affected my judgment of the facts put before me. I bitterly resent some of the statements made tonight, last night and in Committee.

The hon. Member for Hartlepool talked about the neutralising of the opposition, but the opposition neutralised itself by refusing to serve on the Committee. The Committee had to have its quorum reduced to two in order for the Bill to proceed in the way that the House had determined. It is important to say these things. The onus on the promoters was to deal with the statement of my right hon. Friend the Secretary of State in 1982. That was all that they had to do. I say that, but it was a major task, because they had to prove that an incursion was being made into an area of outstanding natural beauty and into a site of special scientific interest that was in the national interest, and that there were no suitable alternative sites. That is what they had to do, and we thought that that is what they achieved.

As I said, there were 23 sittings of the Committee. We heard witnesses on behalf of the promoters. If the hon. Member for Hartlepool is somehow suggesting that the promoters should not bring forward witnesses to testify to their case, I wonder what he feels they should bring witnesses forward to do. He, as an experienced Chairman, knows full well that the private Bill procedure is quasi-judicial and that the witnesses who come before us are on oath. Therefore, in the course of examination and cross-examination there are statements which conflict from time to time. However, extracting one statement here or there and having no regard to the vast weight of the evidence of the witness is the sort of distortion I was referring to.

9.30 pm

Mr. Deputy Speaker: Order. I have allowed most hon. Members to have a fairly long preamble. The hon. Gentleman must now come to the amendments that we are discussing.

Mr. Leadbitter: I suggested to the House that there were two major conditions laid down by the Secretary of State. One was national interest and the other was the lack of alternative sites. My submission is that in the 23 sittings of the Committee the national interest was not made out and it was substantially proven that there were alternative sites. That was my point.

Mr. Thornton: That may well have been the hon. Gentleman's point. However, in seeking to make that point he introduced other factors. I am sure that he will understand why I took such grave exception to them. I reiterate all that I have said. I merely wanted to put it on record.

I share the view of my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) that the new clause, which would destroy the Bill, does nothing to circumvent the Secretary of State's powers in this matter. It is for the House to decide having gone through the proper procedures.

I cannot see that the clause will do anything other than destroy a Bill which was given massive support on Second Reading, which has been the subject of lengthy deliberations in Committee and which is now properly on Report. In the interests of all that we have done so far, the new clause should be rejected.

Mr. Guy Barnett (Greenwich): I seek to intervene for two reasons. I thought that the hon. Member for Bury St. Edmunds (Sir E. Griffiths) cast a serious slur on my hon. Friend the Member for Ipswich (Mr. Weetch), on Opposition Members and many Labour councils up and down the country. I also feel it important to intervene because there seem to be fundamental planning implications in this legislation. I noticed, as no doubt you and the House did, Mr. Deputy Speaker, that we had a fleeting visit from the Under-Secretary of State for the Environment. Alas, it was too short because many Opposition Members are concerned about the environmental and planning implications of the Bill.

My first point relates to the remarks which the hon. Member for Bury St. Edmunds made about my hon. Friend the Member for Ipswich and about the Labour party, represented in different parts of the country. He was, in effect, saying that the main reason why my hon. Friend the Member for Ipswich, myself and others were opposed to the Bill was that we were opposed to industrial and commercial development. At least, that was my understanding of what he was saying. He then went on to suggest that the Labour party, or a future Labour Government, would do everything possible to prevent such development and therefore allow the persistence of unemployment in areas such as Felixstowe and other parts of the country.

That is pretty ripe coming from a Member of the Conservative party supporting a Government who have caused the present massive unemployment. It is even riper when one considers the magnificent record of the Ipswich borough council, the Greater London Enterprise Board, the West Midlands Enterprise Board, and my own

[Mr. Guy Barnett]

borough council, to name just a few Labour authorities, which have played a major part, in spite of the Government's economic and employment policies, in bringing jobs to their areas.

Mr. Deputy Speaker: Order. The hon. Gentleman has given his preamble. He must come to the new clause and amendments.

Mr. Barnett: I am grateful to you, Mr. Deputy Speaker; that was precisely what I proposed to do.

You may be aware, Mr. Deputy Speaker, that in the previous Labour Government I occupied the position in the Department of the Environment which is currently occupied by the hon. Member for Mitcham and Morden (Mrs. Rumbold). A number of planning decisions came my way on appeal. I am taking part in this debate because I am seriously concerned by the general principle that the planning power as laid down in the Town and Country Planning Act 1971 should be derogated and that the situation should arise whereby the Secretary of State for the Environment appears to have no say about the forms of development which may take place, anything up to 10 years after the Bill becomes law.

The amendment which has interested my hon. Friends and myself is amendment No. 11 which proposes to insert "and subject to the consent in writing of the Secretary of State for the Environment.".

That is absolutely vital. In clause 14 there is considerable derogation under the provisions of the Town and Country Planning General Development Order 1977 which will allow a development to take place at any time over the next 10 years without any intervention from the Secretary of State for the Environment.

I began my preamble in the way that I did because decisions of this kind are inevitably extremely difficult. My hon. Friends and I are very concerned about the environmental development in and around Felixstowe and the effect that it would have on bird life. Those arguments have to be balanced against developmental arguments. The hon. Member for Bury St. Edmunds clearly believes that these outweigh the environmental argument.

Sir Eldon Griffiths *indicated dissent.*

Mr. Barnett: The hon. Member shakes his head, but that was the purport of his speech, to which I listened with care.

Sir Eldon Griffiths: I am quite sure that it is, as the Committee reported, in the national interest that this development should go forward. I am certain that any economic development has an impact on the environment. On Second Reading, I said that I could not support the Bill unless it contained an environmental enhancement as well as an economic development. The balance between the two is the result of the Committee's work and the negotiations between the promoters and the petitioners. We have achieved a balance that enhances the environment and also achieves the substantial economic expansion of the port.

Mr. Barnett: I am grateful to the hon. Gentleman for his intervention. I do not know how he knows such things. How does he know what will happen in the future? Let us take a parallel case which is of great concern in my area of London.

Under the Local Government Planning and Land Act 1980 the Government introduced legislation—late in the Committee stage—to make possible the development of enterprise zones. This measure was passed into law and the assumption behind it was that it would enable small businesses to develop with the minimum of interference.

One enterprise zone was set up on the Isle of Dogs. An enormous international combine has come along and wants to build a vast office complex on the Isle of Dogs —Canary wharf. I am told by the Secretary of State for the Environment that he has no power to intervene. That is why I am disturbed by attempts to derogate from powers contained in town and country planning legislation, thereby removing from the Secretary of State any power over future developments.

The hon. Gentleman has only to re-read clause 6 which gives the promoters enormous powers over the future development of the land in question. One of the consequences of one piece of development may be that it would have a serious impact upon the bird life there. My hon. Friend the Member for Wentworth (Mr. Hardy) is an expert on bird life and knows a great deal about the way in which they react to environmental changes. But how do we know how migrating birds will be affected and whether they will cease to come to Britain or perhaps die as a consequence of any development that may take place?

That kind of thing needs to be monitored, and that is why I am strongly in favour of amendment No. 11. That is vital in the Bill in order that the national interest should continue to be protected over a period of development or redevelopment, as is contained in clause 6, which may take place som years hence. The right way for such things to be considered is through the planning procedures that are now a vital part of the protection of Britain's environment. For that reason, I give my full support to this vital amendment.

Mr. Weetch: I wish to say a few brief words in support of new clause 2, but I really want to address some remarks across the range of the first group of amendments. Let me cut through a great deal of what I wanted to say because it has already been said and at this late stage in the debate it is better for me to come to the brass tacks of what new clause 2 is about. Its centrepiece is contained in subsection (2)*(a)*, *(b)* and *(c)*.

At the beginning, my hon. Friends and I took close professional advice on the new clause. In no sense was it put forward to wreck the Bill. We have taken a great deal of trouble over the amendments and they are as thoughtful as we could make them. My hon. Friends and I have not flooded the Order Paper with amendments, as we could have done. We have a small number of groups of amendments which we wanted to make as thoughtful as possible.

I shall not respond to all the flak that has come in my direction because I want to deal with the meat of the new clause which I thought, among other things, would help the environmental purposes of the Bill which, at the end of the day, is what we set out to do.

Sub-paragraph (2) says:

> "The Secretary of State shall give his consent under this Section in any case where he is reasonably satisfied that—
>
> *(a)* further development of the land which is to be reclaimed will be commenced not later than one year after the date on which the works of reclamation have been substantially completed".

That means that we want to keep within a reasonable time limit because there are many uncertainties in the growth

of traffic and there are many complexities in considerations of this kind. We want to be sure that if land is reclaimed and developed it is needed. Once this wildlife facility is destroyed, it is destroyed for ever and paragraph *(a)* was put in to try to help the environmental cause of the Bill.

I should have thought that paragraph *(b)* could have been accepted by the promoters without any arguement. One of the conditions is outlined in paragraph *(b)* which states:

"no reasonable alternative site for that further development is available on other land within the area of jurisdiction of the Company".

In other words, the company should look carefully before damaging the wildlife irrevocably. It should see whether any other land is available. That is a simple proposition. I should have thought that it was a valuable part of the new clause. Paragraph *(c)* reads:

"the area of land to be reclaimed is no greater than that which is reasonably required to accommodate that further development"

That point sprung directly from the Committee's evidence that I read carefully. One of the principal things in dock economics that is becoming a marked feature of dock development all over the country is that with modern equipment, dock work requires a smaller space. If space is to be an integral part of dock economics, I should have thought that that part of the new clause would have appealed to the promoters.

Subsection (4) reads:

"A consent given under this Section shall come into force as soon as it is given and shall remain in force for a period of one year for for such longer period as may be specified by the Secretary of State when he gives his consent".

In other words, we are talking about a reasonable time scale in the whole of the development. My hon. Friend the Member for Denton and Reddish (Mr. Bennett) made the point—he made it much better than me—that we are saying, quite emphatically—we have taken a good deal of professional advice on the new clause; it is the principle of the group of amendments — that while the Bill provides authority and power to make work and to do certain things, it is by no means the end of the matter. We believe that any development that takes place should be thought about carefully and should be supervised on environmental grounds so that we can engage in the process of environmental damage limitation. Even though the Felixstowe Dock and Railway Company has permission to do certain things, the amendments try to establish a framework of safeguards to say that it should do so in a certain way in order that the process can be monitored.

9.45 pm

For the life of me, I cannot see that that is a wrecking proposition. I have been accused of trying to wreck the Bill when, frankly, all I have tried to do is to avail myself of my constitutional rights to scrutinise what the company is doing. If at the end of the day I am accused of trying to wreck the whole measure, as far as I am aware, I have not spoken out of order. I have stuck to the point. I am trying to make the points that are directly relevant to to the amendments.

The new clause requires the consent of the Secretary of State before certain works can be undertaken. I hope that officers from the Department of the Environment are here in spirit if not in person. Perhaps the Department is rather like the Phantom of the Opera. I want to bring out a number of points on which I genuinely need guidance on environmental grounds. The new clause relates to clause 6 of the Bill which gives the company authority and power to make work under subsection (2), to which our new clause relates. It gives the company power to

"reconstruct, renew, alter, replace or relay the work and may maintain the same as reconstructed, renewed, altered, replaced or relaid."

Clause 7 relates to the deposition of spoil material in connection with land reclamation. I shall not develop the point because it has already been dealt with.

The Secretary of State for Transport is required to give consent to certain works containing reclamation, but not all. In addition, the provision does not apply to works which are not works of land reclamation, landscaping works, peripheral reclamation or deposit materials of any kind, although we argue that some of the amendments will damage wildlife in the areas to be reclaimed.

The purpose of the new clause is to provide certain safeguards for wildlife in the interests of international and national conservation. Unless the reclamation takes place in closely monitored conditions, we shall lose some of these facilities for ever more. The new clause seeks to ensure that that should not happen needlessly.

The evidence states that the development will mean "legalised concrete". I have not come across that phrase before, but I could not find a better description in the evidence if I tried. Together with all the back-up and buildings which go with quay and related development, the Secretary of State must have powers of permission and control to see that any development is carried out in as thoughtful a way as possible. That is in accord with our other amendments, to which I shall speak shortly.

I refer the House to the evidence of Dr. Michael Edward Moser, the national estuarial officer for the British Trust for Ornithology, given on Wednesday 26 February. He was a most distinguished witness and one can quote from almost any part of the conservation evidence. Dr. Moser examined the significance of the Orwell estuary and, within the estuarial area, the significance of Fagbury flats as a feeding and roosting area for wader and wild fowl populations. All the information was scientifically gathered from a birds of estuaries inquiry based on monthly bird counts on fixed dates which has been continuing since 1969. I am advised that all such counts are made at high water and with great thoroughness and industry.

I would not emphasise the point but for the tone adopted by the Felixstowe Dock and Railway Company and underlined by the hon. Member for Bury St. Edmunds (Sir E. Griffiths)—that, since only a small proportion of the estuary will be affected, it does not matter. The heart is only a small proportion of the body, so, purely on size and area, its critical function is completely underestimated. All the evidence given to the Committee showed that that small area was absolutely critical.

We are making our case in the light of the dismissive attitude to the new clause. It is necessary to have these procedural safeguards over the company's actions, although overall permission is given in clause 8 for the power of work to be exercised for reclamation.

Some points need to be cleared up and I shall ask some questions because I am genuinely seeking information on one or two matters. I am holding a letter from the Nature Conservancy Council which relates to the Orwell estuary

[Mr. Weetch]

and notification under section 28 of the Wildlife and Countryside Act 1981. The letter sets out the responsibilities to the developer. In paragraph 4 it states:

"You are required to give written notice to the Nature Conservancy Council (directed to the Assistant Regional Officer), of your intention to carry out any listed operation and you may not proceed with the work unless:

(a) the operation is carried out with the written consent of the Nature Conservancy Council;

(b) it is carried out in accordance with a management agreement under section 16 of the National Parks and Access to the Countryside Act 1949 or section 15 of the Countryside Act 1968 or

(c) three months have expired since the Nature Conservancy Council received notice of your proposal to carry out the work".

I understand that that point is in dispute by the promoters of the Bill. If the hon. Member for Bury St. Edmunds would listen to me, I would like him to clarify that point. I am genuinely seeking information on these points.

The letter from the Nature Conservancy Council contains an appendix headed

"Operations requiring prior consultation with the Nature Conservancy Council."

There must be certain forms of notification before development can take place. In that appendix, 13*(b)* states that there must be notification of

"Modification of the structure of watercourses, [e.g. rivers and drains], including their banks and beds, as by realignment, regrading and dredging."

Appendix 17 refers to reclamation of land from

"the sea, estuary or marsh."

As I understand matters from the original letter, the developer is required to give written notice to the Nature Conservancy Council. I understand from the Royal Society for the Protection of Birds that that point is disputed by the company. If that is so, I would like to know whether the promoters can tell me whether that is right.

My hon. Friend the Member for Wentworth (Mr. Hardy) has stressed the international importance of the area. He was absolutely correct to do that. The crux of the points which the Opposition are trying to make about the procedures for the framework of protection, occur in amendment No. 11. Amendment No. 11 is very important. It states:

"Page 6, line 2 [Clause 6], after 'above', insert 'and subject to the consent in writing of the Secretary of State for the Environment.'"

Whatever alterations take place and when the company exercises its power to put works into operation, the Secretary of State on behalf of the environmental interest of the country should seek close monitoring of the position.

Amendment No. 11 requires the authority of the Secretary of State for the Environment for works which involve the enclosure and reclamation of the bed of the sea, the river and its foreshore. It is a normal provision of ports and harbour legislation for the authority of the Secretary of State for Transport to be required for such work.

Sir Eldon Griffiths *rose in his place, and claimed to move,* That the Question be now put.

Question put, That the Question be now put;—

The House divided: Ayes 154, Noes 100.

Division No. 259] **[10.00 pm**

AYES

Alexander, Richard
Ancram, Michael
Arnold, Tom
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Bellingham, Henry
Best, Keith
Biffen, Rt Hon John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Bright, Graham
Brooke, Hon Peter
Buchanan-Smith, Rt Hon A.
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butterfill, John
Chalker, Mrs Lynda
Clark, Dr Michael *(Rochford)*
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Fenner, Mrs Peggy
Fraser, Peter *(Angus East)*
Gale, Roger
Galley, Roy
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Gorst, John
Gower, Sir Raymond
Greenway, Harry
Gregory, Conal
Ground, Patrick
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Haselhurst, Alan
Hawkins, Sir Paul *(N'folk SW)*
Hayhoe, Rt Hon Barney
Henderson, Barry
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Howells, Geraint
Jackson, Robert
Jessel, Toby
Jones, Robert *(Herts W)*
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Lawrence, Ivan
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lyell, Nicholas
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
Major, John
Malone, Gerald
Marland, Paul
Mates, Michael
Mather, Carol
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moore, Rt Hon John
Moynihan, Hon C.
Neubert, Michael
Newton, Tony
Norris, Steven
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir [illegible]
Pollock, Alexander
Portillo, Michael
Powell, Rt Hon J. E.
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Rathbone, Tim
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Ryder, Richard
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shepherd, Colin *(Hereford)*
Shersby, Michael
Shields, Mrs Elizabeth
Sims, Roger
Skeet, Sir Trevor
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanley, Rt Hon John
Steel, Rt Hon David
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Taylor, John *(Solihull)*
Temple-Morris, Peter
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thornton, Malcolm
Thurnham, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Waller, Gary
Watson, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Wiggin, Jerry
Wilkinson, John
Winterton, Nicholas
Wolfson, Mark

Wood, Timothy
Younger, Rt Hon George

Tellers for the Ayes:
Mr. R. Rhodes James and
Sir Eldon Griffiths.

NOES

Adams, Allen *(Paisley N)*
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Beckett, Mrs Margaret
Benn, Rt Hon Tony
Bermingham, Gerald
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, N. *(N'c'tle-u-Tyne E)*
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Clark, Dr David *(S Shields)*
Clay, Robert
Clwyd, Mrs Ann
Cook, Frank *(Stockton North)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Cunliffe, Lawrence
Dalyell, Tam
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Freeson, Rt Hon Reginald
Hamilton, James *(M'well N)*
Hardy, Peter
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
Jones, Barry *(Alyn & Deeside)*
Kennedy, Charles
Lamond, James
Leadbitter, Ted
Lewis, Terence *(Worsley)*
Litherland, Robert
Lofthouse, Geoffrey
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pike, Peter
Powell, Raymond *(Ogmore)*
Radice, Giles
Randall, Stuart
Redmond, Martin
Robinson, G. *(Coventry)*
Rogers, Allan
Sheerman, Barry
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Stott, Roger
Strang, Gavin
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Tinn, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael

Tellers for the Noes:
Mr. Andrew F. Bennett and
Mr. Eddie Loyden.

Question accordingly agreed to.

Mr. Speaker: The Question is, That the clause be read a Second time. As many as are of that opinion say Aye.

Hon. Members: Aye.

Mr. Speaker: Of the contrary, No. I think the Ayes have it. The Ayes have it. The Question is, That the clause be added to the Bill. As many as are of that opinion say Aye.

Hon. Members: Aye.

Mr. Speaker: Of the contrary, No. I think the Ayes have it. The Ayes have it.

It being after Ten o'clock, further consideration of the Bill stood adjourned.

Mr. Speaker: Bill to be further considered, what day? No day named.

Later——

Sir Eldon Griffiths: On a point of order, Mr. Speaker. I was, of course, listening carefully to your calls from the Chair on new clause 2 to the Felixstowe Dock and Railway Bill. Due to the noise in the Chamber I was unable to hear the motion that was put. Consequently——

Mr. Speaker: Order. I put the Question very slowly and I was looking at the hon. Gentleman when I put it. I did not hear any objection to it.

Bexley London Borough Council Bill *(By Order)*

Mr. Speaker: Second Reading, what day? No day named.

European Community (Drivers' Hours)

10.13 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): I beg to move,

That the draft Drivers' Hours (Harmonisation with Community Rules) Regulations 1986, which were laid before this House on 11th June, be approved.

Mr. Speaker: Perhaps it will be convenient to take at the same time the following motions:

That the draft Drivers' Hours (Goods Vehicles) (Modifications) Order 1986, which was laid before this House on 11th June, be approved.

That the draft Community Drivers' Hours and Recording Equipment (Exemptions and Supplementary Provisions) Regulations 1986, which were laid before this House on 11th June, be approved.

That the draft Community Drivers' Hours and Recording Equipment Regulations 1986, which were laid before this House on 27th June, be approved.

Mr. Bottomley: The regulations and the order form part of a comprehensive revision of rules governing the driving time and rest periods of goods and passenger vehicle drivers and the use of tachographs. Taken as a whole, the new European Community and domestic rules will benefit drivers by reducing the maximum number of driving hours in a fortnight from 92 to 90 and by increasing the requirement for normal weekly rest from 40 to 45 hours. There is provision for this to be reduced, but the reduction has to be compensated within a three-week period. The minimum break time for most drivers will be increased from half an hour to three quarters of an hour and it will be made easier for drivers to vary their driving hours so that they can reach their homes and relax properly rather than be forced to spend nights in their cabs.

The new rules pay attention to the needs of drivers and they are not too complex to enforce. The Government are firmly committed to effective enforcement of the existing and the new regulations. The new European Community regulations clarify and enhance enforcement officers' powers to inspect and seize charts. They place a new duty on operators to check that their drivers are observing the rules and to take action if they are not.

We shall continue our vigorous enforcement policy and will be consulting both sides of the industry about ways in which it can be made even more effective.

This subject has been under discussion in the European Community for four years. Most goods vehicles over 3·5 tonnes and most coaches are subject to the EC regulations on drivers' hours and tachographs unless they fall within a derogation.

New EC regulations 3820/85 and 3821/85 were agreed by the Council of Ministers on 14 November 1985 and will come into effect on 29 September 1986. Hon. Members will recall that in their draft form they were debated in the House on 3 December 1984. They apply directly to the United Kingdom and are not the subject of today's motion, apart from provisions for permissible derogations, but they underlie our debate.

The new EC regulations result from many months of negotiation and reflect the views of all the member states. We are not entirely satisfied with either the content or the drafting, but taken as a whole we believe that they are a significant improvement on the existing regulations and will bring benefits to both drivers and operators.

Mr. Max Madden (Bradford, West): Will the Minister confirm that the British Commissioner responsible for road traffic matters and transport matters has indicated that he does not support the regulations and sees no need for their introduction? Will he also confirm that there is no mandatory obligation on the British Government to introduce these regulations and, as a great many drivers see no need for them, will he respond to that feeling by not bringing forward the regulations?

Mr. Bottomley: The Commissioner is well able to speak for himself and give his own views. As for the second part of the question, I intend to cover it in what I have to say.

Drivers in this country are subject not only to the EC rules on driving time and rest periods but also to the provisions of the Transport Act 1968 on duty periods, the total time a driver may work. Drivers not subject to the EC rules are subject to the provisions in the Transport Act 1968 on driving, rest and duty periods. With the introduction of the new EC regulations, it was necessary to re-examine the 1968 Act.

Under the present EC regulations, the existence of two overlapping sets of laws complicates operational planning. Under the new regulations, this duplication would be largely unnecessary since the new provisions on rest periods will on their own effectively limit the hours a driver can be on duty. To retain our existing weekly duty limit of 60 hours would prevent the use of a new EC provision which allows weekly rest to be reduced in one week provided it is compensated within the following three weeks. So we are proposing to abolish all 1968 Act limits on duty hours in so far as they apply to driving subject to the EC rules.

Turning to the four instruments before us, the Community Drivers' Hours and Recording Equipment (Exemptions and Supplementary Provisions) Regulations 1986 will provide for permissible derogations from the two Community regulations; where the drivers' hours regulation gives member states an option to modify the application of that Regulation, take advantage of that option, and require the installation and use of tachographs in certain parcels vehicles.

Regulation 1 revokes existing regulations providing for exemption from the existing EC drivers' hours and tachograph regulations. Regulation 2, with the schedule, provides for permissible exemptions from the drivers' hours regulation. In most cases the vehicles exempted correspond precisely to the categories of vehicles specified in article 13(1). The exemption limit for buses and coaches is increased from a maximum of 15 seats to 17 seats, both including the driver. This will be of particular benefit to private users of such vehicles. Hitherto we have taken the view that private driving was not subject to the EC regulations, but the new texts make it clear that they do apply to passenger transport. This is something we have asked the Commission to re-examine. In any case, our power of derogation will be used to ensure that, on journeys within the United Kingdom only vehicles with more than 17 seats will need to comply with the EC drivers' hours rules and to fit and use tachographs.

Part II of the schedule contains exemptions from the drivers' hours regulation under article 13(2) of that regulation. These exemptions require authorisation from the Commission. Application has been made for such authorisation and the regulation will not be made until it has been granted.

Regulation 3(1) extends to national non-regular passenger services the concession allowing the weekly rest period to be taken after 12 days of driving instead of six days. Regulations 3(2) and 3(3) provide that an alternative break provision can apply to regular national passenger services operating into or out of central London. For those services the three quarter hour break after four and a half hours of driving can be replaced by a half hour break after four hours of driving under certain circumstances. We are considering whether this might be extended to other cities.

Regulations 4(1) and 4(2) provide exemptions from the tachograph regulation for vehicles exempt from the drivers' hours regulation and also sea coal vehicles. The exemption provided by regulation 4(2) also requires authorisation from the Commission.

Regulation 5 applies the tachograph regulation to all vehicles carrying postal articles, other than letters, which would otherwise be exempt. "Letters" is defined by reference to the Post Office inland post scheme 1979.

In regard to the Community Drivers' Hours and Recording Equipment Regulations 1986, this draft instrument made under section 2(2) of the European Communities Act 1972 makes consequential textual changes to primary and secondary legislation to take account of the repeal and replacement of Council regulations 543/69 and 1463/70 by regulations 3820/85 and 3821/85.

I turn to the Drivers' Hours (Good Vehicles) (Modifications) Order 1986. This draft instrument is made under the powers in section 96(12) of the Transport Act 1968 to modify the domestic drivers' hours code for goods vehicles which are outside the scope of the EC regulations. Under regulation 2 all of the domestic drivers' hours code is disapplied except for the daily driving limit in section 96(1) and the daily duty limit in section 96(3)*(a)*. The time structure provided by a limit on spreadover in 96(3)*(b)* is removed. In consequence of the disapplication of section 96(4) of the 1968 Act, which provided for a statutory period of rest between two successive days, the definition of "working day" is amended. Regulation 3 replaces the existing provisions which provide for further exemptions for light goods vehicles with new provisions which have been altered to take account of the fact that all the domestic drivers' hours code, except for the two provisions on daily driving and daily duty mentioned, are disapplied under regulation 2.

Finally, we have the Drivers' Hours (Harmonisation with Community Rules) Regulations 1986.

This draft instrument is made under sections 95(1) and (1A) of the 1968 Act. Regulation 2 provides that the domestic drivers' hours code shall not apply to Community regulated driving but that the periods of driving subject to Community rules count towards limits in the domestic drivers' hours code. Regulation 3 alters the definition of "working week" so that, consistent with the definition of the "week" in article 1 of the drivers' hours regulation, it runs from midnight Sunday/Monday. This change is needed to synchronise the operation of the domestic drivers' hours code with the new Community provisions. Traffic Commissioners will be able to vary the date of making this change to suit the needs of individual PSV operators.

Taken as a whole, besides the benefits that I spoke of at the beginning of my speech, the new EC and domestic rules will benefit coach operators by making possible some longer day trips using one instead of two drivers; by easing the time pressures on some scheduled journeys; and by applying the same rules to tours within Britain as to international tours. They will provide benefits for lorry operators by allowing more flexibility in arranging work schedules, by removing the existing limits on duty time and by exempting operators on small islands, including the Isle of Wight, if the vehicles do not leave the island. They will benefit farmers by exempting from most limits their vehicles when used to carry goods within 50 km of base. They will benefit small businesses by exempting from most limits vehicles up to 7½ tonnes carrying materials or equipment for use in the course of the driver's work within 50 km of base.

Finally——

Mr. Gavin Strang (Edinburgh, East): The Minister used the word "Finally". I hate to think that he intends to present such a one-sided account of the regulations and then sit down. Does he intend to address the very real concerns, of which he must be aware, that have been put forward by the Transport and General Workers Union before he sits down?

Mr. Bottomley: The hon. Gentleman was probably here at the beginning of my speech, when he heard about the benefits that the regulations will bring to drivers. I intend to finish my speech and then to listen to the debate and respond.

The proposals contained in these instruments pay proper regard to road safety and they are consistent with our policy of reducing unnecessary burdens on industry. Trade unions and employers will be able to negotiate together new patterns of work which will allow both drivers and operators to benefit fully from the increased flexibility that is now available to them. I commend the draft statutory instruments to the House.

10.26 pm

Mr. Roger Stott (Wigan): I listened with interest to the Minister's speech. I was amazed by the Minister's complacency when he moved these very important and significant recommendations. I sense that both sides of the House agree with that statement.

Mr. Conal Gregory (York): Rubbish.

Mr. Stott: Occasionally remarks like "rubbish" are made from a sedentary position.

These are very technical regulations, and by their very nature they are somewhat desiccated, as was evident from the Minister's monosyllabic delivery when he read his brief. However, just because they are technical and detailed does not mean that they are unimportant. They are very important. Many of my hon. Friends wish to speak during this one and a half hour debate. Therefore, I shall endeavour to keep my remarks to a minimum, but I make no apology for spending some time upon a very important and technical matter.

Before these regulations were laid before the House, the 1968 regulations provided for up to 10 hours driving at the wheel, up to 11 hours on duty, including driving, up to 12½ hours spread over—that is, booking on and booking off — and at least a half hour break for rest and refreshment after 5½ hours on duty. There were at least 11 hours of consecutive duty.

Because the law for the majority was simple to understand and enforce, it led to an improvement in road safety standards. That is demonstrated by the fact that the

[Mr. Stott]

United Kingdom has a higher road safety standard than any other member state in the European Community. I am not proud of that, because there are still far too many accidents, but at least we can take some comfort from it.

In November 1984, statements were made by the Government in both this House and the other place about their intention to revise United Kingdom legislation which imposed limitations on regulation 543/69 for national journeys. The contention was that the proposed changes would eliminate the need to continue the limitations. The new regulations have now been published, and the Minister has told us about them.

Contrary to what the Government said, the new regulations will fundamentally change the hours of work and the rest periods, providing for an extension of driving hours and of the working day, and allowing, overall, for shorter rest periods. If the Government go ahead with these regulations, the permutations that will be available after 29 September will, in my view, and that of many people, especially those who drive heavy lorries, be impracticable and unenforceable.

In these regulations, the EC has apparently endeavoured to create greater flexibility for road transport operations and greater simplicity of enforcement, while increasing road safety and improving the working conditions of drivers. Against that, we must carefully examine what the Minister has said. Most United Kingdom drivers and operators are subject to national rules, which apply to journeys within Great Britain in vehicles over 3·5 tonnes maximum authorised weight.

In the past, national rules have comprised EC regulations and certain provisions of the Transport Act 1968. The new Government proposals, which are contained in these draft regulations, attempt to abolish the duty limitation on driving and work. I shall give four examples. We are now talking about statistics and figures. The current daily driving day, under existing legislation, is eight hours, but the Government's proposals will mean nine hours. The current number of hours for continuous driving is four, and the Minister now proposes four and a half hours. Weekly rest now totals 40 hours, and the Minister proposes that the figure should increase to 45 hours. Daily rest currently amounts to 11 hours, and in that regard, the Minister seeks no change.

Let us look at the figures for the current hours. They may be extended twice in any one week to 10 hours. Member states may fix minimum breaks of 30 minutes after driving periods not exceeding four hours for national passenger carriage on regular services. The daily rest periods may be reduced to 36 consecutive hours if taken at the base of the vehicle or driver, or 24 hours if taken elsewhere. Each reduction may be compensated for, en bloc, before the end of the third week in question. I apologise for giving such detailed information, but it is necessary to understand these regulations.

The emphasis on driving time limitations and the absence of any duty limits in EEC 3820/85 and the proposed national rules demonstrate a complete misinterpretation of the origins of driver fatigue. It reflects the commonly held view that driving fatigue is merely a factor of the length of time spent behind the wheel. It may be convenient to legislate for limits on driving times, but there is no empirical evidence to support driving time limits on road safety grounds.

Evidence showing that time spent behind the wheel is not a major factor in fatigue accidents was reported by the Transport and Road Research Laboratory in 1984. In a survey of 2,000 motorway accidents, involving heavy goods vehicles and passenger service vehicles it was found that fatigue was responsible for 11 per cent. of them. But the more important statistic is that 62 per cent. of those drivers had their accidents within 100 miles of beginning their journeys.

This is quite inconsistent with the view that limitation in driving time alone will reduce accidents caused by fatigue.

Research suggests that fatigue accumulates from mental and physical work in general and from irregular working hours which disrupt sleeping patterns and bodily rhythms. Many scientific examples demonstrate that. Dr. Ivan Brown, the assistant director at MRC Applied Psychology Unit, Cambridge, argues:

"There is a potential serious road safety problem among commercial truck and bus operators, where chronic fatigue is largely the result of bad law, which constrains hours of driving but fails to control hours of work, resulting in widespread flouting of the EEC Regulations and the general loss and disruption of sleep among drivers."

There are other examples where scientists have found that it is not the time behind the wheel that counts, although that is important, but the working day and the accumulation of fatigue over that day. The chap clocks on and starts to load his vehicle, drives down the motorway for the maxiumum four and half hours under these proposals, then unloads his vehicle, loads it again and goes back to his depot.

The amount of time that the driver of the heavy goods vehicle is subjected to fatigue is not necessarily manifested in the time that he is behind the wheel. Fatigue is the combination of the time that he is behind the wheel and the time that he is at work. That is the significant point which the Minister has missed. What we must do is to put a duty limitation on the time of work, not on the time behind the wheel.

At some pain to my researchers and myself, I have worked out a couple of examples. As my basis, I used the regulations which the Minister has just annunciated from the Dispatch Box. Driver X takes nine hours rest period, which he is permitted to three times a week, from midnight until nine o'clock in the morning. He begins work at nine o'clock with loading and unloading work at the depot until 13.30 hours. He then drives to his destination, without a break, for four and a half hours. He will arrive there at 18.00 hours. At this point he has been on continuous consecutive duty for nine hours. He takes a break of 45 minutes and at 18.45 pm unloads and loads his vehicle for three hours until 21.45 pm. He then starts his four and a half hour drive back to the depot, arriving at 2.15 am.

The new regulations will allow him to work in this fashion until 15.00 hours on day two when he will have taken his daily rest periods. I have not made that example up. That is what will happen under the new regulations.

Let us take a further example: the abolition of the limit of 11 hours on daily duty. Driver Y takes his daily rest period between midnight and 9.00 hours and loads up at eleven o'clock He then drives to his destination without a break, arriving at 15.30 hours. After a 45 minute break he unloads and loads his vehicle commencing at 16.15 pm and continuing until 19.30 pm. He finishes his days work with a four and a half hour journey home and arrives at

midnight. Driver Y would be operating legally within EC 3820/85 and he could repeat this 14½ hour work schedule for three consecutive days.

Over the past few weeks, I have painstakingly worked out what could result, in terms of a working schedule, if the regulations went through. The Minister may say that, in reality, that would not happen because the employer would not want his driver to do what I have described. I do not know about that. Let us say, for the sake of argument, that the employer is an enlightened employer, and he may not want his driver to do that. However, there are many thousands of what are euphemistically called "cowboy operators" in the public transport field who would. Moreover, it would be legal for them to do so. They could do what I have described, and it would be completely legal.

There is no argument between the Minister and myself — nor was there with his predecessor — about the importance of road safety. I have stood at the Dispatch Box continually since 1979 and have addressed myself to the issues of road safety. I will not be found wanting by anybody in my concern for road safety. I do not doubt the Minister's concern either. I think that he is going about it the wrong way. I do not believe that it is a political issue. It is a common sense issue. I wish that the Minister would reconsider what he proposes, withdraw the regulations and have another think about them. If he does not do so, in my view and in the view of many people, he will be taking a retrograde step.

10.41 pm

Sir John Wells (Maidstone): My hon. Friend the Parliamentary Under-Secretary of State for Transport will be acutely aware of my personal anxiety about all matters of road safety. I shall not speak about the case in my constituency that is sub judice, except to say that I do not believe that drivers' hours contributed to that great tragedy. There have been other tragedies in my constituency over the past two years where drivers have conceivably dozed off for a second or two. There have been subsequent accidents with the loss of human life where the driver has not paid a heavy penalty, for reasons best known to the courts.

Many lorries from the continent go to the town of Maidstone and its neighbourhood. Maidstone anticipates the Channel tunnel in the foreseeable future, and it welcomes fruit lorries because they are its life-blood. Drivers work long hours. The fruit markets up and down the country keep hours rather like the House of Commons. The people of Maidstone see those drivers thundering through their town at every hour of the day and night.

The picture painted by the hon. Member for Wigan (Mr. Stott) of the changed hours in the two examples he gave of driver X and driver Y filled me with horror and dismay. I was also perturbed that my hon. Friend brushed aside the question that the hon. Member for Bradford, West (Mr. Madden) raised of the traffic commissioner of the EEC. Why did my hon. Friend say that the traffic commissioner could speak for himself? I do not see him in the civil servants' box. I do not see him at the Bar of the House. He cannot speak to the House for himself. As God's representative in the House, perhaps my hon. Friend will speak for God for a moment.

Mr. Tam Dalyell (Linlithgow): The *Financial Times* of 5 July reported Mr. Stanley Clinton Davis as saying:

> "I would have been happier if the council could have accepted other aspects of the proposal, notably the equivalent of a full weekend's rest for drivers and a better system for the control and enforcement of these regulations."

That is clear enough, as are the EEC press releases. It is frivolous and lazy for the Minister to give such an answer.

Sir John Wells: I understand why the Minister did so, but perhaps in his reply he will come cleaner with the House. Many hon. Members wish to speak and I do not want to waste the time of the House, but I must emphasise the great anxiety in my area about lorry and coach safety. We should like a little better assurance than we have had.

10.51 pm

Mr. Roy Mason (Barnsley, Central): I have a special constituency interest in these regulations. Barnsley is only one and half miles from the M1 and only a few miles from the M6, so we have major motorways running north, south, east and west nearby. Consequently, it is in a perfect position for the siting of road haulage firms. Therefore, in recent years a multiplicity of large and small companies have come to operate from our area.

The Transport and General Workers Union branch 9/17 in my constituency, speaking on behalf of lorry drivers—the branch covers all the commercial firms and has up to 100 drivers in Barnsley and surrounding areas —is seriously concerned about the proposed changes in drivers' hours and rest periods. The drivers are not against change, but the present rules governing drivers' duty periods have been in operation for about 18 years, mainly to the satisfaction of lorry drivers, coach drivers, the TGWU and all the related unions. I am informed that all the unions affected by the changes are strongly resisting them. They fear — the Government appear to have admitted this—that within the regulations a 14 hour day is feasible. They have not agreed any of these changes with the Government, and there has been no unanimity on the new regulations on any of the European Economic Community Committees.

The TGWU sent a letter to the Department of Transport on 13 March setting out its objections to the regulations. It met Ministers on 30 April, and again expressed its concern. In particular, it stated strongly that the greater flexibility incorporated in the new regulations and the proposals to amend the provisions of the Transport Act 1968 would make enforcement more difficult and lead to increased driver fatigue. It is so seriously upset at the proposed changes that it is now issuing warnings to its men that being fatigued kills. It is so concerned about the well-being and safety of its members that its message is, "Sleep in bed and not at the wheel. Longer hours will lead to greater tiredness, and accidents will be inevitable." The union knows that bad employers will exploit the flexibility of the regulations to the detriment of its members. It fears that the effect of the regulations will be more tired drivers, and tired drivers are a threat to themselves and to everyone on the roads, including pedestrians.

Lorry, truck and coach drivers throughout the whole EEC, backed by the International Transport Workers Federation, have also combined to warn about the increased risk of accidents on the roads through fatigue. The ITWF has warned the Common Market Commission and the Council of Ministers that it is possible that a permutation of the new regulations could allow managers to operate drivers on six consecutive days, driving 12·5

[Mr. Roy Mason]

hours on three days and 14·5 hours on three days. Two drivers on a vehicle could be on duty for a continuous period of 22 hours with two breaks of 15 minutes, and drivers on international coach trips could be on duty for 12 consecutive days before taking a rest day.

Employers can, and the fear is that some will, exploit the weaknesses in the regulations. There are bad employers and, as my hon. Friend the Member for Wigan (Mr. Stott) said, cowboy operators in the commercial truck business. Therein lies the danger and the unions' fears.

The Government intend to rescind the current 60 hours on duty limitation, and regulation 3820/85 recinds the current weekly driving hours limitation. Therefore, the union argues, driving hours will increase from eight to nine hours daily for all drivers, and, by the introduction of the sixth day working, they could then be called upon to work four nine-hour spells and two 10-hour spells, resulting in 56 hours driving and working in one week. They may not be called upon to operate for 34 hours the next week but what dangers will that one over-tiring and exacting week cause?

That is why the union, in its message to its membership, clearly states that the medical research studies in recent years have shown that excessive hours of work and inadequate rest lead to greater driver fatigue and increase the accident rate. The studies show that fatigue is often the contibuting or main cause of accidents. However, the employers and the Government have not accepted that. Drivers' health, safety and welfare are paramount. As the union states,

"Unless we can effectively campaign and succeed in retaining United Kingdom provisions for national journeys these will become secondary as drivers fall by the wayside, younger drivers will replace them, this is the practice now happening within the Community who have no on-duty limitations and work up to 90 hours in a week."

The Barnsley branch of the Transport and General Workers Union—9/17 branch—drew my attention to this final message which they endorse from practical experience.

The union has painted a very worrying picture. According to the union:

"There appears to be no comprehension in the Department of Transport about the physical and mental demands on a driver or the effects of fatigue. Various studies of illness and injury have been made. These showed increased rates of hypertension, coronary heart disease amongst drivers plus a high rate of insomnia, headaches, fatigue, ulcers and other digestive disorders as well as musculature problems including pain in the lower back and neck. Difficult working conditions associated with the lack of adequate toilet and meal facilities, noise, traffic, vibration, all contribute to stress-related factors affecting drivers."

However, the Department of Transport and the regulations take no account of that.

Mr. Robin Maxwell-Hyslop (Tiverton): Will the right hon. Gentleman give way?

Mr. Mason: I am making my conclusions.

My constituents say that they would like to know how rescinding the 11 hour on-duty time can be justified with no practicable means of enforcing the taking of the accrued rest hours. The Barnsley union continues:

"The change to a new fortnightly limit on consecutive driving will be impossible to monitor and enforce, while the abolition of the five-hour 30 minute continuous duty limit and its replacement with a four-hour 30 minute limit on driving will mean many drivers will never qualify for any break. Drivers will work longer hours. The inability to enforce what remains of the law will allow cowboy operators a free rein. They will compel reputable operators to work at least to, if not beyond, what would be legal. Looser drivers' hours regulations, coupled with a reduced police inspection rate when the Health and Safety Executive take over responsibility for roadside checks on vehicles carrying hazardous loads, will result in a cowboy's charter."

My branch of the union has a great deal of responsibility for its membership and it is seriously concerned about the regulations. The Minister addressed the House with contempt this evening. I have never known a Minister bring forward regulations of such importance, of serious concern to many lorry, coach and truck drivers—I speak on behalf of my constituents—and make opening remarks that were an absolute disgrace. I hope that he will rectify the position when he replies. It is incumbent upon the Minister to answer the many queries that have been raised in all seriousness and I hope that he will be able to allay many of the fears that I have expressed.

10.54 pm

Mr. Conal Gregory (York): This is a matter of great importance and one that involves safety. I am sorry that the Opposition should seek to make strident party political points when we are dealing essentially with matters that go to the heart of our transport system. As one who does not depend upon a research assistant—as the hon. Member for Wigan (Mr. Stott) did—but who has been involved in industry and seen much of the distribution system, I know that there is a major fallacy in the hon. Gentleman's arithmetic—*[Interruption.]* I appreciate that some hon. Members may not wish to hear the fallacy, but they should bear with me for a moment.

The hon. Gentleman miscalculated, because he did not take into account the fact that, in many cases, drivers do not load their vehicles. I have visited depots in and around York and met drivers who belong to the Transport and General Workers Union, about which the right hon. Member for Barnsley, Central (Mr. Mason) spoke, and I know that the vehicles are already loaded before the measured time commences. If the hon. Member for Wigan is serious about transport—I think that he is, for he is an honourable Member, whom I have faced across the Chamber for some years now—during the recess he should go into industry, where he will find support for the measures.

I shall not rely, as the hon. Member for Linlithgow (Mr. Dalyell) did, on quoting the Socialist former mayor of Hackney as the source of all erudition in this matter. The Opposition Benches contain much more skill than that on which he could have called.

Let us go to the root of the matter and consider the safety aspects of transport. My hon. Friend the Minister must be due some praise, for an increase in the weekly rest period from 29 hours to a minimum of 45 hours must be of interest.

I would ask the House to consider the equivalent of pilots' licences for the heavy goods vehicle and passenger vehicle industries. In the airline business, the qualified pilot can work only for a given number of hours. He cannot come off a plane, of whatever dimension, and immediately fly a smaller plane or another type of plane. However, that does not apply in heavy goods or passenger transport. Drivers who should be entering periods of rest can pursue gainful employment as drivers of other coaches

or even taxis, for there is no correlation on the tachograph between the two forms of transport. I raised this matter in the House yesterday, in the hope that my hon. Friend the Minister would consider it today. We must consider the provision of personal logbooks for drivers. Then we could see the number of hours worked in a week or a month, which must be in the interests of traffic safety and of the drivers. Their periods of rest must be genuine, and not times when they are in gainful employment driving coaches and lorries.

Tourism has not yet been mentioned this evening. If, as is suggested here, there will be an increase in longer day trips for coach operators, and the application of similar rules to British and non-British companies, it must be in the interests of the development of United Kingdom tourism, which is the fastest growth industry in Britain. That is another reason for recommending the regulations to the House.

10.58 pm

Mr. John Cartwright (Woolwich): I found it no easier to understand the regulations than the Minister did to explain them. As someone who comes fresh to the problem, I am bound to say that the submissions of the Transport and General Workers Union were much easier to understand and a good deal more convincing than some of the Minister's comments. I know that he has valued his membership of the TGWU, and I should have thought that he would have given rather more weight to its submissions on the issue.

The Minister's case seems to rest on the argument of flexibility, and the fact that the new regulations permit daily driving and rest periods to be varied to suit operational requirements. I accept that that can be of great benefit to an operator, or a firm working on a tight schedule to get a job done or a delivery made. I also understand the Minister's point that on occasions that can be of great benefit to the driver, too. It can enable him to drive that bit longer to get home and have a decent rest rather than having a nap in the cab.

However, surely the message from various parts of the House is that flexibility involves risks, and the regulations provide for an almost infinite number of variations of daily, weekly, fortnightly and monthly driving limits and rest entitlements. Against that background, drivers will have great difficulty in keeping track of their own situation and entitlements. Whatever the Minister says about enforcement, it will be extremely difficult for enforcement authorities to keep track of what is going on.

The regulations provide the opportunity for unscrupulous employers, or indeed unscrupulous drivers, to take advantage of them, and to arrange for drivers to work over-long hours and to miss much-needed rest periods and meal breaks, with very little chance of getting caught. Such a situation must inevitably put pressure on the reputable haulier, the firm that is anxious to maintain standards and concerned about road safety. Such firms may be placed at a competitive disadvantage as a result of the operations of less scrupulous firms, which take full advantage of the flexibility that the regulations offer. That could lead to a general decline in the standards of the road haulage industry.

Other hon. Members have said that the 1968 limits that are being removed by the regulations were clear, precise and easy to understand. Since 1968, undoubtedly the situation on our roads has changed. In some ways, it has changed for the better, and in some ways it has changed for the worse. We have more roads, and in some cases better roads. We have more motorways, but at the same time there has been a substantial increase in car ownership since 1968. Commercial vehicles are in many cases carrying much heavier loads than they were then, and they are operating at much faster speeds. All those factors have increased traffic congestion and have certainly increased pressure on commercial drivers. As a result, they have increased the risk of fatigue. It seems to many of us that this is hardly the time to risk aggravating that fatigue by enabling drivers to work longer hours.

I know that the Minister argued on 25 June that

"There is no clearly established connection between driving hours and fatigue." — [*Official Report*, 25 June 1986; Vol. 100, c. *242*.]

That is an argument that many of us who drive either professionally or on an amateur basis will find hard to accept. Whether we argue about that or not, one point that we cannot argue about at all is one put to me by the Woolwich district officer of the Transport and General Workers Union. He told me that under circumstances of congestion and pressure, fatigue can kill. None of us can dispute that. The TGWU quotes a 1985 survey of drivers in international transport, which showed that over 7 per cent. of those drivers had been involved in an accident caused by falling asleep at the wheel. I do not think that any of us would argue with the finding of my local TGWU official that

"Any legislation to encourage this trend would be criminal."

That is an indictment against the regulations.

I understand that after four years of negotiation in Brussels there is an inevitable temptation to take second best. The Minister has accepted that the regulations do not meet all the United Kingdom's objectives. When we are talking about vital issues of road safety, and thinking about the sheer size of the vehicles that are now on our roads I do not believe that we should accept the risks involved in accepting second best. I suggest that the Minister should take the regulations away and produce something that is a good deal more watertight and reassuring both to drivers and to the public.

11.3 pm

Mr. Simon Coombs (Swindon): I speak in the debate with a constituency interest in having one of the nation's motorways, the M4, running through part of my constituency. The motorway brought good communications to Swindon, and at the same time it brought with it the risks to users of that motorway. It is with that issue in mind that I speak tonight.

The issue of road safety has been brought home to hon. Members very clearly today with the anouncement of increased accident figures for motorways in the past year. Clearly, we must consider that question. I pay tribute to the generally high standards of professional drivers of buses, lorries and other forms of transport who use the major road arteries of this country. With few exceptions, they demonstrate a professionalism and expertise that is a credit to their profession and an essential feature of high road safety standards.

We are discussing the marginal or grey area where the regulations can be broken and bent. We must ask whether the regulations, whether they are old or new can be adequately enforced. I ask the Minister to tell the House,

[Mr. Simon Coombs]

in closing the debate, how he equates greater road safety and security for all users of roads with an increase in the number of hours that a driver may drive on one day, whether it is from eight to nine hours, or indeed, on two days a week, for up to 10 hours. How is that conducive to greater road safety?

Secondly, how far would increasing the maximum number of hours driven in one stage from four to four and a half hours be conducive to road safety, when the break that follows that period is reduced from half an hour to a quarter of an hour? I am not sure what one can do in a quarter of an hour. I suspect that a driver can rush around to do the things that have to be done. Is that very much of a rest? I question the regulations on that basis.

The complexity of the regulations must be evident to all hon. Members. We have heard an explanation from both Front Benches. Most hon. Members would say that an administrator would need to concentrate hard to work out rosters with all the permutations and find out what can be done legally, let alone what they can get away with. I question the regulations on the basis of their complexity.

The advantage that has been put forward is in the flexibility of these regulations. I do not agree with that view. Flexibility, if it is positively and properly handled, can be beneficial. Then again, flexibility can lead to a labyrinth of complications that can be abused.

Finally, how can we be sure that these regulations, if they are passed by the House tonight, will be enforced properly? I would welcome perhaps a departure from his brief, and hope that the Minister will tackle the issue of road safety. Will the Minister say that we can expect to have an adequate level of enforcement of the regulations to ensure that they are not abused and that, as a result, the safety of other travellers on our roads is not put at risk?

I hope very much that my hon. Friend the Minister will take up the point put to him by the hon. Member for York (Mr. Gregory) in relation to a personal logbook. That seems to offer a way forward in ensuring that individuals will go by the book, literally. I hope that my hon. Friend will reply positively and sympathetically. I know that it is in his heart to do so because he shares my concern for road safety. I hope that the Minister will tell the House how he sees these matters and these problems being dealt with in the future.

11.8 pm

Mr. Michael Foot (Blaenau Gwent): Like right hon. and hon. Members on this side of the House, and I dare say some from the Government Benches, I have been approached by many drivers from my constituency. I wish that I could convey to the Minister the sense of outrage they feel about the introduction of these proposals. I must say that their sense of outrage would be greatly increased if they had been able to attend and listen to this debate.

An overwhelming case has been put by my hon. Friend the Member for Wigan (Mr. Stott), speaking from the Front Bench, and by my right hon. Friend the Member for Barnsley, Central (Mr. Mason). Indeed, there has been only one speech from the Government Benches in favour of the regulations. A hon. Member thought that it was relevant to pour scorn on the traffic commissioner in Brussels, who holds the same view as we do about the measure. The performance of the Under-Secretary of State has been pitiful and derisory. If the regulations are passed because of that type of persuasion, it will be an insult to the House and will do great damage.

All those who have discussed this matter listened with derision to the explanation of the Under-Secretary of State of what the regulations do:

"There is no clearly established connection between driving hours and fatigue.—[*Official Report* 25 June 1986; Vol. 100, c. *242*.]

What drivel! Apparently, that view is based on a proposition of the House of Lords Select Committee. I doubt that that Committee really believes that. It is especially comic that that statement was made at a time when the other place is complaining that it sits for too many hours and that it is suffering from fatigue. What ludicrous nonsense that is. I hope that the Under-Secretary of State will listen carefully to hon. Members' comments. I am sure that he is passionately eager to assist with road safety and to introduce fresh measures to meet that aim. These regulations drive in the opposite direction. The hon. Gentleman should be ashamed to proceed with them. If he does so, some of the blood will be on the Government's head. I therefore urge the hon. Gentleman to withdraw the regulations and look at them afresh. That is what the House asks him to do.

11.10 pm

Mr. Sydney Bidwell (Ealing, Southall): I am a Member sponsored by the Transport and General Workers Union and I am currently chairman of the 31-strong group in the House. Yesterday, following a question by me we drew the attention of the House to the remarks of the Under-Secretary of State for Transport—the hon. Member for Eltham (Mr. Bottomley) — in a written reply to a question by my hon. Friend the Member for Liverpool, Riverside (Mr. Parry). The hon. Gentleman made the idiotic comment that there is little relationship between fatigue and the hours that a driver spends at the wheel. The Minister's response was a carefully premeditated written reply to a written question. It was not made off the cuff.

The Under-Secretary of State comes to his present occupation with a reputation for caring about road safety. He is supposed to be an outstanding performer. We all care about road safety. If the House really cares, it will throw out these regulations. Conservative Members who are listening patiently must share our conservation and concern. They should not hesitate in the name of the House of Commons to reflect people's anxieties. They must say that they will throw out these measures and join us in the Division Lobby in opposition to them.

Mr. Barry Porter (Wirral, South): Will the hon. Gentleman give way?

Mr. Bidwell: Not at the moment.

Reference has been made to no less a man than the transport commissioner. He happens to be a former Labour Member who represented Hackney, Central. His scepticism about the changes has been recorded. He thought that they were a backward step. The changes have been opposed also by other bodies within the EEC set-up. The measures have been introduced because they have been discussed for a long time.

The regulations are a backward step. Manipulation and confusion will result. Calculations will be changed—for example, the hours of required rest will be changed from one week to another and there will be confusion about

whether the hours driven in one week are to be added to the number for the following week. There will be hopeless confusion about the operation of the regulations.

I am disappointed that the Secretary of State for Transport is not present. The right hon. Gentleman is a newcomer to transport matters and I have been involved with them for a long time. I think that I am the senior member of the Select Committee on Transport. Most of the Select Committee's members are currently in Canada studying that country's railway system as part of a study of railways generally.

Commercial road transport drivers keep open Britain's main economic artery and we must be concerned with what they think about the regulations and the views of the union which mainly concerns itself with these matters. Surely the views of the drivers and their union are of great consequence. The International Labour Office has addressed its mind to transport matters, working conditions and safety generally. It has always emphasised that great weight must be attached to the views of employers and trade union organisations, and that above all responsibility should rest with Governments. The Government are evading the fundamental responsibility of ensuring that our roads are made safe by freeing them of fatigued drivers.

Mr. Porter: It would be helpful to the House to know if the hon. Gentleman is delivering his arguments, to which I am listening with great interest, as a representative of his constituency or as a delegate of a trade union.

Mr. Bidwell: Next week I shall be speaking at a public meeting called by my union to draw attention to the grave disquiet among union members and which should exist among the public once they become aware of what the Government are doing in imperilling their position on the highways.

The hon. Member for York (Mr. Gregory), who is no longer in his place, has said that he has evidence that some drivers support the regulations. It is significant that he did not produce any evidence to support that contention. There has been ample evidence presented to the House that all those involved in road transport are gravely disquieted by the regulations.

In formulating the regulations the views of the transport commissioner as well as those of the transport committee and the social and economic committee of the European Parliament have been ignored. The social and economic committee is the statutory body that the Council of Ministers is required to consult.

Flexibility for the benefit and use of employers is the proposition that is before us. That is all that has been achieved. Bad employers will be encouraged by the manipulation that is possible of the regulations. Long hours are a killer. They kill the driver at the wheel and those who load vehicles before they take to the highways. Excessive driving hours and working hours lead to fatigue and loss of concentration. The 1985 survey of international transport drivers showed that more than 7 per cent. of drivers had been involved in accidents due to falling asleep at the wheel.

These matters have been well ventilated, and so I shall conclude by alluding to the aims and considered judgment of the International Transport Workers Federation, to which my union, the Transport and General Workers Union, is affiliated. The aims are a proper limitation on working hours as well as driving hours both daily and weekly, which is what the regulations do not achieve. There should be adequate rest breaks for meals and daily rest; the right of drivers to spend their weekly rest periods with their families; weekly rest periods long enough to allow drivers to enjoy a normal life to the maximum extent possible and simple understandable regulations—which these certainly are not—so that one knows what the position is and so that the regulations can be enforced to prevent the cowboy operators taking away work and jobs. That is the aim of the decent drivers on our highways today who shoulder such a substantial burden of our economic welfare and our road safety combined.

11.19 pm

Mr. Gordon Oakes (Halton): Like my hon. Friend the Member for Ealing, Southall (Mr. Bidwell), I am proud to be a member of the Transport and General Workers Union, which I have been for 34 years, and I am a responsible member of that union.

To the hon. Member for Wirral, South (Mr. Porter), I say that I will be speaking not only for lorry drivers and coach drivers in my constituency but for 100 per cent. of my constituents who are road users.

The regulations are quite appalling. The Transport and General Workers Union has made its views very clear to the Government, and has had a national campaign about the regulations. I found it appalling that the Minister, in addressing the House on these highly controversial regulations, gave an explanation that was less understandable than the explanatory memorandum contained in the regulations. There was not a mention of the enormous opposition that exists to the regulations. There has been a marked deterioration of working standards and conditions for drivers in this country that is dangerous not only to the drivers but to the public.

I wonder how the Minister will answer the figures put forward by my hon. Friend the Member for Wigan (Mr. Stott). What my hon. Friend outlined could and will happen under these regulations that the Minister has brought in under the sacred name of flexibility. This is not flexibility, but a marked deterioration in the conditions of work.

If I may turn to the public, as all my hon. Friends have said, a tired driver is a dangerous driver; that is inevitable, because he is tired. My hon. Friend the Member for Wigan put his finger on the point when he talked about hours of work rather than hours behind the wheel. The hon. Member for York (Mr. Gregory), who has left the Chamber, said that not all drivers load their lorries, and of course that is true. If the Government were concerned about road safety, they would have framed the regulations to deal with the driver who loads his lorry as distinct from the driver who does not. Just a little bit of care could have dealt with that. The Government have shown no sign of consideration for road safety.

What we are discussing for an hour and a half late at night after private business, tucked away at the end of July, will kill and maim people in the country. I beg the Minister to think again about the regulations.

As I have said previously when we have discussed harmonisation with Europe, let us realise what we mean by this. It must be borne in mind that the climate in this country is different from that in Europe. It is all right to drive on a lovely July night, but it is a different matter to drive through fog and snow in the winter. There are

[Mr. Gordon Oakes]

conditions in this country that drivers in Italy, the south of France, Spain and Greece do not experience. Their hours of work and hours of darkness are different from ours. In Scotland in the winter months most hours are hours of darkness. On the continent the conditions are considerably better and the climate is better. I hope that the Minister will reconsider this and will make amends for the disgraceful way that he introduced these highly controversial regulations by telling the House that he will go back to Europe and will think again.

11.25 pm

Mr. Max Madden (Bradford, West): I declare my interest at the outset as a sponsored member of the Transport and General Workers Union. I confess also—other hon. Members may do likewise—that I did not know that we were in EEC road safety year. It is clear from what has been said in these deliberations and from the remarks of the EEC Transport Commissioner that the regulations will do nothing to promote road safety.

The officer responsible for commercial transport matters in the TGWU, Jack Ashwell, wrote a blistering six-page critique of the regulations to the Minister on 3 June of this year in which he stated:

"There appears to be a mental block within your Department as to the consequences on drivers' health, safety and welfare".

As I listened for 14 minutes to the Minister recite his departmental brief, I could appreciate why Mr. Ashwell took that view.

Reference has been made to some aspects of the Minister's written answer of 25 June to my hon. Friend the Member for Liverpool, Riverside (Mr. Parry). Other aspects of it were interesting. For example, the Minister said:

"The trade unions consider that our proposals will lead to longer working hours, increased driver fatigue and hence increased accidents. It is true that the flexible work patterns allowed by the new rules may make longer working hours possible for some drivers occasionally, but those whose main work is driving will still be subject to effective limits. There is no clearly established connection between driving hours and fatigue."

My hon. Friend the Member for Wigan (Mr. Stott) completely demolished that argument. It is clear that these regulations will be a charter for the exploitation of many drivers, that they will assist the activities of the many unscrupulous cowboys who have a presence in the industry and that they will damage the promotion of road safety.

The Minister went even further in his reply of 25 June, for he said:

"We believe that our proposals are consistent with our policy of reducing unnecessary burdens on industry while having proper regard to road safety. It will be up to trade unions and employers to negotiate together new patterns of work that would allow both drivers and operators to benefit fully from the increased flexibility now available to them." —[*Official Report*, 25 June 1968; Vol. 100, c. 242.]

That shows that this is all about lifting burdens on industry. As we know, that is a euphemism for enabling exploitation to occur as some people make profits.

The letter from Mr. Ashwell added:

"The 1968 Act dramatically reduced the weekly on-duty hours from 72 to 60 hours. Yet with worse road conditions, greater traffic congestion, larger vehicles, higher speeds overall, all demanding physical and mental requirements on drivers, your Department sees fit to remove restrictions. There is no enhancement in either the driver's working environment or working conditions. In fact, longer hours lead to greater stress on drivers through increased fatigue. Your Department does not even pay lip service to occupational safety and health in road transport. Extending a driver's hours of work is contrary to existing medical evidence."

Hon. Members have voiced their fears about the regulations. The Minister's pitiful attempts to justify the new provisions showed that the regulations are completely unsatisfactory and should be withdrawn immediately.

Several Hon. Members *rose*—

Mr. Deputy Speaker (Mr. Ernest Armstrong): I am sure all hon. Members wish to hear the Minister. May I point out that he hopes to catch my eye at 11.33 pm?

11.29 pm

Mr. John Home Robertson (East Lothian): I am not a member of the Transport and General Workers Union but I am the holder of a class 1 heavy goods vehicle driver's licence, so I have experience of driving goods vehicles, filling in logbooks and so on which some hon. Members have been talking about.

I also represent a constituency that includes 30 miles of the A1 trunk road that is not dual carriageway. My constituents will be worried about the prospect of drivers making their way home, perhaps at the end of their legal driving hours under the new flexible regulations. In such circumstances it is inevitable that people will be suffering from severe fatigue and there will be more accidents similar to those of the past.

We are all in favour of flexibility, but it must be compatible with safety. I want to draw the Minister's attention to paragraph 3(1) of part I of the schedule to the Community Drivers' Hours and Recording Equipment (Exemptions and Supplementary Provisions) Regulations, which says:

"Any vehicle which is being used by an agricultural, horticultural, forestry or fishery undertaking to carry goods within a 50 kilometre radius of the place where the vehicle is normally based, including local administrative areas the centres of which are situated within that radius."

The Minister should ponder for a moment on the flexibility that that will provide in the far north of Scotland which my right hon. Friend the Member for Halton (Mr. Oakes) was talking about. The Highland region of Scotland extends to 10,000 square miles. I understand from the derogation that I have just quoted that it will be possible for anyone transporting timber, fish or agricultural produce within the whole of that area to be completely exempt from the drivers' hours regulations and from the tachograph regulations. Can such flexibility be justified?

11.31 pm

Mr. Frank Cook (Stockton, North): I shall confine my remarks to the element of risk. The risk factor is mathematically calculable. There is a distinct risk that this ceiling could collapse. That is calculable. If any hon. Members think that is humorous, they should remember that the ceiling collapsed in another place, thankfully not on any of the Members and not causing severe damage. There is a risk that the seat on which the Minister now sits could collapse. That is calculable. There is an even greater risk that the seat which he represents in his constituency might be removed. That is certainly calculable.

There is even a risk that the Minister may give us straight answers to the questions that have been put to him and that he may choose a different tactic from that which

he adopted on 19 May when, in answer to questions by my hon. Friend the Member for Battersea (Mr. Dubs), he frivolously engaged in phrases about

"frogs, which eat with their eyes closed, . . . Burkina Faso, the land of the wise men"

and said:

"We can say that Anne Boleyn had six fingers or that 18 per cent. of people share their baths."—[*Official Report*, 19 May 1986; Vol. 98, c. 10.]

Mr. Deputy Speaker: Order. The hon. Gentleman must address the motion that is before the House. His remarks must not get too wide.

Mr. Cook: I am pointing out the risk that we may get straightforward answers to straightforward questions rather than hearing the Minister engaging in party games in the treatment of the nation's serious affairs. These statutory instruments are being given scant attention. All but two hon. Members have spoken vehemently and articulately against them. I hope that the Minister will treat them with the seriousness they deserve.

We have heard about wagons of fruit in Kent and about the lower incidence of risk in certain methods of transport. I represent a constituency in Cleveland where frequently ethylene oxide, caustic chlorine, highly concentrated sulphuric acid and other volatile and hazardous commodities are conveyed around the area. By increasing the hours of driving and the element of risk, we add to the danger of transporting such commodities.

If the Minister is content to run the risk of having to stand before us and report a major road traffic accident, he will also run the risk of having a name attached to him.

11.35 pm

Mr. Peter Bottomley: I begin by dealing with the speech of the right hon. Member for Blaenau Gwent (Mr. Foot). Once I met an old friend of his and, although this is probably an apocryphal story, when I asked him what the right hon. Member was like in his youth, and why he was such a good writer and made his newspaper so popular, his answer was that the right hon. Member was good at vituperation when he had not concentrated on the detail. The right hon. Member's remarks about the speech that I made earlier this evening are ones which in the light of day when perhaps he is feeling less tired, he will wish to reconsider. I would not ask for an apology, but I think he treated the House and my speech with a degree less of respect than might have been expected.

I assumed at the beginning of the debate that hon. Members wanted to be taken through the regulations. As the hon. Member for Wigan (Mr. Stott) said, they are complicated and technical, and they should not be made the subject of party politics. It is worth noting that not a single Opposition Member referred in detail to the regulations, or said which of them they regard as acceptable or unacceptable.

A number of serious points have been made on both sides of the House. I have had the opportunity to listen twice to Jack Ashwell, the national organiser of the Transport and General Workers Union. The union has some serious points to make and it performs a useful function in an industry that is difficult to organise. With better operators, with or without union representation, there is concern for the safety and welfare of the drivers. I pay tribute to the union—as I would, even if I were not, as the hon. Member for Woolwich (Mr. Cartwright) pointed out, a member of the union.

My hon. Friend the Member for York (Mr. Gregory) referred to the personal logbooks of airline pilots. We shall consider that point. We remember the very grave doubts of the Transport and General Workers Union over the tachograph. For many years it was referred to as "the spy in the cab." I wonder whether the union or its members would favour a proposal that appeared to increase what could be interpreted as interference by the law in their lives.

My hon. Friend the Member for Swindon (Mr. Coombs) and other hon. Members referred to the professionalism of heavy goods vehicle drivers. I emphasise the tributes that have been paid to them. Their standard of driving has improved. The safety of heavy goods vehicles has also been improved. The roads have also been getting better.

At the beginning of my speech I said that I thought that the new rules would benefit the drivers. Opposition Members and some of my hon. Friends have said that if drivers' hours are unduly extended, they will lead to greater fatigue and therefore to greater risk. That is self-evident. In my written reply I said that the link between drivers' hours and fatigue had not been clearly demonstrated, but that referred only to the narrow changes that we are discussing. I did not say that if people drive for hour after hour, or become involved in the kind of concoction that the hon. Member for Wigan described, there will not be a greater degree of risk.

Fatigue also affects those who are not the drivers of heavy goods vehicles. If hon. Members work through until about four o'clock in the morning, return to work at nine the same morning, work through until about eleven in the evening and after that, if it is a Thursday, drive for four or five hours back to their constituencies, I suspect that they are substantially more at risk of falling asleep at the wheel than are most heavy goods vehicle drivers.

If the maximum number of driving hours in a fortnight are reduced from 92 to 90, that is welcomed. If the requirement for normal weekly rest is increased from 40 to 45 hours, that is also welcomed. If the minimum break time for most drivers is increased from half an hour to three-quarters of an hour, that helps to deal with the point about 15 minutes which was also made in the debate. If it is made easier for drivers to vary their driving hours so that they can reach home and relax properly instead of being forced to sleep in their cabs, that, too, is welcomed.

I do not want to make too much of it, but it is fairly normal for a driver, because of congestion on the roads, to find that he has exceeded his hours, so he has to stop, find a telephone box and telephone his depot. Somebody has to drive a car to the vehicle and change places with the heavy goods vehicle driver. The new driver then takes the heavy goods vehicle back to the depot while the old driver takes the car back. That practice meets the letter of the law, but the flexibility provided by these regulations will reflect reality more, as long as there is compensation.

I was not surprised to see my hon. Friend the Member for Maidstone (Sir J. Wells) in the Chamber, and I listened carefully to his speech. He referred to the possibility of international drivers, carrying fruit through his constituency, having accidents. He also made an appropriate but non-specific reference to a recent accident in Maidstone. By regulations affecting drivers' hours and by every means possible, I am determined to improve safety. That may mean enforcing the tests on heavy vehicles,

[Mr. Peter Bottomley]

where more could be done, or ensuring that there are more weight testing stations. Vehicles could then be checked for overloading, and for the number of drivers' hours.

In my speech, I mentioned a commitment to consult the drivers' unions and operators on how to make enforcement even more effective. I suspect that Britain's enforcement is the best in Europe, and that we take our rules much more seriously than some other countries. I hope to be able to work within the EC with both sides of the haulage industry. The best practices may then be spread, and we may be able to learn from others just as they can learn from us.

I actually welcomed some of the remarks of the right hon. Member for Blaenau Gwent. He is always worth listening to, but other hon. Members made rather more specific points. I am glad that the right hon. Member for Barnsley, Central (Mr. Mason) is in the Chamber. The Health and Safety Executive must be the enforcement authority, because under the Health and Safety at Work, etc. Act, there can only be one enforcement authority. We came to the view that as most mistakes or criminal errors among those carrying dangerous goods occurred at the place of loading, or at the place that the vehicle was operating from, it was better to transfer sole enforcement to the Health and Safety Executive. I explained carefully to a symposium in Middlesbrough, which was run by the Cleveland police, that safety was not being diminished. We can concentrate all the reports, some of which may draw prohibition notices. The police have the power, in effect, to take a vehicle off the road and to ensure that the report goes through.

I seriously believe that the new arrangements will lead to better safety as long as people get the right message. I could send the right hon. Member for Barnsley, Central a copy of the relevant press release, and he might then be able to join me in spreading what I hope is the right message. The hon. Member for Ealing, Southall (Mr. Bidwell) referred to his position as chairman of the Transport and General Workers Union group in Parliament. Two Opposition Members wrote to me quite separately from any representations made by that union. Most of the representations have come——

Question put:—

The House divided: Ayes 164, Noes 104.

Division No. 260] **[11.45 pm**

AYES

Alexander, Richard
Amess, David
Ancram, Michael
Arnold, Tom
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Bellingham, Henry
Best, Keith
Biffen, Rt Hon John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brooke, Hon Peter
Bruinvels, Peter
Buck, Sir Antony
Burt, Alistair
Butcher, John
Butterfill, John
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Dover, Den
Durant, Tony
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Forman, Nigel
Galley, Roy
Garel-Jones, Tristan
Glyn, Dr Alan
Gorst, John
Gregory, Conal
Griffiths, Sir Eldon
Ground, Patrick
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hampson, Dr Keith
Hayhoe, Rt Hon Barney
Heddle, John
Holland, Sir Philip *(Gedling)*
Hordern, Sir Peter
Jackson, Robert
Jessel, Toby
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Lawler, Geoffrey
Lawrence, Ivan
Lester, Jim
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lyell, Nicholas
Macfarlane, Neil
MacKay, Andrew *(Berkshire)*
MacKay, John *(Argyll & Bute)*
Maclean, David John
McLoughlin, Patrick
Major, John
Malins, Humfrey
Malone, Gerald
Marland, Paul
Marlow, Antony
Mather, Carol
Maxwell-Hyslop, Robin
Mayhew, Sir Patrick
Merchant, Piers
Meyer, Sir Anthony
Mills, Iain *(Meriden)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Murphy, Christopher
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Nicholls, Patrick
Norris, Steven
Oppenheim, Phillip
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Roe, Mrs Marion
Rowe, Andrew
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Smith, Tim *(Beaconsfield)*
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Sumberg, David
Taylor, John *(Solihull)*
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Twinn, Dr Ian
van Straubenzee, Sir W.
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Walden, George
Waller, Gary
Watson, John
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim

Tellers for the Ayes:
Mr. Francis Maude and
Mr. Mark Lennox-Boyd.

NOES

Adams, Allen *(Paisley N)*
Archer, Rt Hon Peter
Ashdown, Paddy
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Bruce, Malcolm
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Clay, Robert
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cook, Frank *(Stockton North)*
Corbyn, Jeremy

Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Dalyell, Tam
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
George, Bruce
Hamilton, James *(M'well N)*
Hardy, Peter
Hogg, N. *(C'nauld & Kilsyth)*
Home Robertson, John
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Jones, Barry *(Alyn & Deeside)*
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Terence *(Worsley)*
Litherland, Robert
Loyden, Edward
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
MacKenzie, Rt Hon Gregor
Madden, Max
Marek, Dr John
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Michie, William
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Neill, Martin
Park, George
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Robertson, George
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Steel, Rt Hon David
Stott, Roger
Strang, Gavin
Tinn, James
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Wells, Sir John *(Maidstone)*
Welsh, Michael

Tellers for the Noes:
Mr. Chris Smith and
Mr. Don Dixon.

Question accordingly agreed to.

Resolved,

That the draft Drivers' Hours (Harmonisation with Community Rules) Regulations 1986, which were laid before this House on 11th June, be approved.

EUROPEAN COMMUNITY (DRIVERS' HOURS)

Ordered,

That the draft Drivers' Hours (Goods Vehicles) (Modifications) Order 1986, which was laid before this House on 11th June, be approved.

That the draft Community Drivers' Hours and Recording Equipment (Exemptions and Supplementary Provisions) Regulations 1986, which were laid before this House on 11th June, be approved.

That the draft Community Drivers' Hours and Recording Equipment Regulations 1986, which were laid before this House on 27th June, be approved.—*[Mr. Peter Lloyd.]*

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Wednesday 16th July, the Motion in the name of Mr. John Biffen relating to Office, Secretarial and Research Allowance may be proceeded with, though opposed, until half-past Eleven o'clock or for one and a half hours after it has been entered upon, whichever is the later, and if proceedings thereon have not been disposed of by that hour Mr. Speaker shall put the Question on any, Amendment which may have been moved, and shall then put forthwith the Question of any other Amendments selected by him which may be then moved, and on the Main Question or the Main Question, as amended.—*[Mr. Biffen.]*

Wedholme Flow

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

11.55 pm

Mr. David Maclean (Penrith and The Border): I wish to raise before the House an issue of considerable significance to conservation generally which touches on the long-established interests of my constituents on the Wedholme Flow just off the Solway coastline, 10 miles west of Carlisle.

Wedholme Flow is one of the three largest sphagnum peat bogs in production in the United Kingdom. Through the years, the use of peat has changed. At the turn of the century peat from Wedholme was used to bind up the wounds of those wounded in the first world war. Indeed, in Scotland one thinks of Flanders moss as one of the best known sphagnum peat bogs. Then the peat was used as moss litter for bedding horses and, finally, peat has now been developed by the horticultural industry as a suitable medium for enriching the soil throughout the gardens of England.

Wedholme peat is rated as being the finest sphagnum peat produced in the United Kingdom, and, indeed, the wrapper on a bale of peat produced there states,

"internationally acclaimed Golden Moss Peat the world's finest Sphagnum Moss Peat".

The peat works are an integral part of the small community around Kirkbride and peat has been cut there for over two centuries. In the Enclosures Act 1816, an area of peat moss was allocated to named individuals actually residing at that time within the parish who became in effect the freehold owners. The principle of the award was a residential qualification. Every household was apportioned a strip approximately one chain wide and extending to an area of about three acres. A similar award was made to Newton Arlosh parish in 1814. These are, therefore, long-established rights worked over many years by the residents of Kirkbride and Newton Arlosh.

However, over the past few months a cloud has been hanging over the moss. The Nature Conservancy Council is endowed by Parliament with important functions which my constituents appreciate. In 1959, just over a third of Wedholme Flow was designated a site of special scientific interest. Some 270 hectares was so designated. Mr. D. A. Radcliffe, the chief scientist for the Nature Conservancy Council, in 1977 wrote in his book "A Nature Conservation Review" that Wedholme Flow,

"forms a single extensive raised mire unit, but is severely modified and . . . only a very limited section of the mire system is now viable".

By "viable" Mr. Radcliffe means viable for conservation purposes, and he goes on to note that

"the area of intact Sphagnum rich raised mire vegetation is now reduced by cutting and by recent fires to a section about 0·4 kilometres long by only 90-180 metres wide."

The maximum area, therefore, intact is only just short of 18 acres and yet some 667 acres have been included within the original site of special scientific interest. Now with its richer purse, the Nature Conservancy Council is having another bite at the cherry and it wants to include some 780 hectares or almost 2,000 acres, which is more than 100 times the size of the original unspoilt part.

The stint owners now face a greatly enlarged SSSI. In support of its notification, the council has published a great list of species alleged to be special on the moss, but

[Mr. David Maclean]

my constituents' researches have revealed that only one species on the entire list is not a "bog standard" species. Indeed, nearly all the species are listed and drawn on a poster produced for children describing sphagnum bogs and produced by the British museum. As part of its extension of operations, the council proposes to raise the level of the water table which will make the bog unviable to work for peat cutting and will undermine the areas of grassland on the fringe which for some reason the council has decided to include, which have been grant aided for drainage purposes in the past. Indeed, it is ironic that the only species of any rarity on the moss, Sphagnum Molle, like a dry site and the Council's very efforts to alter the hydrology of the district could kill the only species that can be said to be in any way rare.

My constituents have consulted one of Britain's top experts on peat and he has confirmed that, whilst the existing SSSI is indeed special, there is no justification for extending it by more than 100 times. The Nature Conservancy believes, apparently, that in order to protect the existing SSSI it needs a huge buffer zone where it can control the activities which would — in its view — endanger the existence of the current site. However, my constituents' specialist has confirmed that the two areas are quite hydrologically separate and therefore there is no need for such a large buffer zone. Nor is there anything special on the proposed extension of the SSSI which would justify the designation as "special". The whole of the stint owners' area has been worked on for over two centuries, and there is no way that the original mire can be intact, and we come back with the basic question, what is so special about the site? Is this really a site of special scientific interest? Why have there been no scientific papers written on Wedholme Flow in the past? Why have students of flora and fauna not been flocking there?

Unless it is thought that the existing peat workings are injurious to conservation, it must be explained that this is not the case. Even on areas which have been worked, these are now returning to a sphagnum lawn — even near drained farmland.

At the core of this application is the council's assertion that it needs this massive amount of extra land to protect the existing site. What expert evidence has the council for this assertion? It wishes to raise the water table but has not produced a detailed hydrology report on what the proposals would mean for the water table, nor has the council provided a proper detailed scientific analysis of the bog. My constituents' expert has said that the two areas are hydrologically separate and one could not support the other. This is borne out by a Mr. D. A. Greg, who was commissioned by the NCC in 1975 to make a report on the various mosses in the area. In his report he states:

"On a large scale Wedholme Flow can be divided into three areas. The central band of peat workings spreads right across the bog from east to west leaving two sections of raised bog which are isolated from each other."

The council seems to be relying on this report and that of a busy young lady, Miss Jane Smart, who in November 1980 recommended that the SSSI boundary be extended. She visited four bogs between 1 August and 5 August 1980 before reaching this conclusion on Wedholme Flow — but even then she said:

"A full survey would need to be carried out to determine the precise limits of the area."

Where is the NCC's "full survey to determine the precise limits"? In lieu of that survey, is the council going for a catch-all 2,000-acre plot instead?

Having established that the flow is not special, how do my constituents challenge the NCC? The Wildlife and Countryside Act 1981 and the subsequent financial guidelines for management agreement make no provision for compensation for members of the public who defend their own and who protect their family's long-cherished property. My constituents have been advised that they must now seek professional advice, which will obviously cost them considerable sums of money. How do they best protect their own, when taking on the might of the Nature Conservancy Council, with its far greater financial purse?

The council has listed an impressive array of 28 operations likely to damage the special interest which completely erodes the basic fundamentals of ownership of the land. The stint owners have been advised that the only way that they can achieve proper compensation is if planning would have been forthcoming for their part of the bog. This has been no problem in the past, and the stint owners would naturally expect to sell part of their bog to the commercial company operating the peat working there. Very little land in acreage terms is involved, but it is a right that the stint owners have exercised for 200 years and a right that they wish to pass on to their children, grandchildren and great grandchildren. They will now be deprived of that right, because the county council will automatically reject any planning permission for commercial peat workings if the NCC expresses an interest in the land. In any event, if the council raises the water table, the place will be too wet for milling and selling of peat and all workings will become worthless. That could have severe employment repercussions for the area in the longer term.

A further scandalous part of the council's powers is its position as judge and jury. If the stint owners apply for planning permission for their area for commercial peat extraction, who does the county planning authority have to consult? None other than the Nature Conservancy Council. And will the council give its approval to further peat extraction if it means it having to fork out four, five or six times the amount of compensation than if planning permission was not forthcoming? Clearly the council has a vested interest to say no to further planning consent to extend its ambitions to acquire the land. The stint owners are caught in a classic Catch 22 situation—if they apply for planning consent, nothing can be more certain than that the council will be unable to find a reason for granting consent.

One other worrying feature of the Wildlife and Countryside Act 1981 is that it introduces no independent body to assess whether those sites are of special scientific interest. Section 28(1) states:

"Where the Nature Conservancy Council are of the opinion that any area of land is of special interest by reason of any of its flora, fauna, or geological of physiographical features, it shall be the duty of the Council to notify that fact."

Why should the stint owners have to resort to judicial review to assess whether the council has properly assessed the site as being special in its entirety? Why is there no provision for independent consultants to give their opinion?

In this instance, the council has not begun to attempt to satisfy the scientific interests of the stint owners as to

its proposals. More seriously, it has completely overlooked the terms of section 37 of the Countryside Act 1968, as amended. The section reads:

"In the exercise of their functions under this Act and the Act of 1949"

and the Wildlife and Countryside Act 1981, it shall be the duty of every Minister, and of the Countryside Commission, the Nature Conservancy Council and local authorities,

"to have due regard to the needs of agriculture and forestry and to the economic and social interests of rural areas."

Can it be in the economic and social interests of rural areas to bring about a cessation of all peat workings to attempt to expropriate their land with as little compensation as possible? Is not the enclosure award of 1816 of equal historic and hence scientific interest? For two centuries now, peat from the flow has gone to heat the houses of the residents, to dress the wounds of the afflicted in the first world war and to bed Army horses. Now the produce of Wedholme flow is being spread, even on this very day, among the gardens of England, including my own, introducing conservation and beauty into the back streets of the depressed areas of England—I include my back garden in that description! Has the council really had,

"due regard to the needs of agriculture and forestry and the economic and social interests of rural areas"

in its desire to control this land? Does it really need 100 times the special mire area, when it already has under its control a large number of mosses and bogs, including Glasson Moss, of more than 259 hectares, and Bowness common, of 802 hectares? Indeed, the Bowness common notification is very similar in terms to that of Wedholme flow.

I must say to my hon. Friend the Minister in conclusion that I consider this a form of back-door nationalisation. I see no need for the NCC to take over all that extra land when there is more variety of surface microtopography on the existing SSSI. This is too complicated an issue to go into in this short debate, and I hope that my hon. Friend will agree to a meeting between herself and representatives of the stint owners who are affected. I hope that when she replies she will agree that commercial workings of peat and conservation of bogs can go hand in hand, and I hope that she will conclude from the evidence I have given her tonight that an extended Wedholme Flow is not really all that special.

12.11 am

The Parliamentary Under-Secretary of State for the Environment (Mrs. Angela Rumbold): My hon. Friend the Member for Penrith and The Border (Mr. Maclean) has raised with considerable eloquence and forthrightness a number of important issues relating to the present system for selecting and notifying sites of special scientific interest and the impact of SSSI notification on the owners and occupiers of the land concerned. I shall try to deal with them as fully as possible in a way which I hope will demonstrate that the current arrangements are both necessary and appropriate.

As my hon. Friend has said, under section 28 of the Wildlife and Countryside Act 1981, the Nature Conservancy Council has a statutory duty to notify as an SSSI, land which is in its opinion of special interest by virtue of its flora, fauna or geological or physiographical features.

In the case of Wedholme Flow, in my hon. Friend's constituency, the site is an extensive lowland raised mire, which is the largest of a series of raised mires on the south Solway plain, as he describe. They now represent the largest and finest concentration of that particular type of habitat in Britain. Lowland raised mires have, since the 1800s, been subject to significant losses. I am advised by the Nature Conservancy Council that the total remaining area of the habitat in Britain, which now possesses relatively few major concentrations of such bogs, amounts to approximately 1,800 hectares, of which almost half is within the north Cumbria complex.

Wedholme Flow is thus one of the largest and best remaining examples of the lowland raised bog habitat in Britain. It also possesses great conservation interest, and that has been recognised through its notification as a site of special scientific interest.

My hon. Friend inquired at length about the basis of the decision. I am advised that the NCC in fact conducted a considerable amount of scientific research over a substantial period before deciding on the area of the site to be renotified. Since as long ago as 1959, the site has been under continuous study by the NCC and others and several scientific reports, including those to which my hon. Friend—referred have been produced. I have not had the opportunity to study all of them in detail, but I understand that they confirm the importance of Wedholme Flow in conservation terms, and I should point out that, although the area of the original SSSI is of slightly higher quality, the northern area—that is the part within the proposed extension of the SSSI—is richer in species and has substantial conservation interest.

In 1984 and 1985 the NCC carried out detailed scientific surveys of the site, which involved the careful identification and recording of data on the species of the area and investigations of the topography of the basin in which the site is located, the surface contours and peat depth. The outcome of that work has confirmed that the whole of the renotified site is a single and discrete hydrological unit rather than several separate units, as has been suggested by some others. The NCC's decision was a careful and informed one and was based on detailed scientific investigations. The NCC concluded that the extension of the area of the SSSI was necessary for two reasons.

First, the additional area is considered by the NCC to have sufficient intrinsic scientific interest to merit notification in its own right. The totality of the site is important. The section comprising the Newton Artosh peat awards includes the best intact raised bog surface, with original surface pattening, in England. It supports a complete range of raised bog vegetation from high hummock vegetation to aquatic pool vegetation. It also supports several rare plant species such as bog rosemary, several rare sphagnums and all three of the sundews.

Secondly, knowledge of peatland hydrology has increased significantly since the original notification of the site. Since the early 1980s, the NCC's understanding of peat hydrology has been radically changed as a result of its own researches and there has been a series of publications by British and European specialists. I have a list of these publications, which I will send to my hon. Friend if he considers that they would be helpful.

This body of informed scientific opinion now suggests that, if the existing conservation interest of the site is to be maintained, it is necessary to ensure that the whole of the

[Mrs. Angela Rumbold]

basin in which Wedholme Flow is located, rather than just a proportion of it, needs to be conserved. Because the existing SSSI and the northern extension form one hydrological area, if the northern extension was not included, peat digging would continue and the quality of the whole mire would deteriorate. This would lead to the loss of peat deposits, peat wastage, the threat of oxidation, drying out of the surface, the loss of pattening and the loss of vegetation areas, and the part that forms an integral part of this basin and is thus important to the well-being of the site as a whole.

Having said all that, however, and in the light of my hon. Friend's constituents' specialist views, the Wildlife and Countryside Act 1981 procedure includes provision for interested persons to make representations or objections to the NCC concerning particular notifications. The NCC is statutorily required to consider such representations or objections in deciding whether a particular notification should be confirmed and could be challenged if it failed to do so.

I therefore suggest that if my hon. Friend believes that his evidence suggests that the NCC may have got it wrong in this case, he should pass this to the NCC as soon as possible so that its objection procedures can proceed, as set out in the Act.

The NCC is a responsible scientific body and I am satisfied that it will give careful and objective consideration to any objections or representations of this kind. I do not think that it would be appropriate for the Government to seek to intervene.

Now, as my hon. Friend knows, having notified the site, the NCC considers that the continued extraction of peat from Wedholme Flow would be incompatible with the maintenance of the conservation interest of the site and has therefore included peat extraction in the list of potentially damaging operations. That means that owners or occupiers who wish to extract peat from the site, on whatever scale, would need to go through the statutory notice procedures set out in section 28 of the Act. All this my hon. Friend has clearly understood and also clearly rather dislikes. However, this would enable the NCC to consider the impact of particular proposals and, if necessary, to explore the possibility of protecting the site through some form of voluntary agreement that could include provision for payment and compensation.

As to the effect of SSSI notification on those with ancient rights to cut peat, I understand that, in the case of those who currently exercise the right to take peat for domestic purposes it has been the NCC's normal practice to grant a time-limited consent for such operations for a period of two years.

It is during this two-year period that the NCC would try to reach agreement with the stint holders concerned about ways of conserving the special interest of the site. That could involve the payment of compensation in respect of the value of the peat not cut. Alternatively, the NCC might be prepared to offer to buy out the stint or even to direct the peat cutting to another area of the site where it could go ahead without serious damage to the conservation interest.

There are, however, a number of stint holders who do not currently exercise their rights and would thus be ineligible for compensation. It seems to me logical that compensation should not be payable in respect of rights which are currently not being exercised, the suspension of which would not result in any actual loss to the stint holders concerned.

The arrangements whereby the NCC has to be consulted on all planning applications affecting SSSIs are designed to ensure that, in deciding such applications, conservation factors are given due weight along with other relevant facts and arguments. This procedure provides an important safeguard for some of the most important areas of our national heritage. It is true that the NCC would not compensate the owner or occupier of an SSSI for not carrying out an operation for which planning permission had been reflected, possibly on NCC advice. I can see nothing objectionable in that.

Owners of other types of land who are refused planning permission do not, as a general rule, have any entitlement to compensation. It would, in my view, be inequitable to treat owners of SSSIs more favourably, and would indeed give them a positive incentive to put forward damaging proposals.

As for the general arrangements for notifying SSSIs, my hon. Friend has suggested that the cards are stacked against owners and occupiers of such land and that they should therefore be given a right of appeal against SSSI notification. I do not think that the current system is weighted against the interests of owners or occupiers or that the existing safeguards for such interests are inadequate. I shall briefly explain why.

The machinery in section 28 is essentially a delaying mechanism. Its purpose is to provide a period of temporary protection for a site — four months — to enable the NCC to discuss, and if possible agree, with the landowner or occupier, suitable arrangements for the long-term management of the land. Landowners may thus be constrained only for a maximum of four months by notification of their land as an SSSI. Unless during this period the land were to become subject to some other form of statutory constraint, the owner would thereafter be free to proceed with whatever operations he wished, subject of course to the necessary consent under planning legislation. Parliament therefore concluded that SSSI notification does not involve any ultimate loss of rights over land and decided that an appeals machinery was unnecessary. This remains the Government's view.

If voluntary agreement cannot be reached during the four-month protection period, the NCC could ask the Secretary of State to make a nature conservation order to extend the period of protection for up to 12 months. Alternatively, it could seek to acquire the land compulsorily by asking the Secretary of State to approve a compulsory purchase order. In the case of a proposed nature conservation order or a CPO, the landowners would have a statutory right to object to the proposals and to have their objections tested against the NCC's case at a public inquiry. Indeed, several nature conservation orders have been challenged in this way and one has been revoked. It seems that the existing arrangements contain sufficient safeguards for the rights of landowners.

The NCC has a duty under section 37 of the Countryside Act 1968 to consider the economic and social interests of rural areas, which my hon. Friend has mentioned. The NCC is very aware of this duty in carrying out its other and equally important duty to notify SSSIs. Its procedures are designed to ensure that these considerations are given due weight in decisions affecting individual sites. The NCC accordingly consults my own

Department, the Ministry of Agriculture, Fisheries and Food, the Forestry Commission and local and water authorities about all extensions to SSSIs, and would take careful account of any comments or observations from any of these committees.

Another important safeguard is that all renotification proposals have to be approved in advance by the appropriate NCC advisory committee. These committees, which are in effect the NCC's board of directors, are broadly based and include representatives of farming and landowning interests as well as scientists and academics. The composition of these committees ensures that the NCC's renotification proposals are subject to the scrutiny of a wide range of interests other than purely conservationalists. However, the fact that section 37 considerations have to be taken into account does not mean that they will always win, and there will inevitably be occasions when the interests of conservation should be given precedence over economic or social considerations.

I hope that it will be clear from this explanation of the background that the procedure for the notification of sites of special scientific interest and their protection are designed to facilitate and encourage discussion, negotiation and voluntary co-operation. They are intended to provide a period of protection for the land, a breathing space, during which the Nature Conservancy Council can explain to owners and occupiers the nature of the importance of a site in conservaion terms, and discuss with them suitable and mutually acceptable arrangements for the future management of the land.

I hope that I have managed to convince my hon. Friend that the arrangements set out in the 1981 Act strike a fair and reasonable balance between the legitimate interests of landowners and occupiers and the need to conserve the natural heritage. However, if he wishes to bring the stint holders to discuss this matter more fully with me, I would be more than happy to meet them at a mutually convenient time and place.

Question put and agreed to.

Adjourned accordingly at twenty-five minutes past Twelve o'clock.

House of Commons

Wednesday 16 July 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

WESTERN ISLES ISLANDS COUNCIL (BERNERAY HARBOUR) ORDER CONFIRMATION BILL

Considered, to be read the Third time.

Oral Answers to Questions

TRADE AND INDUSTRY

Land Rover

3. **Mr. John Mark Taylor** asked the Secretary of State for Trade and Industry what assessment he has made of the implications for the possibility of securing the early privatisation of Land Rover of its recent achievement of a £50 million contract to supply the Australian Army with military vehicles.

The Minister of State, Department of Trade and Industry (Mr. Peter Morrison): We are delighted that Land Rover has won this contract. Plans for the company's future remain as outlined in my right hon. Friend's statement of 24 April.

Mr. Taylor: I thank my hon. Friend for that reply. Will he be so kind as to take this opportunity to congratulate Land Rover on the excellent order that it has secured? Does my hon. Friend agree that, under the excellent chairmanship of Mr. Graham Day, and after a period of consolidation—which might take a little time—there are prospects for privatisation by offer to British shareholders?

Mr. Morrison: I shall certainly pass on my hon. Friend's message of congratulation to Land Rover and also convey to Mr. Graham Day my hon. Friend's feelings about the future of the Rover group under his leadership. I listened carefully to what my hon. Friend said about future prospects. The present position remains as stated by my right hon. Friend earlier this year.

Mr. Stan Thorne: Will the Minister tell us the present position on Leyland Bus?

Mr. Morrison: The straight answer to that is no, I cannot. The matter is being considered by the Rover group and we have yet to receive a recommendation.

Mr. Greenway: If my hon. Friend wishes to look for success in private industry and the value that that could have for BL, he has only to look at the rowing boats on the Thames taking part in the parliamentary regatta today. Is he aware that although the ITN boat crashed hard into a bridge, it did not split and there was no damage to boat or occupants? The Knights of the Shires boat almost——

Mr. Speaker: Order. That is very ingenious, but the question relates to British Leyland.

Mr. Greenway: On the principle of privatisation——

Mr. Speaker: No. I think that the hon. Gentleman has had a good try.

Mr. John Evans: Would it not be more intelligent to allow BL to get on with its work, to stop all this talk about privatisation and to allow the company to concentrate on being a very good British company doing wonders for the British work force and for British industry?

Mr. Morrison: Of course, the hon. Gentleman would take that point of view. He is aware that since Jaguar returned to the private sector it has done outstandingly well.

Mr. Marlow: While considering how best to secure investment in the British motor car industry, will my hon. Friend tell the House how convinced he is that General Motors will seek to invest money in the United Kingdom rather than in the rest of Europe?

Mr. Morrison: As my hon. Friend will appreciate, General Motors has a long history, going back 50 years, of significant investment in this country, and we are very grateful for that. I hope that it will continue to make its European investment based in the United Kingdom.

Mr. John Smith: Following the Minister's response to my hon. Friend the Member for Preston (Mr. Thorne), will he say when a decision will be made about the future of Leyland Bus? If on an evaluation of the bids it is clear that it is in the public interest that Leyland Bus stays in the public sector, will the Minister confirm that the Government will keep that option open as they did in the case of Land Rover?

Mr. Morrison: I regret that I am unable to say precisely when the decisions will be taken. The right hon. and learned Gentleman will understand that there are complicated matters to be considered, and they should be considered properly. The form is that the board of the Rover group makes a recommendation to the Department and the Department considers the recommendation. I hope that the delay will be put to an end as soon as possible. I appreciate that that delay has had a debilitating effect on all those involved. The straightforward answer to the second point is yes. We shall look at the question in the context in which the right hon. and learned Gentleman put it.

Retail Furniture Industry

5. **Mr. Cockeram** asked the Secretary of State for Trade and Industry if he is satisfied with the operation of the voluntary code of practice of the retail furniture industry.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Michael Howard): The furniture industry code is one of some 20 codes of practice in various sectors which are endorsed by the Director General of Fair Trading for the benefit of consumers. The Office of Fair

Trading is discussing with the National Association of Retail Furnishers, the trade association principally concerned, certain aspects of the code with a view to making it more effective.

Mr. Cockeram: Is my hon. and learned Friend aware that the scheme, which has been of so much benefit to consumers, is in danger of having to be wound up because the cost has had to be borne entirely by the National Association of Retail Furnishers? Will my hon. and learned Friend use his charm and powers of persuasion to encourage the furniture and bedding manufacturers to honour their financial obligations to support the scheme, as was envisaged when it was originally set up?

Mr. Howard: The consumer also contributes to the cost of the scheme. I understand the concern that gives rise to my hon. Friend's question. I shall invite the Director General to consult the trade associations concerned to see whether an acceptable solution can be achieved.

Mr. Carter-Jones: Linked with the code of practice, is the hon. and learned Gentleman satisfied with the flammability test on materials used in the retail trade?

Mr. Howard: The hon. Gentleman will be aware that recently I made an announcement about the flammability test, which I am satisfied will lead to substantially enhanced standards regarding the flammability of furniture.

Mr. Alan Williams: Bearing in mind that the greatest public concern is the safety issue and the risk of fire, and since that is essentially an element within the control of the manufacturers, will the hon. and learned Gentleman make it clear to the manufacturers, when he meets the trade associations, that all hon. Members expect them to make a proper contribution to the costs of the scheme?

Mr. Howard: As I said earlier, that is a matter for the Director General. I shall draw the attention of the Director General to the remarks that have been made.

New Businesses (Cleveland)

6. **Mr. Holt** asked the Secretary of State for Trade and Industry how many, and at what total value, grants have been made to existing and new businesses in Cleveland in each of the past 12 years.

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. John Butcher): Over £470 million in regional assistance grants has been paid by this Department to businesses in Cleveland in the past 12 years. I have arranged for the figures for each scheme of assistance for each year to be published in the *Official Report*.

Mr. Holt: I am grateful to my hon. Friend. It seems to show that all Governments have put money into Cleveland, but Cleveland continues to have the highest unemployment. Does that not reflect on the Socialist sub-culture in that region, which denies so much to the entrepreneur who would go there and set up businesses?

Mr. Butcher: I congratulate my hon. Friend on his vigorous defence of the interests of Langbaurgh and the residents of Cleveland. That may have something to do with the fact that six Ministers, including two Secretaries of State, will have visited the region between 14 July and 5 August. Having made 15 visits myself over the past 48 hours to different organisations in the region, I can say that there is a clearer appreciation among all parties there that the enterprise spirit will be the basis for future jobs and that, in conjuction with the public sector, private enterprise can flourish.

Mr. Frank Cook: I congratulate the hon. Gentleman on visiting Cleveland at long last this week, despite the fact that it has taken since before Christmas for him to do so. What were his impressions on industrial development there as a result of the knowledge he gained from his visit to the polytechnic's design department?

Mr. Butcher: As the hon. Gentleman knows, some controversy surrounds that department. Having visited it yesterday, I must say that I was impressed by the capability of the staff and students and by the determination of that department, in conjunction with the business studies section, to mount an exercise on behalf of local companies to ascertain whether they can source new products into the region. That seems to be at the heart of what we are all trying to achieve for Middlesbrough and for the Cleveland area generally. I am aware of the hon. Gentleman's representations on another matter. I have been in contact with my hon. Friend the Under-Secretary of State for Education and Science—the hon. Member for Buckingham (Mr. Walden)—about it.

Mr. Thurnham: Is my hon. Friend aware of the call by a former Member for Cleveland—my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan)—for a regional development agency to be set up in the north of England? Is he aware of the response to early-day motion 1030 in my name calling for such a regional development agency for the north-west?

Mr. Butcher: As my hon. Friend will know, whether we are talking of the north-west or of the north-east, that is a matter for my right hon. Friend the Secretary of State for the Environment to consider in terms of lead policy decisions at the Department of the Environment. We shall have to await the outcome of his considerations. For the time being, I hope that my hon. Friend will agree that it would not be wise to comment on a number of conjectural points made in recent days.

Mr. Alan Williams: Have any jobs or job opportunities arisen from this belated spate of visits by Ministers? Did any of those Ministers during their visits to the north reveal that the Government are relenting and are willing to return to the north the £180 million that they will steal from its regional funding over the next five-year period?

Mr. Butcher: That was a travesty of the true position. I repeat: to put £470 million into one economic sub-region the size of Cleveland is a very dramatic spend. I hope that the right hon. Gentleman will be a little more responsible in supporting the efforts of any party in any sector of the economy to ascertain how to achieve a better job creation rate for the money spent and to ascertain how that links with what the private sector would wish to do in partnership with public sector expenditure, for example on the rehabilitation of land. A number of the issues which we discussed, not just as part of an alleged "recent" attention to this area, were specifically targeted on the creation of jobs from three sources—inward investment, the birth of new businesses and the expansion of jobs among existing employers.

Following are the figures:

Payments of Regional Assistance in Cleveland: 1974-75 to 1985-86

£' million

	Regional Development Grants (a)	*Regional Selective Assistance*	*Business Improvement Services (b)*	*Totals*
1974-75	N/A	0·26	—	—
1975-76	N/A	0·76	—	—
1976-77	81·3	2·04	—	83·3
1977-78	66·3	1·32	—	67·6
1978-79	68·9	1·94	—	70·8
1979-80	61·6	3·13	—	64·7
1980-81	43·7	1·44	—	45·1
1981-82	43·7	1·48	—	45·2
1982-83	22·8	1·25	—	24·1
1983-84	22·6	2·17	—	24·8
1984-85	22·5	4·82	0·003	27·3
1985-86	9·5	5·62	0·049	15·2
Total	442·9	26·23	0·052	469·2

Notes:
(a) Figures not available for years prior to 1976-77. For the remaining years the sums noted are the totals of payments of £25,000 or more. Payments below £25,000 are not recorded below the level of region. The years 1984-85 and 1985-86 include *all* payments made under new RDG.
(b) Business Improvement Services Scheme Grants were introduced in 1984-85.

Westland Helicopters

7. **Mr. Dalyell** asked the Secretary of State for Trade and Industry if, pursuant to the answer of 18 June, *Official Report*, column *1020*, he will make a statement on the seminar chaired by the Minister for Information Technology on the morning of 24 January.

The Secretary of State for Trade and Industry (Mr. Paul Channon): The seminar to which my hon. Friend referred was one of a series involving the research and development directors of technology-based companies. It was attended also by my hon. Friend the Parliamentary Under-Secretary of State for Education and Science and by representatives of financial institutions and of the Government.

Mr. Dalyell: Does the right hon. Gentleman recollect that 24 January was the morning when his predecessor consulted Sir Brian Hayes and other distinguished civil servants about Westland? What has happened to the doctrine of ministerial responsibility? What would Rab Butler, whose parliamentary private secretary the right hon. Gentleman was, have said about politicians who, when they get into a jam, start blaming civil servants for what they themselves have set in motion, authorising inquiries into so-called leaks knowing full well where the responsibility and initiative for the problem rested in the first place?

Mr. Channon: I do not think that the hon. Gentleman will expect me to comment on what he alleges in his question, which relates to a seminar chaired by my hon. Friend the Minister for Information Technology. It has nothing to do with the points that the hon. Gentleman has in mind. As the hon. Gentleman was kind enough to refer to Rab Butler, I assure him that Rab Butler always told me to answer the question on the Order Paper and not some fictitious one that came up later.

Mr. Dalyell: That is a good answer.

Multi-fibre Arrangement

8. **Mr. James Lamond** asked the Secretary of State for Trade and Industry if he will make a statement on the current state of negotiations on the multi-fibre arrangement.

9. **Mr. Madden** asked the Secretary of State for Trade and Industry if he will make a statement on the current state of negotiations on the multi-fibre arrangement.

Mr. Butcher: The European Commission is conducting the negotiations on renewal of the MFA on behalf of the Community in accordance with the mandate approved by the Council of Ministers on 11 March. I am confident that a protocol of extension of the MFA will be negotiated by the end of July, when the present arrangement expires. In parallel, the Community has reached provisional agreement with a number of supplier countries on the renewal of bilateral agreements. My hon. Friend the Minister for Trade is keeping in close touch with the industry and other interested parties as the negotiations progress.

Mr. Lamond: Has the Minister been receiving the same sorts of letters as I have from concerned employers, who point out that the end of July is fast approaching, that there are well substantiated rumours that Britain continues to weaken our position with regard to the MFA, and that there is a threat to the fragile recovery of the textile industry and to the investment that has been going on and, as a consequence, to many hundreds, if not thousands, of jobs in the industry? If there is no truth in those rumours, will the Minister make that plain, and, if there is, will he do something about it before the end of July?

Mr. Butcher: I am pleased to have the opportunity to make it very plain to the hon. Gentleman that there is no weakening of our position. The current position on the mandate is the position that we wish to see delivered as being in the best interests of the United Kingdom industry. My hon. Friend the Minister for Trade and his officials, particularly the officials where daily contact is concerned, keep in constant touch with the position in the industry,

particularly when we are monitoring things such as the sensitive products, where there is the greatest or changing threat. Therefore, I think that I can reassure the hon. Gentleman that, on almost a day-to-day basis, we are alive to the interests of our employers. Even allowing for the fact that, there is some limited further liberalisation of trading generally in those products, we feel that we have managed to produce a situation that recognises all the various interests.

Mr. Madden: Despite the fawning subservience of the Prime Minister to President Reagan and all things American—perhaps, indeed, because of it—is not the prospect that as America will have a much tougher regime against textile imports, British textile firms will face increased competition from imports diverted from America? What contingency plans do the Government have to deal with that challenge, or will the Government sit back as they have done over the past six years and see 500 textile workers' jobs a week disappear? What will the Government do really to help an industry that has done a great deal to help this country's economy?

Mr. Butcher: I hope that the hon. Gentleman will agree that it would not serve British interests to air publicly our evaluation of the efficacy or otherwise, or the strengths and weaknesses, of the Americans' recently negotiated position in bilaterals. With regard to the American situation, if changing circumstances permit a reappraisal of the way in which we pursue our bilaterals under the general protocol, that is something that we shall have to bear in mind. My understanding is that recent American bilateral agreements have been complex. It has been difficult to generalise about their effects, but, taken overall, they should not, in our view, cause us to reconsider our position at this stage.

Mr. Bowen Wells: During the renegotiation of this seriously protectionist measure, which is against Government policy as I understand it, has my hon. Friend been able to make any progress in phasing out the MFA over the next three years, so that our industry may know that it is coming to an end and be able to make itself more efficient, in order to compete and expand in the real world rather than the protectionist world?

Mr. Butcher: There is no doubt that three or four years ago the British textile industry had a very hard pounding, but there is equally no doubt that it has decided to come out fighting. The situation is not as gloomy as some Opposition Members would have us believe. With regard to the overall question of protection, we have said that there must be a continuation of the MFA, but under new terms. We have particularly said that, in the case of countries that indulge in one-way trading practices, for example, it would not be wise for us unilaterally to disarm. I cannot go along completely with my hon. Friend in the purist approach. I understand the philosophical basis of his argument, and I take his point.

Mr. Spencer: Is my hon. Friend aware that in my constituency the trade was horrified to learn that the alliance wished to dismantle the MFA altogether? Is he aware that any such action would cost thousands of jobs in Leicester?

Mr. Butcher: I believe that you, Mr. Deputy Speaker, curtailed the use of a waterborne metaphor by an hon. Member earlier, but I can only say that in my view the alliance is well and truly in the drink on this. No doubt in the north-west in particular a number of local and general election campaigns will be dominated by the thoughts of some alliance spokesmen in the House.

Mr. Donald Stewart: Despite the talk of protectionism, is the Minister aware that the MFA has been virtually the only protection for our textile industry in recent years and that the entire industry throughout the United Kingdom looks to the Government for ultimate support in preserving the arrangement so that the industry can fulfil its potential in terms of export orders.

Mr. Butcher: I believe that the textile industry is now a highly professional, well-managed industry and that the skills of the work force are being properly used. If current attitudes continue, I see no reason why those companies that have not done so should not begin to increase their market share. The MFA is not a crude form of protectionism. It must also recognise the interests of consumers who, it could be argued, in some sectors have been paying higher prices than necessary for certain textile goods. That is why, as I have said, MFA policy is a matter of balancing interests. We believe that we have got the balance about right.

Mr. Fatchett: The Minister will no doubt have received many representations and requests from the clothing industry for a strong multi-fibre arrangement. Will he ignore the Liberal call for a weak or non-existent MFA? Will he also tell the Liberals how many jobs would be lost in the clothing industry if the arrangement were abandoned? In the negotiations, will he take account of the recent increase in clothing imports?

Mr. Butcher: I take the hon. Gentleman's latter point on board. He is correct to point out that the industry is still a huge employer, with hundreds of thousands of employees. In my view, it is extremely dangerous to tinker with the future of those people, but it is for the alliance to decide whether it wishes to withdraw the policy that it has proposed.

Mr. Meadowcroft: Is the Minister aware of the report by City Analysts de Zoete and Bevan? It states:

"There seems to be no evidence therefore that MFA distorts, helps or hinders the progress of UK clothing imports . . . If the reason for MFA is protection it seems to us to be doing a pretty poor job and is probably irrelevant".

Does the Minister not agree with that analysis?

Mr. Butcher: This is clearly a serious development and the public have a right to know what the sinister de Zoete and Bevan faction is doing within the Liberal party.

Mr. John Mark Taylor: Does my hon. Friend agree that the MFA is a considerable European success as a defensive mechanism against unfair competition and that there could be more avenues for co-operation to defend the European market against unfair competition, including Japanese motor cars?

Mr. Butcher: One of the themes of the MFA and the Community stance to it is that we should be more helpful to countries which are free and fair traders and less helpful to one-way traders. Similarly, we should try to skew whatever room to manoeuvre he have in liberalisation towards the poorer countries. I believe that that is a correctly balanced approach.

Mr. Gould: As these crucial negotiations from our point of view are entirely in EEC hands, what assurances can the

Government give the House and the industry that there will be no further weakening in the EEC negotiating mandate, which already falls far short of what is required to protect jobs in this vital British industry? Will the hon. Gentleman repudiate clearly and directly not only the siren voices of the Liberals but those of Conservative Back Benchers, and make it clear that he is ready to take further steps to ensure that the negotiating mandate is not further weakened?

Mr. Butcher: I said earlier that the British position is four square behind the current structure of the mandate, and we see no reason to amend that from now on. That is the best signal that the House can send to the Commission and the Council of Ministers.

Discriminatory Discounts

10. **Mr. Bruce** asked the Secretary of State for Trade and Industry what representations he has received on the subject of discriminatory discounts.

Mr. Howard: Since 1 January 1986 my right hon. Friend has received four representations on the subject of discriminatory discounts.

Mr. Bruce: Will the Minister accept that small businesses are not impressed by the lack of Government action or by the Binder Hamlyn report? If the Minister is not prepared to take legislative action to try to protect small businesses against discriminatory discounts, will he at least consider introducing a code of practice by which large businesses should operate when dealing with small businesses in this sector?

Mr. Howard: Both the Monopolies and Mergers Commission report in 1981 and the Office of Fair Trading report in 1985 came to the conclusion that the benefit of these discounts was passed on to the consumer. Both the House and the housewives of Newcastle-under-Lyme will note that the contribution of the Liberal party on this issue is to press for measures that will lead to higher prices of goods in the shops.

Mr. Pollock: Does my hon. and learned Friend agree that one aspect of discriminatory discounts is the tax structure operated by the Japanese, which gives preference to American whisky over the superior Scottish product? Will he do all that he can to convey to his Japanese counterparts the real and increasing concern in the House about that blatant discrimination, and not shrink from taking any further robust steps that may be necessary in response?

Mr. Howard: I raised this matter when I was in Japan a few months ago, and my hon. Friend the Minister for Trade has raised it strongly with the Japanese.

Mr. Hardy: Are not the Minister, his colleagues, his Department and the Office of Fair Trading well aware both of the substantial scale and the inherently unfair nature of the discounts that apply in the retail trade? Has this not been the principal reason for the rapid change in that trade, and is it not the case that, although a substantial number of jobs may appear to be created when a supermarket is established, there are no net gains, as many small businesses go out of business or dramatically contract?

Mr. Howard: No, this is by no means the only factor responsible for these changes. A number of other factors are at work. The Government must have regard to the interests of the consumer, and as long as the consumer benefits, as these reports have found, from lower prices as a result of the discounts being passed on, any Government would have to pause and think long and hard before taking any measure that would work to the detriment of the consumer.

Mr. Michael Forsyth: Is not the question from the hon. Member for Gordon (Mr. Bruce) yet another example of the Liberals trying to have it both ways? Does he not spend his time telling the House that Aberdeen is the most expensive city in Scotland and that prices there are intolerable, while at the same time asking the Government to take measures that will result in higher prices for housewives in Aberdeen?

Mr. Howard: I agree with every word that my hon. Friend has said. Every hon. Member is aware of the extent to which the Liberal party tries to face both ways on every conceivable issue in every constituency.

British Leyland

12. **Mr. Park** asked the Secretary of State for Trade and Industry what current talks are being held regarding the future of BL.

Mr. Peter Morrison: The chairman of the Rover group has stated publicly that he is exploring the possibilities for collaborative and other arrangements with other manufacturers.

Mr. Park: Are the Government involved in these talks, or likely to be so? If they are involved, what is the likely agenda?

Mr. Morrison: In general terms, the answer is that the Government are not involved in the talks except, as I indicated in reply to an earlier question, in relation to the sale of Leyland Bus, which will be coming up shortly, when obviously the Government will be involved with the Rover group and its recommendations.

Mr. Warren: Is it not a fact that we now have in the Rover range a super car of world class and that all hon. Members on both sides of the House should back it, as I am sure we will do? Will my hon. Friend take into account the fact that the Select Committee on Trade and Industry has recommended many times that BL, or Rover, or whatever its name is, is an entity of British enterprise that we must all support?

Mr. Morrison: I agree entirely with what my hon. Friend has said about the new Rover 800. It is a maginificent car and certainly a very nice car to travel in as a passenger. As to his remarks on the Select Committee's recommendation about the Rover group, the members of the Select Committee and I discussed the matter at length three weeks ago when I appeared before the Committee. We have varying points of view but I thought that it was an interesting and important discussion.

Mr. Campbell-Savours: Does the Minister reject the proposition that Department of Trade and Industry officials are manoeuvring the bids for Leyland Bus in favour of Lairds? May I have an assurance that Department officials are not being pressed unduly by the chief executive of the Laird group?

Mr. Morrison: In answer to the second question, the hon. Gentleman can have that assurance. As to his first question, I hope that he has sufficient respect for my right hon. Friend and me to know that we make up our own minds.

Mr. Marlow: With regard to talks with the motor industry, can my hon. Friend say when he or a member of his Department last had talks with General Motors, and what those talks were about?

Mr. Morrison: As I have stated to the House, I met Mr. Stempel of General Motors some months ago. Since then, neither my right hon. Friend nor I have met General Motors.

Mr. Hoyle: In regard to Leyland Bus, can the Minister tell us whether the Leyland board has reached a decision and whether he or the Secretary of State will make a statement to the House before the recess?

Mr. Morrison: I do not know whether the hon. Gentleman was in the House earlier when I was responding to similar questions. It may be helpful to the hon. Gentleman to tell him that I said that we had received no recommendation from the Rover group about the sale of Leyland Bus. I and my right hon. Friend have always said that we will keep the House informed about relevant developments.

Mr. Wareing: As the Government often allege that they believe in trade union rights and workers being able to make an input into their industry, and as there was a meeting recently of the work force at which it was overwhelmingly against any idea of privatisation and in particular the sale of Leyland Bus, what credence can be given to the Government's oft-spoken words in favour of allowing workers to have their rights? What rights are the workers in British Leyland to have?

Mr. Morrison: The hon. Gentleman may or may not be aware that I have met delegations from Leyland Bus and that I have visited factories in Lancashire and in Cumbria. The very points that the hon. Gentleman made have been put to me fairly and distinctly. Of course we listened to those points but we are in the business of selling the company if the right bid at the right price arises.

Mr. Roy Hughes: May I remind the Minister yet again of the wise words of Lord Stockton about selling off the family silver? Has the Minister made any assessment of the financial implications for the whole of the BL organisation because of the uncertainty about its future? Would it not be wise for the Government at this stage to decide to fight the next general election on their own record rather than attempting to buy the result by the sale of public assets and massive tax cuts stemming from those sales?

Mr. Morrison: I have no doubt at all that the next general election, so far as the Government are concerned, will be fought and won on the Government's record, part of which is a very successful privatisation policy.

Mr. John Mark Taylor: In the course of such talks as there may be, will my hon. Friend bear in mind that the best interests and the best future for the individual subsidiaries of the Rover group may be very different and may also lie over distinct time scales?

Mr. Morrison: Yes, of course I shall bear that in mind, and it is something that we shall always have at the front as opposed to at the back of our mind when we come to take the relevant decisions after recommendations have been received from the board.

Mr. John Smith: Does the Minister appreciate the deep worry and concern of the workers in Leyland Bus who have seen the orders decimated by the Government's transport policy and who now face the prospect, if the Laird group takes over, of a very small bus producer taking over Britain's largest bus producer? Does it make any sense to encourage the Laird group simply to acquire a market share? Is not the sensible thing to do to keep Leyland bus in the public sector and support it strongly, in readiness for the upturn in bus sales that will come in Britain and throughout the world?

Mr. Morrison: The right hon. and learned Gentleman is making, very forcefully, the very points that the shop stewards made to me when I visited Leyland. I am aware, as the right hon. and learned Gentleman is aware, that there is over-capacity in the bus market. I am also aware —and I think that the shop stewards agreed with me when we discussed it—that the potential in two, three or four years' time is there, because of the changing nature of the bus fleets.

EUREKA

13. **Mr. Richard Page** asked the Secretary of State for Trade and Industry how many projects involving United Kingdom companies have now been approved under the EUREKA initiative.

Mr. Butcher: A total of 33 projects involving British firms have now been approved under the EUREKA initiative. Twenty-eight of these were among the 62 announced at the third EUREKA ministerial conference held in London on 30 June. The remaining five are projects announced at the second ministerial conference in Hanover on 6 November 1985.

Mr. Richard Page: I thank my hon. Friend for his reply. It appears that the initiative to put a commercial face on research is working. First, what is the value of these projects to British companies? Secondly, what steps are being taken by my hon. Friend or by his Department to make sure that projects which would have gone ahead anyway are not being funded through the EUREKA scheme?

Mr. Butcher: The total value of the projects that were announced on 30 June was £1,400 million. The value of those projects which involve the United Kingdom is over £730 million. Many of the projects are in the definition phase. The exact British share is difficult to assess at present, but an average of 25 per cent. is likely. As for my hon. Friend's question about whether these projects would have been supported anyway, he will be aware that a significant number of them require no public sector funding. They are levered forward because the companies are attracted by the market-opening opportunities, or the collaborative venture opportunities, or the exchange of information opportunities, but, where companies approach the Government for support, the additionality criteria will, of course, meet my hon. Friend's question.

Mr. Geoffrey Robinson: Will the Minister please explain that the Department is now committed to meeting the required levels of Government support for industry under

ESPRIT and EUREKA, and that he is committed to maintaining national programmes at a very full level to enable us to participate in those programmes? At the same time, the support for innovation budget had been reduced. How much money is foreseen as being available for Government support for EUREKA, and where will it come from?

Mr. Butcher: The prime objective of EUREKA is not to lever forward public sector-funded initiatives. They are market-driven initiatives. The hon. Gentleman asks how much money will be made available. It is precisely because our support for innovation programme is demand-led on a case-by-case basis against viable projects that I cannot give him an answer to his question.

Estate Agents Act 1979

14. **Mr. Spencer** asked the Secretary of State for Trade and Industry what recent representations he has received on the effectiveness of the consumer protection provisions in the Estate Agents Act 1979; and if he will make a statement.

Mr. Howard: I have received no such representations. The Act provides important safeguards for the consumer, but I shall continue to keep a close watch on the effectiveness of the Act and the Director General of Fair Trading will continue to exercise his powers to ban or warn estate agents where he considers this appropriate.

Mr. Spencer: Is my hon. and learned Friend aware that there are some estage agents who are still practising after they have been convicted of offences of dishonesty and are subject to a suspended sentence of imprisonment? Will he consider introducing legislation to place a duty on a court to report any such conviction to the Director General of Fair Trading, in order to give greater protection to the public against these tricksters?

Mr. Howard: Yes, Mr. Speaker. I am very grateful to my hon. and learned Friend for drawing this matter to my attention. The Act provides for a court to bring relevant convictions to the attention of the Director General at its discretion, but I shall certainly want to consider whether there is a case for amending the Act so as to place the courts under a statutory duty to inform the Director General of these matters.

Steel Industry

15. **Mr. Flannery** asked the Secretary of State for Trade and Industry if he will make a statement on the current state of the steel industry.

Mr. Peter Morrison: I welcome the profits recently announced by the British Steel Corporation, together with signs of growing profitability in the private sector. The industry still faces major challenges, but the progress made in recent years is most encouraging.

Mr. Flannery: Can we assume that no closures are likely in the steel industry in the near future and that any major closures are simply not on the stocks at all?

Mr. Morrison: I am surprised that the hon. Gentleman did not congratulate the British Steel Corporation on its outstanding success. The corporation will have to continue to run a competitive industry. How that arises will be a matter for the corporation, but its success to date has been outstanding. Jobs within the British Steel Corporation today are far more secure than they were six years ago.

Mr. Hickmet: Does my hon. Friend agree that the performance of the British Steel Corporation has been remarkable? The £76 million profit which has just been announced is the first bottom line profit since 1974-75. Output is now at 14 million tonnes, which is a significant increase. That is the first increase in output for four years. United Kingdom steel consumption has risen by 2 per cent., British Steel Corporation's exports have risen by 4 per cent. and the overall productivity of the corporation is now such that 1 tonne of liquid steel is produced with 6·3 man-hours as opposed to seven man-hours last year. When the Labour party was in office, the figure was 14 man hours. With the ending of state steel aids, is not the position of the British Steel Corporation the strongest that it has ever been in the lifetime of the Government?

Mr. Morrison: I agree with everything that my hon. Friend has said. I only wish that the Opposition could bring themselves to congratulate the management and unions in the British Steel Corporation.

Mr. James Hamilton: The Minister will no doubt be aware that no later than yesterday 310 men were made redundant at the Clydesdale Tubeworks in my constituency, and there could be further redundancies in those works. There is 22 per cent. unemployment in that area. Does the Minister agree that if the Government had used their muscle with the British Steel Corporation in relation to the extraction of gas these jobs could have been saved, as could many other jobs that have been lost? Will the Minister do something about this before there is a catastrophe?

Mr. Morrison: I assure the hon. Gentleman that the corporation took what was an unpleasant decision only after the most careful consideration. I also assure him, in relation to job security in the corporation and in the industry as a whole, that the industry and the corporation must be run on the most competitive basis, or orders, and more jobs, will be lost.

Mr. Michael Marshall: Does my hon. Friend agree that the excellent results that have just been announced are, we hope, the product of the difficult process of re-nationalisation following the overmanning and overproduction in the industry? Will he tell us what he thinks is happening in the Community, where it is fair to say that our European partners have been somewhat laggardly in following our example?

Mr. Morrison: I do not think that my hon. Friend is being entirely fair, as much rationalisation has been carried out throughout the European steel industry. As he is aware, further negotiation and discussion will take place in the autumn about aids and quotas. I assure my hon. Friend that I shall keep a close eye on that ball.

Mr. Crowther: Following the ending of state aids to steel throughout the European Community, what steps will the Minister take to ensure that the British steel industry, in the public and private sectors, does not continue in its present disadvantageous position, because of the indirect subsidies to steel in other European countries?

Mr. Morrison: As I said a moment ago, I agree entirely with what the hon. Gentleman is saying. All aid should be

transparent and all steel-making capacity should be on an equal footing. I shall be doing everything that I can within the Council of Ministers to ensure that that is the case.

Mr. John Smith: Does the Minister understand that his talk about security of employment in the steel industry will have a hollow ring for the 310 workers to whom my hon. Friend the Member for Motherwell, North (Mr. Hamilton) referred, a substantial number of whom live in my constituency? The hon. Gentleman will recollect that it is only a matter of months since an even larger number of redundancies were announced in the context of a survival plan for Scottish Steel and Tubes division. Is it not now painfully clear that the failure to acquire orders in the North sea oil and gas fields arises to a large extent from the Government's decision not to proceed with the gas gathering pipeline system several years ago? If that were in place there would now be orders for our steel industry.

Mr. Morrison: I appreciate what the right hon. and learned Gentleman says about his constituents and those of the hon. Member for Motherwell, North (Mr. Hamilton). The decision was not pleasant to make, but, as I have said, it was made after the most careful consideration. It is important to realise, as I am sure the right hon. and learned Gentleman appreciates, that unless the corporation is run efficiently it will lose more orders and, therefore, more jobs.

Mr. Bruce: Will the Minister acknowledge that if an oil price of under $9 a barrel is sustained that will have serious implications for further development of the North sea and for steel orders, and that the threatened loss of jobs will be about 10,000 in Scotland, roughly equivalent to what a gas gathering system might have provided? If the Minister is not prepared to come forward with an initiative in that area—we have already lost the Sleipner contract — will he recognise that his Department and the Department of Energy must, as a matter of urgency, find some way of sustaining development projects in the North sea?

Mr. Morrison: The hon. Gentleman is apparently arguing for a cartel of oil prices, which may be rather more difficult to achieve than he thinks. The most important thing for steel is that we should have the most efficient company in the shape of BSC, which we have, and that will enable us to get markets, which will ensure jobs.

Manufacturing Industry (Investment Levels)

16. **Mr. Lofthouse** asked the Secretary of State for Trade and Industry when he next intends to meet the National Economic Development Council to discuss levels of investment in manufacturing industry; and if he will make a statement.

Mr. Channon: I propose to attend the next meeting of the National Economic Development Council on 23 September. At this and subsequent meetings I expect matters relevant to improving the United Kingdom's industrial performance to be discussed.

Mr. Lofthouse: Is the Minister aware that job prospects in mining communities such as my own, which have been devastated by the savage pit closure programme, are now reaching crisis point? Is he further aware that there is an urgent need for further investment to supplement the investment of British Coal (Enterprise) Ltd. in those areas? What will he do about that, or is it simply the case that where there are few Conservative votes there will be no investment?

Mr. Channon: No, I do not accept that. I shall certainly draw the attention of my right hon. Friend the Secretary of State for Energy to his point about British Coal (Enterprise) Ltd., which has done a good job. However, the hon. Gentleman asked me about the levels of investment in manufacturing industry, I am sure he will be pleased to know that manufacturing investment is up 6 per cent. and that non-oil industrial investment has risen to a record level.

Mr. Loyden: Does the Minister agree that the policies being pursued by the Government have been nothing short of a disaster for industry and jobs? Is he aware that the planning officer of Liverpool has recently reported that by the end of the century, at the present rate of deindustrialisation and loss of jobs, not one person will be employed in that city? How will that fit on his agenda, and what remedies will he support at the NEDC meeting?

Mr. Channon: I do not accept what the hon. Gentleman says about the prospects for the future, nor do I accept what he says about the past few years. Britain now has stable growth, low inflation, high manufacturing output, high productivity, high manufacturing investment and high manufacturing exports. [HON. MEMBERS: "High employment."]

Mr. Hickmet: Does my right hon. Friend agree that numerous countries have sent advisers to the United Kingdom to seek advice about how we have harnessed private investment through the privatisation programme? Will he remind the NEDC that the policy of renationalisation, threatened by the Labour party if it should get into power, whether it is called social ownership or not, will reduce the amount of private investment in industry, particularly in those industries that have been privatised?

Mr. Channon: I entirely agree with my hon. Friend. The Labour party's policy of state theft, which it calls by some other name, will indeed have that effect. I shall take what opportunities I can in the NEDC, and possibly elsewhere, to make that point.

Mr. Williams: When the Secretary of State boasts about his minute 6 per cent. increase in manufacturing investment, will he confirm that, even with that 6 per cent. increase, manufacturing investment is still virtually 20 per cent. below what it was when he came to office, still lower than at the time of the three-day week and only at the level of 1960? Is he aware that, as a result of the collapse of manufacturing investment under the Government and their failure to sustain the level of investment at the level that they inherited in 1979, we have lost £10·6 billion in manufacturing investment?

Mr. Channon: The right hon. Gentleman persistently refuses to recognise that, since the worst trough of the slump in 1981, output has risen by 11 per cent., investment has risen by 19 per cent. and productivity has increased 23 per cent. As my hon. Friend the Member for Glanford and Scunthorpe (Mr. Hickmet) said, the economic policies that are being followed are being watched all round the world and many people are trying to emulate them.

Shipbuilding Industry

17. **Mr. Frank Cook** asked the Secretary of State for Trade and Industry what representations he has received about the current state of the shipbuilding industry; and if he will make a statement.

Mr. Peter Morrison: My right hon. Friend and I have received a number of delegations and much correspondence about the shipbuilding industry in recent months.

Mr. Cook: The Minister will be well aware of anxiety about naval shipbuilding capacity in Britain, but is he aware that there are no major projects for merchant shipbuilding ahead for next year? What will the Government do about that lack of work? Are they content to see this once great maritime nation become bereft of any merchant shipbuilding capacity and dependent for its supplies of such vessels on countries overseas?

Mr. Morrison: The hon. Gentleman will know that my right hon. Friend accepted the proposals that British Shipbuilders put to us for a reduction in capacity. My right hon. Friend said at the time that there will be sufficient capacity for the orders that we hope to get. I assure the hon. Gentleman that every effort is being made to secure such orders.

Mr. Holt: Does my hon. Friend agree that, although he has had representations from a wide range of people in the Cleveland area, especially about the closure of Smith's dock, it is a little difficult to explain to them how a shipbuilding yard in Tasmania is successfully tendering for the Isle of Wight ferry?

Mr. Morrison: I am well aware of the delegations that I have received, and my hon. Friend has been in touch ceaselessly about the future of Smith's dock. I appreciate the difficulties in which he and those who work there find themselves. Difficult decisions have to be made when one has over-capacity.

Mr. Clay: Is the Minister aware that, in May this year, Japanese shipyards received orders for 40 cargo ships foreign to Japan, representing 295,000 gross registered tonnes, which is 50,000 tonnes more than British Shipbuilders says will be required in a whole year for it to stop all the proposed closures and redundancies? If Japan can get that many overseas orders in one month, which was a bad month for them, how on earth is it that the Government cannot enable British Shipbuilders to get the same amount in one year?

Mr. Morrison: I can neither confirm nor deny the hon. Gentleman's figures about Japanese shipyards. He will appreciate — he has been to see me as part of a delegation—that every effort is being made. Every effort will continue to be made.

Mr. Hill: Will my hon. Friend tell the true story about the evolution of shipbuilding throughout the world? We have been outclassed, outworked, underpriced, unprepared to deliver ships on time, we have had deplorable labour relations and the trade union movement has been out of control. Will my hon. Friend make it clear once and for all that these chickens are now coming home to roost?

Mr. Morrison: As I have persistently said, British Shipbuilders will get orders only if, as my hon. Friend the Member for Southampton, Test (Mr. Hill) forcefully points out, it is competitive. That is very necessary. It is fair to add that whether one is talking about the Japanese or European shipyards or anywhere else, there is surplus capacity of ships and shipbuilding.

Mr. Williams: I am astonished that a local Member would sell out his own shipyard and workers in the way in which the hon. Member for Southampton, Test (Mr. Hill) just did. May I ask the Minister whether he realises that there is now deep gloom in the Swan Hunter yard and Vosper Thornycroft as a result of the placing of a recent frigate order? Does he realise that that means that one of those yards is likely to close? As for the level of protection that one of the yards is receiving, we can guess which one it might be. Can the Minister tell us what plans he has to help those yards, since clearly one local Member has no intention of doing so?

Mr. Morrison: If the right hon. Gentleman were to inquire at Swan Hunter, he would quickly discover that it has a close relationship with my Department and myself. That relationship inevitably means that the sort of communication that it wants with the Government is properly put.

Later—

Mr. Hill: On a point of order, Mr. Speaker. You will remember that only a few minutes ago the right hon. Member for Swansea, West (Mr. Williams), speaking on behalf of the Opposition, made a slanderous attack on me by suggesting that I was speaking against the shipbuilding industry of Southampton. I want to put the record straight. There is no shipbuilding industry in my constituency, although the industry is ably supported by my hon. Friend the Member for Eastleigh (Sir D. Price)—

Mr. Speaker: Order. We frequently hear things in this House that we do not like and with which we disagree. I cannot allow the hon. Gentleman to have a second opportunity to answer the point.

Mr. Hill *rose*——

Mr. Speaker: Order. I cannot allow the hon. Gentleman to continue. He will have to find other ways to put his case.

Design Education

18. **Mr. Wood** asked the Secretary of State for Trade and Industry if he plans any further design education initiatives in the higher education sector and in the schools.

Mr. Butcher: In collaboration with the Department of Education and Science and other interested bodies, the Department continues to support a wide range of design initiatives at all levels of education. In particular, I am examining proposals for the development of business training for designers, extension of the young designers into industry scheme and support for design and primary education, implementing the recent consultative report.

Mr. Wood: I thank my hon. Friend for that reply. Is he satisfied that schools and other educational institutions are paying enough attention to the needs of industry? Is he equally satisfied that industry is taking enough interest in what is going on in schools and educational institutions?

Mr. Butcher: My hon. Friend is absolutely right in his analysis. There has been criticism in the past that design departments should introduce more business discipline

into the design curriculum and that business men, especially on business management courses, should understand more about why design has not been used as an effective force in reconquering markets that have been lost to British companies. My hon. Friend has it right, and we reflect those views in our education policy.

Mr. Eastham: The Minister referred to the initiatives being taken to make up for some of the deficiencies. Is it not a fact that industry already recognises many shortages of skills for various parts of industry? Does that not clearly fall at the feet of the Government, who, only three or four year ago, decided to do away with the industrial training boards, thereby creating many deficiencies? Is it not time that there was a rethink with a view to reintroducing proper industrial training?

Mr. Butcher: It is precisely because the Department of Trade and Industry recognises the representations from the engineering industry and the information technology industry in particular, that our skill shortage committee produced a whole raft of policies for reducing the skill shortage, especially in engineering and technology. Some of the other matters raised by the hon. Gentleman are for my right hon. and noble Friend the Secretary of State for Employment. No doubt those views will be communicated to him.

Irish Foreign Minister (Representations)

3.33 pm

Mr. Ian Gow (Eastbourne) *(by private notice)* asked the Secretary of State for Northern Ireland what complaints he has received from the Foreign Minister of the Republic of Ireland about the conduct of the Royal Ulster Constabulary in Northern Ireland and what response he has made to those complaints.

The Secretary of State for Northern Ireland (Mr. Tom King): I have received messages from Mr. Barry expressing his concern about the events of recent days in Northern Ireland and his assessment of the impact on the nationalist community and in particular his criticism of certain operational decisions of the RUC. I have today issued a statement making clear that operational decisions on routeing of parades are entirely a matter for the Chief Constable. I have also expressed my support for the way in which the RUC sought to deal even-handedly with both communities and to protect law-abiding people from violence from whatever quarter it comes.

Mr. Gow: As my right hon. Friend has rightly made clear, responsibility for operational matters of the RUC is for the Chief Constable and not for him. Will he make it doubly clear that there is no responsibility whatever enjoyed by the Foreign Minister of the Irish Republic for operational matters which fall within the responsibility of the Chief Constable? Will he remind the Foreign Minister of the Irish Republic of the provisions of article 9*(b)* of the Anglo-Irish agreement, that the conference has no operational responsibilities? Finally, is my right hon. Friend aware that the complaints which have been made by the Irish Foreign Minister are only a precursor of further serious disagreement between London and Dublin as a result of the signing of the Anglo-Irish agreement?

Mr. King: The answer is yes, Sir, to both of my hon. Friend's questions. There are great tensions in Northern Ireland during the marching season. I have just returned again from the Province, and my view has again been confirmed that there is a widely held opinion among both sides of the community that the violence, which was extremely regrettable, was very much less than might have been and was predicted by many. I think that much of that was to do with the sensible and wise policing decisions which were taken. I have included in my statement my sympathy to the members of the RUC who were injured during the weekend's events in seeking to protect both communities from violence from either extreme.

Mr. J. Enoch Powell (South Down): Is it not clear that, contrary to statements made by Her Majesty's Government, the Government of the Irish Republic are under the impression that the Anglo-Irish agreement has given them a voice in the internal administration of a part of the United Kingdom? What steps do the Government intend to take to correct that impression?

Mr. King: No, Sir. The right hon. Gentleman, with his knowledge of the Province, knows perfectly well that the Irish Government have always been concerned about issues affecting the Nationalist community in Northern Ireland and have made representations over the years about different matters that have given rise to concern. I think that we should recognise that that has been the practice in the past as well.

Mr. Julian Amery (Brighton, Pavilion): Has my right hon. Friend considered the article written by the Minister of State, Northern Ireland Office, that appeared in the *Daily Telegraph* two days ago in which he argued the case against integration and stated that that would be contrary to the Anglo-Irish agreement? Could there be a clearer admission that we have, in effect, surrendered an element of sovereignty to the Republic? Can he be surprised that the Irish Foreign Minister has taken the action that he has?

Mr. King: I am not quite sure how that arises from the private notice question. I note, however, the comment of my right hon. Friend. He will know that it is the Government's policy to seek to pursue an agreed basis for devolved government in Northern Ireland.

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Is the Secretary of State aware that, when provocative Orange marchers are properly routed and when Nationalist and Catholic homes are protected properly against murderous thugs, there will be no need for Mr. Peter Barry to make the representations that he made or in the manner in which he made them? Does the hon. Member for Eastbourne (Mr. Gow), not to mention the right hon. Member for South Down (Mr. Powell), really wish to see this role passed back to Sinn Fein of the IRA? I cannot believe that the right hon. Gentleman wishes that to happen.

Mr. King: The hon. Gentleman will be aware, with his knowledge of Northern Ireland, of the difficulties that are posed, especially during the marching season and at the time of the 12th. I hope that he will accept from my confidence that every possible thing was done and will be done to protect law-abiding communities on both sides of the community from violence and intimidation of the sort that we have seen. We shall be determined to ensure that every effort is made to bring those responsible to justice.

Sir John Biggs-Davison (Epping Forest): Would not nearly every hon. Member agree with my right hon. Friend that the RUC deserves the highest praise for its work under the special strain that has been placed upon it since the signing of the Anglo-Irish agreement? Was it not claimed for that agreement that this sort of interfering megaphone diplomacy would be obviated by the existence of the Anglo-Irish Intergovernmental Conference? Is this not further evidence of the futility of the agreement? Would it not be a good idea to let it wither?

Mr. King: My hon. Friend will recall the strain under which the RUC was put last year at the time of the marching season, as well as this year. It is known that every year this is a time of great difficulty. I am grateful for my hon. Friend's tribute to the RUC. Hon. Members who may not have been present in the Province but who saw the television pictures will have seen the way in which the RUC has stood against thugs and hooligans from both communities in the interests of protecting law-abiding citizens. The RUC has earned our admiration and respect for its efforts.

Mr. Tam Dalyell (Linlithgow): Will the Secretary of State explain to those of us who voted against the Anglo-Irish agreement and thought that it was counter-productive why Mr. Peter Barry did not consult him first? Was there any sign that these great public statements were to be made, and was there any consultation with the Government?

Mr. King: Obviously, I was aware of the general concern that the Irish Government have had and continue to have about the position of the Nationalist community and the dangers to which it may be exposed. However, I did not have prior notice of the particular statement which is the origin of the private notice question.

Sir Eldon Griffiths (Bury St. Edmunds): For those of us who support the Anglo-Irish agreement, is it not singularly painful that Mr. Barry should have made a public statement in which he said:

"I want Nationalists to know that I am determined to see to it that their interests are safeguarded and their physical security is protected."

That is an Irish Minister speaking about British territory. How dare he do such a thing? Could the even-handedness of the RUC possibly be shown more clearly than in the fact that hundreds of its men and women have been shot by the IRA and scores of them burnt out of their homes by so-called Loyalists? The RUC is in the middle. It is doing its duty and it deserves tribute.

Mr. King: I hope that my hon. Friend will recognise that I have paid that tribute unstintingly because I recognise that the RUC must discharge an extremely difficult role. Both communities owe the RUC a great debt of gratitude that the past weekend passed relatively peaceably, although there was still more violence than we would like to see, and certainly more peaceably than many had expected. I understand the concerns of the Irish Government which they have always expressed about the position of the Nationalist community, and the interest that they take. They are also concerned when there may be Republican attacks on Unionist and Protestant homes. Our job is to try to deal even-handedly and to respect both traditions. In the weeks ahead, I hope that we can look to all the people of the Province on both sides of the community also to show that same respect for the traditions of the other side.

Mr. D. N. Campbell-Savours (Workington): Is not the hon. Member for Eastbourne (Mr. Gow) making a mountain out of a molehill?

Mr. King: That would be for the House to judge. I certainly do not in any way regard the concerns expressed on both sides of the community as making a mountain out of a molehill. We are determined to see proper appreciation given to the RUC and the security forces in the vital work which they do for the preservation of law and order.

Mr. Michael Meadowcroft (Leeds, West): Is not the reality that, although the content of Mr. Barry's representations may have some substance, his intervention is both misconceived and counter-productive? Given the Anglo-Irish agreement and the make-up of the RUC, do not Sir John Hermon and the RUC deserve commendation for being able to police the Anglo-Irish agreement? Given that the agreement is now in existence, should not the House support the RUC in its efforts to police that agreement?

Mr. King: It is not a question of policing the Anglo-Irish agreement. I hope that the whole House will support the preservation of law and order and the repudiation of violence from whatever quarter it comes. That is the policy to which the RUC is wholly committed under the leadership of the Chief Constable, and for which it has the Government's full support and mine.

Mr. Stuart Bell (Middlesbrough): Will the Secretary of State confirm that the Anglo-Irish agreement was to provide a consultative framework, whereby the Republic of Ireland could make representations to Her Majesty's Government on behalf of the Nationalist community in the North so as to prevent ad hoc statements emanating from Dublin which in the past were unhelpful to Anglo-Irish relations? Does not the Secretary of State agree that, at least in the area of public relations, the Anglo-Irish agreement is in its infancy?

There is, of course, an anger behind such statements as those made by the Foreign Minister of the Republic of Ireland that is shared by all right hon. and hon. Members — anger that innocent people in Rasharkin, County Antrim, can have their homes sacked by so-called Unionists, suitably and cowardly masked; anger that there is nightly rioting in the Manor street area of north Belfast; anger at the many incidents of stone-throwing, petrol bombing, overturning of vehicles, injury to limb and loss of life that have become such a tragic feature of the so-called marching season.

Will the Secretary of State convey to the Chief Constable of the Royal Ulster Constabulary our congratulations on the news that nine people have been charged following attacks on Catholic homes in Ballymoney, and seven charged after the Rasharkin attacks, and that a cache of petrol bombs has been discovered?

Will the Secretary of State finally note that those who are the perpetrators, the instigators and the evil hands and minds behind such violence cannot and will not see the Anglo-Irish agreement torn up? This House will not succumb to such inordinate and extreme pressures.

Patience and private representations by all those in positions of influence will have their impact in assuaging the present position when feelings are running so high on the streets of Northern Ireland.

Mr. King: I am grateful to the hon. Gentleman for his comments about the RUC. He said that feelings are running high on the streets of Northern Ireland, and it is indeed true of some streets. However, one of the messages of last weekend is that the overwhelming majority of people in the Province wish violence to be avoided and civilised behaviour to continue between the communities.

I assure the hon. Gentleman that the perpetrators of violence, from whichever quarter they come, will be sought. I know that the RUC is determined to bring them to justice.

Hon. Members (Dress)

3.47 pm

Mr. Richard Holt (Langbaurgh): On a point of order, Mr. Speaker. This matter may appear to be trivial, but most hon. Members have received on many occasions representations concerned with respect in every form. You made a ruling last week that, if hon. Members were to be seen in this House and called during questions, they could be without a jacket but not without a tie.

Although this may appear to be a small point, respect for the person and respect for property at large are subjects that are dealt with frequently in our mailbags. There must be respect in this House. We look to you, Mr. Speaker, to ensure that a lead is given. Today you called the hon.

Member for Sunderland, North (Mr. Clay), although he was not wearing a tie. Have you changed your ruling, Mr. Speaker?

Mr. Speaker: I think that that is a trivial point. I suggested to the House that we should maintain standards of dress, but I certainly will not put myself in a position that prevents me from calling hon. Members because of the way in which they dress.

Fishburn Coke Works

3.49 pm

Mr. Tony Blair (Sedgefield): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the announcement yesterday by British Smokeless Fuels that it will close the Fishburn coke works with the loss of over 200 jobs."

Three years ago almost to the day, this House debated a proposal to close Fishburn. That debate was the climax of a successful campaign to keep the works open. At that time, male unemployment in the Fishburn area stood at 48·9 per cent., with total unemployment standing at more than 40 per cent.

Today, we are faced with a fresh closure proposal. Yet unemployment in my constituency is worse, with more than 4,000 jobs, mainly in the manufacturing sector, having been lost in the Sedgefield district alone. If Fishburn coke works were to close, the largest employer in Fishburn would be the ambulance station, and even that is under threat.

This is a specific matter because it involves the closure of a coke works and the loss of more than 200 jobs. It is important because communities such as mine face unemployment that increasingly has an out-of-city dimension every bit as critical as inner city dimensions.

The matter is urgent because, over the past few months, although we are told that we are in the fourth year of an economic recovery, we have faced the loss of some 400 jobs at TI at Blaydon, some 300 at ICI at Billingham, 2,500 at the Teesside and Sunderland shipyards, 800 at Tyneside shipyards, and 850 at NEI.

The question that people in the north-east ask is, how much more unemployment in the name of market forces must we tolerate?

Mr. Speaker: The hon. Member for Sedgefield (Mr. Blair) has asked leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the announcement yesterday by British Smokeless Fuels that it will close the Fishburn coke works with the loss of over 200 jobs."

I in no way underestimate the importance of the matter to the hon. Member and to his constituents, but I regret that I do not consider that it is a matter that should be raised under Standing Order No. 10 and, therefore, I cannot submit his application to the House.

Leyland Bus

3.51 pm

Mr. John Smith (Monklands, East): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 10, for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the failure of the Secretary of State for Trade and Industry to announce the date for the decision for the future of Leyland Bus."

During trade and industry questions today, Ministers were repeatedly asked when a decision on the future of Leyland Bus would be announced. Ministers constantly refused to give any date. What worries hon. Members, especially those who represent constituencies with thousands of workers in Leyland Bus, is that the Government's plan may be to delay any announcement until the House rises and to make an announcement during the Parliamentary recess.

This is a specific matter because it relates to British Leyland. Naturally, it is important. Thousands of jobs are at stake. If British Leyland is sold to the Laird group on the basis of the Laird group, which is a small bus producer, acquiring a large market share, it will be a bad day for British industry.

It is important that we should have an opportunity to debate this matter, especially in view of the fact that we have not debated Leyland Bus in the context of previous debates. It may be that the Government have an ambition in mind that is not consistent with proper parliamentary scrutiny of this vital industrial matter.

Mr. Speaker: The right hon. and learned Member for Monklands, East (Mr. Smith) has asked leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he thinks should have urgent consideration, namely,

"the failure of the Secretary of State for Trade and Industry to announce the date for the decision for the future of Leyland Bus."

I have listened with care to what the right hon. and learned Member said. As he knows, my sole duty in considering an application under Standing Order No. 10 is to decide whether to give it priority over the business already set down for this evening or for tomorrow. I regret that I cannot find that the matter that the right hon. and learned Member has raised should be discussed under Standing Order No. 10 and, therefore, I cannot submit his application to the House.

Abolition of Vehicle Registration Prefix

3.54 pm

Mr. Doug Hoyle (Warrington, North): I beg to move,

That leave be given to bring in a Bill to abolish the vehicle registration prefix and to provide for a continuous series of vehicle registration numbers.

My reason for the Bill is that 20 per cent. of vehicle sales in the United Kingdom are made in the month of August. Unfortunately, that places the British motoring and components industry at a great disadvantage compared with its competitors on the continent. Britain must be able to cope with the August bank holiday and the summer holidays in July. In Europe, August is a holiday month and a dead month for vehicle sales. In July, therefore, our European competitors turn the whole of their production over to right-hand vehicles, thus placing our industry at a great disadvantage.

In Europe, vehicle registration numbers are based not on the year in which the vehicle is produced but on where the owner lives. This happens in France, Italy and Germany. The vehicle's registration number remains the same as long as the person owns the vehicle. It changes only if the vehicle is sold to someone in another district. It would be of benefit to us if we moved to such a system.

I am informed that the police object to this proposed change. They claim that people recognise the prefix in the vehicle registration number and therefore criminals can be traced. That is not totally true. If it were, surely it should apply in Northern Ireland, but it does not. Registration numbers based on postal codes would overcome that difficulty. People will soon be able to recognise the new number plates.

If sales were spread over 12 months, it would prevent the laying off of workers when they return after the July holidays. If we eliminated the advantage that we give to European manufacturers who swamp the British market with their products, we could sell more British cars and components and increase employment. My aim is not to keep up with the Joneses but to provide employment for them. I do not understand why we continually give our competitors a dagger which they can thrust into the stomach of British industry.

Question put and agreed to.

Bill ordered to be brought in by Mr. Doug Hoyle, Mr. Peter Pike, Mr. Robin Maxwell-Hyslop, Mr. Derek Fatchett, Dr. John G. Blackburn, Mr. Robin Corbett, Mrs. Ann Clwyd, Mr. Terry Davis, Mr. Chris Smith, Mr. Robert N. Wareing, Mr. Robert Parry and Mr. George Park.

Abolition of Vehicle Registration Prefix

Mr. Doug Hoyle accordingly presented a Bill to abolish the vehicle registration prefix and to provide for a continuous series of vehicle registration numbers: And the same was read the First time; and ordered to be read a Second time upon Friday 24 October and to be printed [Bill 209.]

Opposition Day

[19TH ALLOTTED DAY]

South Africa

Mr. Speaker: I have selected the amendment in the name of the Prime Minister. So far, no fewer than 16 right hon. and hon. Members have expressed their interest in this important debate. No fewer than five of them are Privy Councillors. I appeal for brief contributions.

3.59 pm

Mr. Denis Healey (Leeds, East): I beg to move,

That this House, recognising the danger to the Commonwealth if Her Majesty's Government continues its policy of trying to prevent the imposition of strict sanctions against apartheid, calls on Her Majesty's Government to support the adoption of effective economic measures against the South African Government, as recommended by the Eminent Persons Group, in order to exert strong pressure and thereby promote the ending of apartheid, which is essential to preventing a bloodbath in South Africa with all the misery and political, social and economic chaos which would accompany it.

We are now in the final stages of a drama, the implications of which for Britain, South Africa and indeed the Commonwealth seem to be spreading almost every day. It is the last act of that drama, an act that began less than three years ago in New Delhi when the Prime Minister joined the other Commonwealth Heads of Government in setting the objective of what she apparently then hoped would be a common policy for the whole of the Commonwealth. The objective was defined as the

"eradication of apartheid and the establishment of majority rule on the basis of free and fair exercise of universal adult suffrage by all the people in a united and non-fragmented South Africa."

I fear that the Prime Minister has sometimes forgotten those words in some of her recent statements about the objectives of negotiations.

All the members of the last Commonwealth summit in the autumn agreed that sanctions should be adopted to help to achieve that objective, but the Prime Minister's veto led to the setting up of the Eminent Persons Group to report within six months and, failing a satisfactory report, sanctions would be considered at the next summit, which is now under two weeks away.

It is just over a month since the House agreed unanimously a Government amendment to an Opposition motion, calling on Her Majesty's Government

"to work actively . . . for effective measures which will help achieve a peaceful solution in South Africa".

In winding up the debate, the Minister of State said that

"the measures taken must be effective. They may not be limited to economic measures . . . There is no point in introducing measures unless they have a significant effect on the South African Government."—[*Official Report*, 17 June 1986; Vol. 99, c. 980-90.]

It was that statement by the Minister of State that led the Opposition not to oppose the Government amendment.

Since then the European Community has held a summit conference at The Hague at which the Prime Minister herself endorsed a statement that a national dialogue with authentic leaders of the black population was essential to halt a further escalation of violence, and that such a dialogue required the unconditional release of Nelson Mandela and other political prisoners and the lifting of the ban on the African National Congress and other political parties. The same summit meeting asked the Foreign Secretary as the Presidency Foreign Minister to visit South Africa to establish those conditions.

Meanwhile, the Community would consult on further measures that might be needed, covering, in particular, a ban on new investments, the import of coal, iron, steel and gold coins from South Africa. However, the moment that that conference was over, the Prime Minister followed the precedent that she set at the Nassau meeting by rubbishing its conclusions. The chairman of the summit, the Dutch Prime Minister, Mr. Lubbers, told the press immediately after it closed that all the members of the summit had agreed to impose that list of sanctions as a minimum if the Foreign Secretary's mission failed. But the Prime Minister immediately said that that was not true; there was no commitment whatever by any of the Ministers to impose that list of sanctions. She stuck to her story, although Mr. Lubbers, as chairman, was confirmed in his account by the Danish Prime Minister and, indeed, by President Mitterrand. Moreover, it was confirmed in the House a little over a week ago by the Prime Minister's own Secretary of State for Energy, who told us in an answer to a question asked by my hon. Friend the Member for Wentworth (Mr. Hardy):

"The action on South African coal has been agreed by the European Community".

The right hon. Gentleman also told my hon. Friend the Member for Pontefract and Castleford (Mr. Lofthouse):

"the European leaders have agreed upon an approach to South Africa which after three months would include action on a number of materials, including coal. That is the right approach"—

an echo, I suppose, of some propaganda by his party in the past—

"and I hope that it will have some influence on negotiations in the coming months."—[*Official Report*, 7 July 1986; Vol. 101, c. 3-7.]

Some hope. The Prime Minister sent the Foreign Secretary on his mission, to quote the hon. Member for Christchurch (Mr. Adley),

"up the creek without a paddle and then brought home without a canoe."

Many of us on both sides of the House will think that, though colourful, that was an accurate description of the fate to which the right hon. Lady condemned her Foreign Secretary.

We all know that the Foreign Secretary never wanted to go at all. He had an altercation with the Prime Minister on the matter as he was entering the aircraft on the way to The Hague. According to one of the newspapers that overheard, she told him, "If that's the way you feel, perhaps you had better not come at all." But he went.

Mr. Andrew Hunter (Basingstoke): Will the right hon. Gentleman give way?

Mr. Healey: The Foreign Secretary finally agreed to be the fall guy for the Prime Minister's policies.

Mr. Hunter: Will the right hon. Gentleman give way?

Mr. Healey: No, I shall not give way.

What all of us in the Opposition want to know is that if the Prime Minister was really determined on that mission of appeasement, why did she not follow the precedent set by her predecessor, Neville Chamberlain,

[Mr. Healey]

and go herself? The South Africans themselves have said that if anyone was likely to influence their position, it would be the Prime Minister, whose common sense and sterling qualities they have recently praised in lavish terms.

As it was, the right hon. Lady sent the Foreign Secretary. Almost from the moment when his aircraft left the tarmac at Heathrow, she drove nail after nail into the coffin of his mission with an astonishing series of interviews, which, I heard this morning on the "Today" programme, were described yesterday by the leading Singapore newspaper as a series of provocative statements that seemed designed to destroy the Commonwealth games. If that were their purpose, they certainly seem to have had some success.

I doubt whether any Foreign Secretary in British history has been deliberately exposed by his own Prime Minister to such a series of humiliating snubs from so many Governments. First, we had the casual refusal of President Botha to see the Foreign Secretary at the beginning of his mission. Then we had the refusal of all the leading blacks in South Africa, from Bishop Tutu to Nelson Mandela, to see him when he went there. We had the refusal of the African National Congress to meet him in Lusaka and then a series of humiliating rebuffs from Commonwealth Prime Ministers in Zambia and Zimbabwe. Indeed, I think that he will agree that the only comfort that he had on that ill-starred mission was the offer of prawns by the Marxist leader of Mozambique.

Since then the Conservative Prime Minister of Canada, Mr. Mulroney, has given the Prime Minister herself a piece of his mind and told her that if she will not join the rest of the Commonwealth in sanctions Canada will act unilaterally. The Prime Minister of Australia has given her the same message. The fact is that she has not now one single friend left in the Commonwealth and scarcely one left in the European Community, either. The only friend that she has made by her astonishing behaviour in the past few weeks is the President of the apartheid regime in South Africa. No doubt the praise that she received from him was responsible for her nostalgic regret that South Africa was not still in the Commonwealth.

All that, however, was water off a duck's back to the Prime Minister, who told the world, "If I am right and everyone else is wrong, what does it matter?" It matters a great deal to all of us. She has already wrecked the Commonwealth games and we regret that as much as anyone. Far more serious, however, she now risks wrecking the Commonwealth itself and creating a constitutional crisis of major dimensions involving the Palace itself. Events have reached such a stage that newspapers reported today that several of her senior Cabinet colleagues had been warning the press in the past 24 hours about such a constitutional crisis.

Meanwhile, the Prime Minister's arguments have become wilder and wilder. At first, she stuck to the Foreign Office line, arguing against comprehensive sanctions. More recently, however, she has been arguing against any kind of action which might have any effect on the South African Government. She has proved an assiduous acolyte of the Botha charm school in recent weeks. She has accused Bishop Tutu, Archbishop Hurley and the Synod of the Church of England of immorality. She has wept crocodile tears at the potential suffering of blacks in South Africa, but there has not been a murmur of complaint from her about their actual suffering in the past 30 years. Having met some of the church people in South Africa who have made great sacrifices in the fight against apartheid, including a young Catholic priest who has been tear-gassed eight times in the past few months conducting black funerals, I believe that the Prime Minister should apologise in the House for her disgraceful and totally unmerited accusation of immorality.

We have seen the Prime Minister's eyes brim with compassion at the prospect of unemployment in the United Kingdom arising out of sanctions against South Africa, but we now hear that at most 20,000 jobs might be lost if mandatory comprehensive sanctions were introduced immediately. Yet through her own policies the Prime Minister has created 2 million unemployed in this country in the past few years without batting an eyelid. Her display of compassion has deceived no one. As Foreign Minister Botha has said, her policy is determined not by political or moral considerations but by commercial consideration — no doubt a reference to the fact that nearly half the Conservative party's funds, or more than £1 billion, is contributed by firms with operations or estate in South Africa. *[Interruption.]* I am sorry—£1 million.

The Prime Minister's worry about the impact of sanctions on the British economy is misplaced. It has been argued with unassailable logic by the Eminent Persons Group—a group which included Lord Barber, who has a major financial stake in South Africa and great knowledge of South Africa through his position as chairman of the Standard Chartered Bank—that unless the outside world imposes sanctions there is no chance of the dialogue without which apartheid cannot be brought to an end and without which there will be an inexorable slide into a bloodbath worse than anything since the second world war, to quote Lord Barber himself, in which all Britain's commercial interests as well as all her political influence would be lost. No one has argued that point more strongly than the Conservative ex-Prime Minister of Australia, Mr. Malcolm Fraser, whom no one could accuse of not being a hard-headed Conservative.

The point made by the Eminent Persons Group, which has also been made time and again within and outside the House, is that sanctions are not an alternative to negotiation but the only means of promoting the conditions in which a meaningful dialogue can take place. Nothing, however, can dent the Prime Minister's unassailable complacency and the inspissated ignorance from which it springs. The other day she told the House that the United Kingdom was doing more than any other country in sanctions against South Africa, but my right hon. Friend the Member for Islwyn (Mr. Kinnock) listed in a letter to her 16 countries which were doing more. Yesterday, the Prime Minister told my hon. Friend the Member for Barking (Ms. Richardson) that many Commonwealth leaders opposed sanctions as she did, but she could not name even one. She is even rewriting history, quoting Wilberforce of all people in her support the other day for his success in stopping the slave trade. Wilberforce's opponents in the Chamber — the West Indians in Westminster, as they called themselves—used exactly the arguments that the Prime Minister is now using, claiming that the ending of slavery would damage Britain's commercial interests and would be bad for the slaves themselves. In fact, slavery was finally stopped by a naval blockade. The Prime Minister may care to reflect on that precedent.

In her recent series of interviews, the Prime Minister referred time and again to the Rhodesian settlement as a settlement by negotiation which she would wish to follow in relation to South Africa.

Mr. Hunter *rose*——

Mr. Healey: I will give way in a moment.

The Rhodesian settlement took place only because the Prime Minister reversed the policy on which she was elected, and she did so under pressure from the Commonwealth at a conference attended by the Queen against the Prime Minister's firm advice. The Prime Minister may care to reflect on that analogy. She advised Her Majesty not to attend the Lusaka conference on Rhodesia, but the Queen subsequently issued a statement saying that she had noted the advice but regarded her duty to the Commonwealth as taking precedence over accepting the advice of the Prime Minister.

Mr. Bowen Wells (Hertford and Stortford) *rose*——

Mr. Healey: On that occasion, the Prime Minister continued to apply sanctions as a basis for a settlement. The other factor in producing a settlement was a large scale guerrilla war in which at least 12,000 people lost their lives in the preceding 12 months. As we know—those who do not may care to read an interesting book by Mr. Miles Hudson, then adviser to the Conservative Government—the major influence in getting the Prime Minister to reverse her position was Lord Carrington. Let us hope that his successor will follow his example and have equal success in getting the Prime Minister to reverse her position.

There are some signs of movement. Contrary to what the Prime Minister told the House only last week, the right hon. Member for Old Bexley and Sidcup (Mr. Heath) has made a speech saying that the Government should take active measures to restrain South African trade which could culminate, if necessary, in a trade blockade. If he catches your eye, Mr. Speaker, he may make further remarks along these lines this afternoon.

The right hon. and learned Member for Richmond, Yorks (Mr. Brittan), who, until the Foreign Secretary, was the Prime Minister's most eminent fall guy, made an interesting speech last week. He said—and I hope that his colleagues on the Conservative Benches will ponder his words—that if the Foreign Secretary

"is to stand the remotest chance of success he must go armed with the necessary authority. Whatever their disadvantages, international coercive measures, whether formally labelled as sanctions or not, are one of the few weapons in our arsenal against the citadel of apartheid beyond mere persuasion . . . The world must know of our readiness to have recourse to stronger measures against the Pretoria regime in the event of the failure of Sir Geoffrey's mission. Without that knowledge, the mission will not be just, as is inevitable, formidably difficult, but utterly hopeless."

This is a growing feeling among all in this country and outside who watch the Foreign Secretary's lamentable journey.

Mr. Bowen Wells: What does the right hon. Gentleman think should take place? Does he want to impose a blockade of South Africa, and, if so——

Mr. Healey: That is the point to which I am coming.

Mr. Wells: If he is coming to it, will the right hon. Gentleman spell out what repercussions that would have on the economy, and particularly on the black people of South Africa?

Mr. Healey: I was unwise to give way, because this is precisely the series of points to which I am coming.

The question left is what sort of sanctions are most likely to be, to use the Prime Minister's word, effective—not signs and gestures, the latest phrase that the Prime Minister has produced as a surrogate for sanctions. When she discussed in an interview with Mr. Hugo Young the possibility of signs or signals and gestures, she made it clear that they are not effective, and she is right. I believed before my visit to South Africa—and I said this in the House a month ago—that a gradual escalation of sanctions by stages is the best way to approach the problem. However, since my visit I have changed my mind. I found that every person to whom I spoke in the black community, both inside and outside South Africa, and those business men in the white community—a small minority, some of whom I met in Lusaka and Johannesburg—believe that sanctions are necessary, and that by far the best would be comprehensive mandatory sanctions because they would bring the matter to a head faster. It is no good the hon. Member for Luton, North (Mr. Carlisle), the West Indian on the Government Back Benches, wagging his head——

Mr. Bowen Wells: West Indian?

Mr. Healey: I am talking about the West Indians who supported slavery and used the same argument as the hon. Member for Luton, North, which is that to abolish slavery would damage British commercial interests and the interests of the black slaves.

The people with whom I talked, the black leaders, the church people, the members of the United Democratic Front, trade unions, members of the ANC, members of the Zambian Government, all thought that comprehensive mandatory sanctions would be best because they are quickest and sharpest.

The Commonwealth Secretary made a speech yesterday that I hope that all hon. Members will take the opportunity to read, because sneering at the Commonwealth will not save us from a constitutional crisis if the Prime Minister destroys the Commonwealth. The Commonwealth Secretary argued—and there is a good deal in this—that there is a case for something less than comprehensive sanctions. They can be kept as a deterrent against South Africa retaliating on the front-line states againt something less than comprehensive sanctions. I see that the hon. Member for Hertford and Stortford (Mr. Wells) sees merit in that. I am glad that this measure commends itself to at least some Conservative Members.

If we do not go all out for comprehensive mandatory sanctions, which would require the acquiescence of the United States Administration and the Security Council as well of the British Govenment, Mr. Malcolm Fraser is 1,000 times right when he argues, as he did in yesterday's international *Herald Tribune*, that

"The purpose of sanctions would not be to destroy the South African economy. They would need to be constructed in such a way as to give the economy and the white population in particular a real body blow. It is not a question of turning the screw gently and steadily, it is a question of a hard blow".

He is right and all those who have come to accept the case for sanctions, with whom I have discussed the matter inside South and southern Africa, take the same view. It would be better to concentrate on banning key South African exports because that is a very much more simple problem than restraining all South African imports.

[Mr. Healey]

Without the currency earned by exports, the South African Government's capacity to import is severely constrained. That would include measures on gold, diamonds and minerals.

The Prime Minister has argued that to do anything on gold would help the Soviet Union. That would be true of a ban on gold exports from South Africa, although such a ban might be evaded to some extent by smuggling, not least from the middle east. If the Governments of the Western world took seriously their often stated desire to de-monetarise gold, the easiest way to achieve this objective would be for the countries with large gold stocks to start selling them off so as to depress the price of gold. This would be beneficial to the monetary system in the Western world, and would hurt South Africa and, incidentally, the Soviet Union.

A ban on all investment is desirable, but it would have little effect beyond what will happen anyway. I have not met anyone recently who is prepared to put a penny of new money into South Africa if he can help it. Most of the big multinationals in South Africa have already begun withdrawing or have withdrawn. For example, some are selling off their machinery abroad. That has happened in several cases. There is a steady drain of trained professional people with marketing skills. I am sure that the Chancellor will be unhappy to hear that, of 160 auditors in South Africa a year ago, 60 will have left by the end of the year. The trickle of whites who left Zimbabwe after independence are returning, because they see the prospects as being far more hopeful than staying in South Africa.

I agree that whatever package of measures is finally adopted must be the subject of collective action of a large number of states, one hopes through the United Nations. I hope that the Prime Minister was being serious when she told Mr. Malcolm Rutherford of the *Financial Times* in an interesting interview published about a week ago that she would some day go to the United Nations for mandatory collective sanctions, although not comprehensive sanctions.

Whatever package is chosen must be strict and swift. It is no good the Prime Minister thinking that she can put off decisions now beyond the Commonwealth conference, as she told one interviewer during the bizarre burst of reflection to which she treated us 10 days ago. To seek delay now would mean that decisions would come too late and at stake now is not just the fate of the suffering millions in South Africa but the fate of those in the front-line states who are under constant attack and threat from the apartheid regime. At stake is the Commonwealth and the British constitution. I appeal to hon. Members on both sides of the House who value those things to apply all possible pressure to the Prime Minister before it is too late. I ask the House to approve the motion.

4.29 pm

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'reasserts its commitment to the Commonwealth and the goal of peaceful change in South Africa through negotiation; does not believe that general economic sanctions would help to secure that objective; notes that the Government is committed by the Nassau Accord and the Declaration by the European Council at The Hague on 27th June 1986 to consultations with the Commonwealth, the Community and other allies on further measures which might be needed; and welcomes the efforts of the Secretary of State for Foreign and Commonwealth Affairs in his capacity as President of the Twelve to establish conditions in which negotiations can take place.'.

As so often on these occasions, it would not be fruitful for me to try to follow the hyperbolic and fanciful course charted by the right hon. Member for Leeds, East (Mr. Healey). He has roamed far and wide in his reminiscences about my right hon. Friend the Prime Minister, with whom he seems to be continually and astonishingly fascinated to the point of hyperbole. He found himself drawn into anecdotage of every kind, finally embarking upon the proposition that we were committed to £1 billion from South African funds. *[Interruption.]* We recollect his days of mathematical accuracy.

I am concerned to discuss what contribution Britain, as a member of the Commonwealth, of the summit Seven and of the European Community, can make to the prospects of peace, prosperity and freedom for the 32 million people of South Africa. We in Europe should approach the subject carefully because European history is not free of racial conflict. We have no right to strike a self-righteous pose on the subject. European history has taught the world tragic lessons about the evil of discrimination against human beings on grounds of creed or race. So it would be a step forward in our discussion of South Africa if we were to approach that desperately difficult problem with a little less emphasis on our own self-righteousness and a great deal more emphasis on the practical objectives that we should pursue.

If Europe understands this, as it does, and if it understands, as it does, the full strength of the case against apartheid, so too does the Commonwealth. I quote:

"United in our desire to rid the world of the evils of racism and racial prejudice, we proclaim our faith in the inherent dignity and worth of the human person . . . We reject as inhuman and intolerable all policies designed to perpetuate apartheid, racial segregation, or other policies based on theories that racial groups are or may be inherently superior of inferior."

Those words come from the Lusaka Commonwealth declaration which, far beyond the myths peddled by the right hon. Gentleman, my right hon. Friend helped to frame in 1979 as the foundation for the success of the Government that she leads in securing the independent freedom of Zimbabwe. That is the reality of the position of the Government of my right hon. Friend. Those words are the very foundation of this Government's policy towards South Africa.

It is unacceptable to us that the rights of minorities should be suppressed by majorities, whatever their colour. That is why Britain has so often, and even today, provided a refuge for men and women who face oppression at home —from Africa as well as from other continents. By the same token, we cannot accept that the rights of the black and coloured majority in South Africa should be subordinated to those of the white minority in the name of Christianity, civilisation and Western values. It must be said that it is not Christian, not civilised and certainly not in the interests of the West that such a system should survive.

So, too, it must be said that explicit recognition by the South African Government leaders that apartheid must

end is an important step in the right direction. We have had just such explicit recognition from the President of the South African Government himself.

What the world now wishes to see—and there should be no difference between both sides of the House on this—is a decisive movement towards a system that will command the approval and consent of all the people of South Africa. *[Interruption.]* Some hon. Members may be dismayed to hear me asserting these truths, but we hold these views to be most important. We understand something else as well. We understand, and it is right that we should, the fears of some South Africans which act as a constraint on change. We say that those fears are more likely to be fulfilled if grave decisions are not taken to bring about change rapidly enough.

It must be recognised that the decisions that have to be taken will require great bravery. For that reason, we approach the matter with sympathy and understanding. That is why the European Council meeting at The Hague last month underlined the urgent need, not for violence, but to promote dialogue in South Africa and to achieve peaceful change. The European Council fully recognised the importance of the work done by the Commonwealth Eminent Persons Group to promote the same objective. That group came into existence not because of the obduracy or intransigence of my hon. Friend but because my right hon. Friend, with other Commonwealth leaders, was able to reach a common position upon the desirability of such a group. It should be acknowledged that that group has been a unique creation which only the Commonwealth could have created. Its work was of enormous importance.

It was because the European leaders had the desire to renew the momentum of the work of that group that they asked me, as President of the Council of Ministers, to undertake a fresh mission on behalf of the 12 European nations. The European Council set precise objectives for that mission. Its objectives were the unconditional release of Nelson Mandela and other political prisoners and the unbanning of the ANC, the PAC and other political parties. I do not underestimate the difficulty of that task but I have no doubt that it is right that this further effort should be made.

That is why last week, as the first part of my mission, I was glad to consult President Kaunda, President Machel and Prime Minister Mugabe. I had full, effective consideration of all the issues with those Heads of Government. This morning, I also consulted President Masire of Botswana. It ill becomes the right hon. Gentleman to talk about rebuffs and exchanges of that kind. I have undertaken the mission with the authority of the European Community. Those missions have been of great value and I am most grateful to the Heads of Government whom I have met.

Mr. Eric S. Heffer (Liverpool, Walton): I am not arguing against the Foreign Secretary's mission although I do not think it will meet with success. Suppose that he does everything humanly possible to argue the case with the full backing of the Twelve, but at the end South Africa says that it is not prepared to do anything about getting rid of apartheid, what do he and his Government intend to do?

Sir Geoffrey Howe: If the hon. Gentleman can contain himself in patience, he will hear the answer in due course.

Let me tell the House the first of the five important propositions that I put to each of the leaders that I met. First, apartheid must give way to a non-racial, fully representative society. Secondly, it would be wrong not to acknowledge that change in South Africa has taken place, but there must be more change and it must take place more quickly. Thirdly, negotiation still remains the best and quickest means of bringing apartheid to an end. Violence will prolong the process of change and prolong misery. The right setting for dialogue and change should be the suspension of violence on all sides.

Fourthly, I made the point that comprehensive mandatory sanctions would not, as some people like to believe, bring down the South African Government. It is not on the verge of collapse. Finally, for all those reasons, we must continue to identify and exploit every chance and opportunity for dialogue.

Three things emerged from those discussions. First, there was complete—I repeat the word "complete"—agreement about objectives. Secondly, there were significant but understandable differences about the means, including differences between the four leaders whom I met. Thirdly—and this is important—there was a greater readiness to accept the sincerity of the mission that I am undertaking.

I was also able to remind the three leaders of some of the practical and positive actions that we are taking to help to surmount specific difficulties in southern Africa. For the front-line states, these include measures to improve rail and road transport to the outside world and to enhance protection of those links by training for their armed forces, and for the black people of South Africa, the European code of conduct for employers, recently revised, and educational programmes for black South Africans and black trade unions. At The Hague we announced our intention to enhance this programme by £15 million over the next five years.

In the context of The Hague agreement to consult other industrialised countries, a point to which I have already referred, I shall be going to Washington tomorrow for talks with Secretary Shultz and Vice-President Bush. I shall be consulting, as seems to me to be entirely sensible, to see how wide is the common view about the future co-operation. A senior official from my office has already visited Canberra and Tokyo on my behalf, and, as the House knows, my right hon. Friend the Prime Minister has consulted the Prime Minister of Canada.

Next week I shall go again to southern Africa. I expect to see President Botha at the beginning and at the end of this visit and Mr. Pik Botha, the Foreign Affairs Minister, soon after my arrival. The key to progress in South Africa is self-evidently the position of the South African Government.

I shall use those meetings to explore the intentions of the South African Government to take measures to further the dismantling of of apartheid, to urge on them the need to act rapidly and decisively in this direction, if further tragedy is to be averted, and in particular, and most urgently of all, to press on them the need to release Mandela and other political detainees and to unban the African National Congress and other political parties as an essential prerequisite for any dialogue at all.

Mr. John Carlisle (Luton, North): When my right hon. and learned Friend sees President Botha, will he be careful not to impose on the President and the Government of

[Mr. John Carlisle]

South Africa an absolute timetable of measures that my right hon. and learned Friend expects to be taken? Particularly in relation to the National Party Congress which is to be held in South Africa in early August, will he ensure that he does not ask the South African Government to impose conditions that they will be unable to deliver until they have consulted their own party and their own people?

Sir Geoffrey Howe: I shall be presenting the points that I have just described to the South African Government in the context of the definition of my mission arising from The Hague European Council. These discussions will take place against the background of important international meetings that are to be held following my visit. While I am in South Africa I shall seek to meet a wide range of people of all colours, representing all opinions throughout South Africa.

I recognise, of course, that so far there has been reluctance on the part of some South African leaders to meet me in the context of my mission, but, whether or not they agree with our approach, I cannot believe that it is wise for them to withhold their advice at this stage from the mission that I am undertaking. I hope that, on reflection, they will be able to accept the sincerity of the mission that I am undertaking on behalf of the European Community.

The House should recall that this Government, more than any previous British Government, have implemented fully and conscientiously, together with our Commonwealth and European partners, a whole series of measures that are designed to make clear our view of the imperative need to bring apartheid to an end. These measures affect the economic, sporting and cultural relations between this country and South Africa. They have been listed to the House by my right hon. Friend the Prime Minister and they have this common feature: they have been calculated not to threaten, not to destroy, but to encourage and promote the change, about the need for which we are all agreed.

I wish to leave the House in no doubt about where we stand on the question of possible further measures to achieve that objective. Commonwealth Heads of Government at Nassau agreed that in the absence of adequate progress they would consider the adoption of further measures. At The Hague last month, the European Council committed the Community to enter into consultations with the other industrialised countries in the succeeding three months on further measures which might be needed. As my right hon. Friend said at the subsequent press conference:

"All agree that further measures are not excluded."

As my right hon. Friend the Prime Minister also told the House on 1 July, certain contingency plans that were outlined in The Hague communiqué are being made. She went on:

"We are not negotiating from weakness. We are negotiating in a way which we believe will have the best chance of success." — [*Official Report*, 1 July 1986; Vol. 100, c. 822.]

It is precisely in the same fashion that I am conducting the mission that has been entrusted to me.

Mr. Healey: Will the right hon. and learned Gentleman clear up a point which I know created consternation when news of the European Community decision reached Africa, because I happened to be in Lusaka? The Prime Minister suggested that it would be a good thing if the Commonwealth summit took no decisions whatsoever on sanctions. Is the right hon. and learned Gentleman now suggesting that this matter should be left over for a further few months until there can be a meeting of the European Community, or is he prepared to fulfil the obligation which the Prime Minister accepted at the Nassau meeting to consider and take decisions on possible further measures at the Commonwealth summit in a fortnight's time? If not, I warn him that he is in for very, very serious trouble indeed.

Sir Geoffrey Howe: I have no doubt that at the Commonwealth meeting at the beginning of August and at subsequent Community meetings the commitments we made in each of those respective places to consider further measures will be undertaken. Consideration will be given to them.

However, it is important to understand each of the points that the right hon. Gentleman challenged. There was, and there is, no concept of automaticity about any further measures. There was no misunderstanding about this at The Hague meeting.

Mr. Healey: At The Hague there was misunderstanding.

Sir Geoffrey Howe: No. Let me tell the House what the Dutch Foreign Minister told the Dutch Parliament on 2 July. There is no doubt about it. He said that not all countries had committed themselves to the package of measures set out in the declaration of 27 June and that there was therefore no automatic obligation on the Community to take further European Community measures in three months' time. That is the position. It was agreed that each of us would consider measures when the time came for consideration, after the three-month process. It was also agreed that no country would rule out any of those measures and that consideration would take place. That is the position.

Mr. Healey: The right hon. and learned Gentleman will be aware that the Dutch chairman of the summit conference, Prime Minister Lubbers, met the press immediately after the conference was over. I have the video tape of his interview. He said that it was agreed by the Heads of Government that measures would be taken if the Foreign Secretary's mission failed. That was endorsed by the Danish Prime Minister, although President Mitterrand said that it was a gentlemen's agreement. Whether that was intended to exclude the right hon. Lady I am not sure. But there is no question that the impression of at least the chairman and other members at that meeting was that a commitment was made, whether formal or informal. Is that the case?

Sir Geoffrey Howe: I am trying to set the right hon. Gentleman's mind at rest, and I shall try to do so again. Let me return to the words of the communiqué. It was agreed that in the next three months

"the Community will enter into consultations with the other industrialised countries on further measures which might be needed."

They were identified. It was agreed that in that consideration no country would rule out any of those measures but that the consideration would be honourably

and fairly undertaken. It is true that different comments were made about that at subsequent press conferences on that day. It was as a result of that that the Dutch Foreign Minister was asked to clarify the position as his Government saw it, and it was in those circumstances that he said what I have just read out: that not all countries had committed themselves to the package of measures set out in the declaration.

Mr. Heffer: He was talking about your Government.

Sir Geoffrey Howe: If the hon. Gentleman wants to have the position clarified, he must listen to the clarification given by the Dutch Foreign Minister, as Chairman of the European Council. The Dutch Foreign Minister went on to say:

"There was, therefore, no automatic obligation on the Community to take further European Community measures in three months' time."

Mr. Julian Amery (Brighton, Pavilion): Would my right hon. and learned Friend agree that it would be very wrong for major steps to be taken before Parliament has been consulted?

Sir Geoffrey Howe: One of the reasons for this debate — and the reason for the debate that we had some weeks ago — is to embrace such consultation with Parliament. I cannot give my right hon. Friend a firm commitment in the light of the Government motion passed by the House, without opposition, prior to the European Council meeting. The interest of Parliament in this matter is understandably intense and that is why we are discussing the matter in detail now.

Mr. Ivor Stanbrook (Orpington): Will my right hon. and learned Friend give way?

Sir Geoffrey Howe: I shall not give way again.

There was and is no concept of automaticity about further measures. However, we have agreed to consider these measures. I am engaged in a mission to southern Africa, not to promote measures, but to seek changes and commitments to progress which are desired by hon. Members on both sides of the House, the European Community and the Commonwealth. It must be recognised that I may not achieve those changes. If the mission does not procure tangible and substantial progress in South Africa, I would regard agreement on further measures as likely to be necessary.

Sir Ian Lloyd (Havant): My right hon. and learned Friend has raised a fundamental point. So far this afternoon he has implied that there is a trip wire which immediately, or soon after his return, can generate substantial further measures. He also implies that there are conditions which he expects to achieve when he reaches South Africa. Is it not of the most fundamental importance that these conditions are known and clearly defined?

We are talking about the end of apartheid. What precisely does that mean? Does it mean merely the elimination of all the discriminatory legislation which has appeared on the statute book since 1948? That has always been the definition that we have been asked to accept in this House. Alternatively, does it now mean something more profound — a change in the basic social and economic conditions in that country? If the latter is the case, that applies not only to South Africa but to many other countries in which such social and economic conditions may be found today. There is no basis on which we can discriminate against South Africa in the latter case as opposed to the former.

Sir Geoffrey Howe: One of the areas of common ground in this debate has, sadly, been the need to deal separately and distinctly with the case of South Africa. That has been the characteristic of meeting after meeting of the international community and of meeting after meeting of this House.

I understand the importance of my hon. Friend's wide-ranging inquiry, but the objective of the mission — as agreed at The Hague — is for me to visit southern Africa in a further effort to establish conditions under which the necessary dialogue can commence. The necessary dialogue will allow negotiations leading to a truly democratic and non-racial South Africa. According to The Hague communiqué:

"This dialogue cannot take place as long as recognised leaders of the black community are detained and their organisations are proscribed."

That is the importance of the two objectives about which I have reminded the House on several occasions. That is the nature of the mission and it is clearly defined.

Mr. Robert Adley (Christchurch): Like my right hon. and learned Friend, I share the view that few of us believe that economic sanctions in themselves are a cure-all. Equally, not many of us believe that no further measures should be considered and most people of goodwill would support my right hon. and learned Friend in what he is trying to achieve.

The other day we debated an Opposition motion on this subject and the Government removed the word "economic" from the motion, leaving open the proposition that other measures could be considered. Will my right hon. and learned Friend consider a point which has not been raised so far today? While the political power in South Africa is largely in the hands of the Afrikaners, much of the economic power still lies in the hands of British South Africans, many of whom enjoy the right to a British passport — even though many were not born here — which they use to travel around the world. In his future consideration of measures, will my right hon. and learned Friend consider that point?

Sir Geoffrey Howe: My hon. Friend's point is not lacking in ingenuity and it raises some difficult questions. He may have an opportunity to elaborate upon it in a further intervention.

The right hon. Member for Leeds, East underlined the point conceded some weeks ago by his right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley), the deputy leader of the Labour party. That belief is at the heart of the speech made by the right hon. Member for Leeds, East. It is that a policy of general economic sanctions would not be in the interests of the British people or the people of South Africa. If that is common ground, as I take it to be from the right hon. Gentleman's speech, it is an important point that should be recognised. That point was at the heart of the speech made today by the right hon. Member for Leeds, East, it was at the heart of the point made by the deputy leader of the Labour party and it is on that basis that I would address myself again to my mission.

Mr. Neil Kinnock (Islwyn): Before the right hon. and learned Gentleman leaves that point, my hon. Friend the

[Mr. Neil Kinnock]

Member for Liverpool, Walton (Mr. Heffer) and my right hon. Friend the Member for Leeds, East (Mr. Healey) asked what would happen if the right hon. and learned Gentleman's mission did not achieve its intended success. That point has not been answered despite the undertaking that it would be. As the Foreign Secretary is representing the EEC, if the absolute conditions of the unconditional release of Nelson Mandela and the equally unconditional unbanning of the ANC do not happen as a consequence of his second or first meeting with P. W. Botha, what will the Secretary of State do? The Secretary of State's earlier statement that he will be prepared to consider further measures will not impress the Afrikaners or the rest of the world.

Sir Geoffrey Howe: The right hon. Gentleman has failed to take note of what I have already said. It is beyond doubt that, within the Community and the Commonwealth, consideration will be given to the question of further measures on the basis of the objectives that I have described repeatedly in the course of my speech. That appraisal will be undertaken on the basis of the further important point that if the mission does not procure tangible and substantial progress, I would regard agreement on some further measures to be necessary.

Before I was interrupted, I was embracing the common ground that I thought had been established. The Opposition, neither in the motion nor through the speech of the right hon. Member for Leeds, East, will not press us to make general, comprehensive economic sanctions. That is an important advance.

There are many families in this country with a real human interest in the future of South Africa and there is also interest in the rest of Europe. In Africa, the human interest in the future of South Africa is even more intense. All these people want a future of peace and justice in South Africa. My mission is not easy but it has a chance. With the support of this House, I will continue to strive for the success of that mission.

4.59 pm

Dame Judith Hart (Clydesdale): I begin with the assumption that follows on from the Foreign Secretary's last words that, between now and the next opportunity that the House has to debate the subject, matters will have moved on and the Prime Minister will have had to appreciate the need to take further measures. That is not an unreasonable assumption. The Foreign Secretary went as near as he could to admitting that that will be the case and that during the next two months, during the Commonwealth summit meeting in London, and then in preparation for further meetings, the Government must move towards fuller consideration of further measures.

My right hon. Friend the Member for Leeds, East (Mr. Healey) mentioned some of the measures that he believes would be effective. He mentioned coal, gold and arms. He said—as we have all noted today—that South Africa has just announced the manufacture of a new aircraft, which means that until now the arms embargo has been ineffective. It has allowed South Africa to develop its manufacturing capacity for arms, its oil and its air flights.

What distresses me—I say this to my right hon. Friend the Member for Leeds, East as well as to the Foreign Secretary—is that we are not devoting the essence of the debate to considering precisely which sanctions are likely to be the fastest acting and most effective, but will, at the same time, have the least effect on the front-line states and will be totally enforceable. I emphasise the last point because, from my experience when trying to deal with sanctions against Rhodesia, too many commercial buccaneers are supported by their Governments, as was the case with the United States and West Germany and their evasion of the sanctions against Rhodesia in respect of minerals, especially chrome. One must be certain that whatever one does is enforceable, otherwise it becomes nonsense. One must be certain that the measures one takes are effective. If the aim of sanctions is to produce a negotiated settlement and peace instead of a bloodbath, they must be rapidly effective.

It disturbs me that the outstanding area where all of this could be achieved has not even been mentioned in the debate. That is financial sanctions. I draw to the attention of the House, of my right hon. Friend the Member for Leeds, East and of the Foreign Secretary the simple fact that, in the United States, as most of us know, the lobby and the passion of public opinion on South Africa is infinitely greater than it is in Britain. The Congressmen and Senators must heed public opinion and behave accordingly on the issue.

In 1975, the House of Representatives passed a Bill, and in April of this year the Senate passed a Bill by a majority of over 90 to 3, which has now gone to the Senate Finance Committee. Of course, anything can happen to it there and, ultimately, President Reagan could veto it. Nevertheless, it has gone through the House of Representatives and the Senate. The Bill is highly specific. It calls for a total embargo on financial relationships between American financial institutions and South Africa—that includes an embargo on new investments, new loans and the rolling over of loans—and on any more of the negotiations that took place in January and February this year which rescued the South African economy. At the same time, the Bill calls for the entire disinvestment by transnational corporations based in the United States.

If there are to be rapidly effective sanctions, it is important, as the Foreign Secretary said, that the Security Council of the United Nations reaches agreement on this. To do that it is important to have the support of the United States for whatever is agreed. There is no better starting point for that support than a Bill which has gone through Congress and the Senate and is sitting in the Finance Committee with overwhelming support of public opinion in the United States. Not only that, but the Bill has met no great resistance from the American business community, which seems to be more capable of recognising its long-term interests than is the British business community.

If one looks ahead, whether to negotiation or a bloodbath, it is historically evident that in the not too far distant future the world will deal with a black South Africa. Any business interest, such as the South African Chamber of Commerce, which, as I mentioned in the previous debate, gave evidence to the panel of which I was a member, must recognise that its future lies in coming to terms with that simple fact.

It is ludicrous that the House does not give more attention to studying the ins and outs, the pros and cons and the problems and the advantages of introducing early severe financial sanctions. Let me take a possible

disadvantage. What would happen to the British interests in South Africa? The Bank of America recently pulled out of South Africa completely with apparently no grave disadvantage. Barclays Bank has retreated and has transferred its interests in South Africa.

The Foreign Secretary, as far as I know, has in his economic relations department only three officials and a couple of boys capable of considering the economic aspects of the issue. He might have called in masses of people from the Treasury, but I doubt whether they would be terribly helpful. If one considers the self-interest of the British banks, it is doubtful whether any bank has extended its operations in South Africa to the extent where withdrawal would cause it any problems. The position is not the same as the over-extension of some British banks during the debt crisis in Latin America. I doubt whether the self-interest of British banks presents an insuperable barrier to their going along with us. Indeed, they would have to if legislation was introduced for withdrawal, no new loans, no rolling over of loans and no rescheduling of loans to South Africa.

Why could that be important? We do not have much experience to go on. However, we can mention one experience. In August last year, South Africa was in a difficult financial position. It was seeking rescheduling of loans, new loans and a rollover of loans. The rand took a tremendous tumble. By January and February, with the assistance of the Swiss banker who raced all over Europe to try to whip up support for rescheduling, but who has now withdrawn because he says that not as much progress has been made as he understood would be made, the crisis was over. But between August and then when the rand was under tremendous pressure and when South Africa was desperate about its financial position, we saw some of the smallest but most dramatic moves forward in the attitude of the South African Government towards making concessions on apartheid.

In January or February rescheduling was agreed and everything was wonderful. It appeared that there was no more need to worry about South Africa's financial position. From that date began the events leading up to the state of emergency and all that has happened since. That is only a short period historically, but people cannot quote anything else in evidence and it is strong evidence.

The greatest influence on political change in South Africa, as in every society which is basically capitalist—I use the word not pejoratively but factually—will come from the business community. If the business community is worried, there will probably be the pressure for change. If the Foreign Secretary wishes pressures to achieve negotiation, the business community is priority number one. I do not understand why, in all the talk about general economic sanctions and comprehensive mandatory sanctions, we are not analysing closely what could be done and what measures would be likely to be the most effective.

I mention again briefly the role of the transnational corporations, because the Bill that has gone through the House of Representatives and the Senate calls for complete disinvestment by them. That is presumably something on which we could agree with the Americans to go to the Security Council. We would not be starting from scratch. President Reagan may not like it any more than the Prime Minister would like it, but it is at least a starting point for agreement with the Americans without which no sanctions can be effective.

During the consideration which the Foreign Secretary will give, on his forthcoming visit to South Africa, and I would suppose during the weeks that follow, when precise support for some sanctions must be forthcoming from the British Government, the financial sanctions so much neglected in the discussion on South Africa should be given a first and important priority. Out of all of the possible measures, I would pick that as being of top priority in terms of effectiveness, being enforceable, creating the least damage to the black South African states and achieving the process of political change.

5.10 pm

Mr. Edward Heath (Old Bexley and Sidcup): I have listened with great interest to the right hon. Member for Clydesdale (Dame J. Hart). I hope that the right hon. Lady realises that in the United States the Rev. Leon Sullivan and his principles have had a big impact on Congress and on American business. That is understandable because Congress represents a large black population in the United States. At the same time, the United States percentage of interests in South Africa is limited, and they have been able to bring about a situation in which Congress has led business initially to suspend further investment and, secondly, to consider complete withdrawal from South Africa.

I do not agree with the right hon. Lady that British firms are unaware of the issues and that they do not feel deeply about them. My experience is that the great majority of British firms in South Africa have done an enormous amount to try to improve conditions, certainly in their own plants. This is certainly true in Namibia, where they have been remarkably successful in removing so many discriminatory practices. Rio Tinto-Zinc has, for example, been able to end the custom whereby black workers return to their own homes for six months and then go back to Namibia. All such families now live and work permanently in Namibia. RTZ has also been able to deal with the problem of the differences in promotion prospects between coloureds, blacks and whites. In so doing RTZ has achieved a considerable amount.

Dame Judith Hart: I am sure that the right hon. Gentleman is right about how many British firms have applied principles similar to those of the Rev. Leon Sullivan. However, I am sure that the right hon. Gentleman will appreciate that RTZ is operating illegally in Namibia.

Mr. Heath: I do not understand the right hon. Lady's point about that company operating illegally in Namibia.

Dame Judith Hart: The United Nations resolution makes it clear that the exploitation of minerals in Namibia is illegal unless done under the control of a popularly elected Government.

Mr. Heath: I realise the import of that resolution passed by the United Nations. I was talking about the worthy efforts made by British firms to remove entirely discrimination in Namibia.

The situation in South Africa is absolutely abhorrent and the British people who see it night after night on their television screens loathe what they see and everything connected with it. The situation is now one of the utmost gravity and time is short. I hope that the Foreign Secretary will realise this when he visits Washington and Pretoria.

[Mr. Heath]

At the same time as loathing what it sees in South Africa, the country is also confused and the Government must take responsibility for this. The House is in the same situation tonight. We are debating this most important and complex situation on the basis that Opposition Members are arguing for effective deterrents, and the Government are arguing for "not overall" deterrents. Do "not overall" deterrents exclude effective deterrents? The Government have emphasised that they have already taken eight actions and the Foreign Secretary said this afternoon that some are economic. The denial of oil to South Africa is an economic action as is the denial of dealings in the Krugerrand. However, we are told that there must not be economic sanctions because they are not effective. This confusion is leading to a completely false situation and is, I regret to say, giving the impression that it is only with the greatest reluctance that the Government are considering the situation in South Africa and taking action on it.

I wish my right hon. and learned Friend the Foreign Secretary well in his difficult mission. He is right not to be frustrated by attempts to deter him. I hope that he will recognise the need to take effective action and to make it plain that such action will be taken. Therefore, he must deal with the very important point that the South African Government believe that, when it comes to the crunch, whatever and whenever it is, they will always have the support of the American Administration and the British Government. The South African Government are firmly convinced of this because they believe that they can always use the Communist threat as the argument with which to handle Washington and Whitehall. Whenever one reads the speeches——

Mr. Amery: What about Simonstown?

Mr. Heath: I disagree with my right hon. Friend. I think that we always disagreed about this. There was a time when I thought that Simonstown was important in world strategy and East-West relations. It is no longer important. Nor do I believe that South Africa is of any importance in any possible East-West arms clash.

The irony of the situation is that the longer South Africa continues its present policy, the more it drives its black population into Communist hands and the more it is encouraging the other black states in Africa to move towards a Communist outlook. We must deal with this ironic situation. I hope that the Foreign Secretary will impress, not only upon the Secretary of State in Washington but upon the President, whom he is bound to see, that every time it is said that South Africa is a bulwark against Communism, the South African Government's policies on apartheid and the political development of South Africa are reinforced. Until that argument is completely wiped from our minds we shall be unable to make any progress with negotiations.

This progress may come about only after further action on sanctions has been taken. We must get away from the confusion of whether such actions are measures or whether they are sanctions. The purpose of them all is to persuade the South African Government to change the situation.

A myth has grown up about Rhodesian sanctions. It is not true to say that sanctions had no effect on Rhodesia. They did take a long time, but they had the effect of inducing Mr. Smith to negotiate with my noble Friend Lord Home, when he was Foreign Secretary, something which Mr. Smith had previously refused to do.

Mr. John Carlisle *indicated dissent*

Mr. Heath: It is no good my hon. Friend shaking his head. He was not here at the time and knows nothing about it. Negotiations did take place, and if Mr. Smith had been prepared to move further and then get the support of the black population in Rhodesia a far better situation would now exist in that country. This is another lesson which I hope can be brought home to the Government in Pretoria.

Another lesson to be learned is that, as a result of Mr. Smith not being prepared to go so far, there was then an internal crisis of revolt. This was, of course, fed from outside the country and that will happen in South Africa, too. The consequences will also be the same. There will be ghastly bloodshed, the Government will be swept away, and the white population will be in a worse situation than if they had developed properly today. I am sure that this is right and I am glad to see the Foreign Secretary nodding his head.

Sir Ian Lloyd: My right hon. Friend implied a few moments ago that the sanctions imposed on Rhodesia were wholly responsible for bringing Mr. Smith to the negotiating table. Does he agree that, at that time, the most significant role was played by the South African Prime Minister who was unwilling to see that situation continue on his northern border, and who therefore brought great pressure to bear on Mr. Smith which was far more effective than any sanctions which the United Kingdom was able to impose?

Mr. Heath: It was because of the sanctions imposed on Rhodesia that the South African Prime Minister saw a situation developing which he could no longer tolerate. That is why Mr. Smith agreed to negotiate. It was a combination of both facts.

When will the President of the Republic of South Africa and his Ministers recognise that their country is now in the same situation as was Rhodesia when he told Mr. Smith to negotiate? That is a key question, and I suggest that the Foreign Secretary must bring about a recognition from South Africa that it is now in the same situation as was Rhodesia.

The Commonwealth is in great peril, as is our position with our European allies. In part, that again is due to the Government's emphasis, which appears to be negative, on what they will not do instead of being forthcoming and emphasising what they have already done. They should emphasise that the purpose of the visit is to secure a negotiating position and, if it fails, further action will be discussed and taken.

In saying that further matters will come under consideration, the Foreign Secretary opens up the gravest doubts among everybody as to whether the Government are serious. The Government can say that after consideration they will decide what further action they will take. *[Interruption.]* The Foreign Secretary said that it was for consideration. If they say that after consideration they will take further action, that is a positive attitude, and by now the Government must have had time to work out what steps they will take.

I agree that there is a great deal of room for moving along with financial arrangements. If the right hon.

Member for Clydesdale talks to the banks, I think that she will find that very few are prepared to regard South Africa as creditworthy and therefore they are not taking action. But it is possible for the Government to agree to take action about the banks in South Africa. Of course, it is possible for them to agree, as has been suggested, about the withdrawal of consular representation. It is possible for them to take action about airlines which, as has been suggested by the leader of the Social Democratic party, might in some ways be very effective. It may be that we shall have to give notice of when we shall cancel those airline arrangements and do that legally. If that takes time, it is hanging over South Africa that unless it embarks on serious negotiation there will be that interference with its communications.

On trading questions, agriculture is probably the best subject on which to start. Of course, each of those measures will cause hardship to people and one cannot estimate how great that will be. But if we are determined to deal with the problem of South Africa internally, its apartheid and its political position—its democracy or lack of it—it is necessary to recognise the consequences of pursuing such policies.

Mr. John Carlisle: My right hon. Friend talks about the consequences of further economic sanctions and offered to the House the example of soft fruit. Does he not understand that at the moment, because of the limited sanctions that have already been imposed by other countries, including Britain, dole queues are lengthening in eastern Cape and there is now hunger and starvation in that part of Africa? If the measures that he advocates, particularly in relation to soft fruit where the majority of the labour force is black, came into effect, there would be widespread misery in that part of the world. Is he willing to have that on his conscience?

Mr. Heath: And the Government may be changed. Of course I realise what is going on. The main purpose is to get the Government to change their policy or to change the Government. We must be frank about that. That is what the whole question is about. Those who are genuinely concerned about apartheid and the political institutions in South Africa recognise that that is the situation and there is no point in hiding it.

Industrial goods are a more difficult matter to handle. But all these things must be done in conjunction with the Community, the United States and Japan, and, if possible, with as many other countries that are involved as possible. One of the things that worries me most is that Congress will use its powers, the President will be forced to go along with it, and we shall then find ourselves still more isolated unless we too are prepared to take further action in that respect. To be isolated from the United States, in the Community and also in the Commonwealth, is the worst possible situation in which we could find ourselves.

My hon. Friend the Member for Luton, North (Mr. Carlisle) raised the question of those who are already starving. Of course, I know about that. It has been on every television screen, as have the poor whites who are unemployed as well. That is the consequence of having a Government who behave in this way. [HON. MEMBERS: "No."] What is necessary is to ensure that the neighbouring African states have a full realisation of what is involved in each of the actions that we are taking. That is another of the differences between Rhodesia and South Africa.

During the days of sanctions against Rhodesia, large supplies went through Rhodesia to the African states. They would never admit it and we have never troubled them with that publicly, but it went on. What will happen in this case when the original right of entry is closed? How will they be kept supplied and how will they deal with their trade? Has that been discussed with them? We do not know whether my right hon. and learned Friend the Foreign Secretary discussed that with them during his recent visit, but it is of crucial importance because they will no longer have the channel of supply, in and out, which they had in those days.

The right hon. Member for Leeds, East (Mr. Healey) has said that I mentioned a blockade. If one comes finally to having to go for full sanctions, I do not see how they could possibly be enforced without a blockade. Therefore, we should recognise at the beginning that that is what it would come to. If my hon. Friend the Member for Luton, North wants to deal with apartheid, as I assume that he does, and with the political situation there, he must face up to that fact because that is what is required.

The right hon. Member for Leeds, East discussed the questions of sanctions being immoral. I do not quite understand the argument about sanctions being immoral.

Mr. Healey: The Prime Minister did.

Mr. Heath: I should hate to think that my right hon. Friend and her colleagues on the Front Bench who sat in the Cabinet between 1970 and 1974 when we had sanctions against Rhodesia thought that we were indulging in orgies of immorality. That really would grieve me. I do not think that my right hon. and learned Friend the Foreign Secretary feels that today or felt that then. No, these are measures which one is loath to take, but one must balance the pros and cons.

On trade and industry, 40 per cent. of capital investment in South Africa is British and we are likely to lose that unless we show those who are the majority and who will one day have power that we recognise that fact. A large part of our trade is with South Africa, but we must also recognise that we have twice as much trade with black sub-Saharan Africa as we have with South Africa. If black Africa decides to act against us on this question, our trade with it will suffer far more than our trade with South Africa.

Mr. Tam Dalyell (Linlithgow): As a former Prime Minister, would the right hon. Gentleman care to comment on what he sees as the role of the Palace in this situation?

Mr. Heath: I regret that the role of the Queen—let us use the proper terminology in this matter—has been brought into public discussion. The Queen is Head of the Commonwealth and in that position she understands fully her responsibilities in a constitutional situation. I have no doubt about that and it is not necessary for anyone to bring the Queen's position into this question.

We shall all regret it if countries leave the Commonwealth. At least, I shall certainly regret it immensely because the Commonwealth still performs a useful function. I regret the withdrawal of countries from the Commonwealth games in Edinburgh. But my right hon. Friend the Prime Minister and members of the Government are the last ones to complain about that. Look at the political pressure that they used in 1981 to

[Mr. Heath]

stop our teams going to Moscow after Afghanistan. That was a political question and this is a political question. I saw some of the inside work on that and why the British sailing team did not go, so we had better be a little modest in our attitude towards withdrawals from the Commonwealth games and just regret them and hope that they can be prevented.

This is a grave situation, moving with great rapidity. I am sure that my right hon. and learned Friend the Foreign Secretary will carry out his task with the utmost determination but we must be realistic and appreciate that he may not succeed. We must then be prepared to follow that up with the policies that we are discussing today and I hope that he will be well prepared to do so and can give confidence to the Commonwealth and to Europe that the British Government will play their part in dealing with this increasingly dangerous situation. If that is the fact, we must, as far as possible, try to achieve unity in Britain on what we are going to do.

We lived through 15 years of Rhodesian sanctions and we all saw the disunity that was caused then in some parts of our country and in some parts of the Conservative party in particular over that matter. The last thing that we want is to have a similar argument across the Floor of the House about the measures that we are taking. We should do the utmost we possibly can to reach agreement about this to deal with apartheid and the political institutions in South Africa so as to bring about peaceful change as speedily as we can. The responsibility is on us, Government and Opposition and all Members of the House, to ensure that the country understands the issues and the reasons for the action being taken and that it is as united as possible behind them.

5.29 pm

Mr. A. J. Beith (Berwick-upon-Tweed): I am sure that if only the Prime Minister would overcome the resentment that I fear she still harbours and listen to what the right hon. Member for Old Bexley and Sidcup (Mr. Heath) has just said she would follow his advice.

The Foreign Secretary had an opportunity this afternoon to undo some of the damage that has been done by Government statements, especially by the Prime Minister's statements, during the past few weeks. I fear that he did not succeed. He might have been able to undo some of the damage if he had confined his speech almost entirely to the sentence which ran:

"If my mission were to fail, I would regard agreement on some further measures as likely to be necessary."

That is not the form of words that I would have chosen, and it does not go quite as far as the form of words that the right hon. Member for Old Bexley and Sidcup suggested, but if that had been the general signal of his speech, it would have led to a great deal more hope and set at least some minds temporarily at rest around the Commonwealth. It would have given the impression, which I am sure the right hon. and learned Gentleman wants in his heart to give, that he enters the Commonwealth meeting at the beginning of August determined to take that line.

However, the right hon. and learned Gentleman's speech had so many deferences and so many obeisances to the views of the Prime Minister that the signal that he might have been giving was hopelessly confused. The right hon. and learned Gentleman travels about on his flying missions giving the impression increasingly that he is endowed with no more authority than the Queen's Messenger who carries Foreign Office bags from capital to capital or the cabin crew pouring the drinks on the plane. For that to be true of a Foreign Secretary who is universally liked, widely respected and generally thought to have the best interests of the Commonwealth at heart is ludicrous and humiliating. If that proves to be his position at the end of his mission and when the Commonwealth leaders meet at the beginning of August, I hope that he will not allow himself to remain in that posture.

It must be very difficult to give up the office of Foreign Secretary. It is a very noble office, but there is a level of humiliation to which that office ought never to be brought and to which no occupant of it should allow it to be brought. I hope that that will be firmly in the Foreign Secretary's mind in the little time which remains before the meeting of Commonwealth leaders.

It is not the Foreign Secretary who is the problem in all this. While he whispers about possible measures, the Prime Minister screams her defiance. Any signal which the Foreign Secretary gives is wholly overborne by the message that she gives. She has appeared day after day on television screens. She has given long interviews, and her message has been seen and heard in every part of the Commonwealth and the rest of the world. She responds in a seemingly uncontrolled manner, expressing her violent disapproval of sanctions and even of some of the more modest measures that have been discussed today. When the people of the Commonwealth and others see her, they can draw only one conclusion—that she is not prepared to contemplate any measures which she thinks might bear heavily on South Africa.

Standing out of the Prime Minister's interviews is an anger, an emotion and a zeal, one fraction of which, if it appeared to be dedicated to the cause of ending apartheid, might get us somewhere. The Prime Minister's emotion and anger is, however, directed entirely at the measures which the majority of people and countries suggest should be used to deal with apartheid. I have never seen the Prime Minister expending in a television or radio appearance the type of anger and emotion on the issue of apartheid that she expends on the means of which she disapproves. That is what leads me to believe that the proportion is all wrong —her emotional commitment is about the means and not the ends. Whatever views the Prime Minister may hold about the evils of apartheid—I take her at her word when she says that she disapproves of it and wants it to be changed—her emotion is expended not upon those evils but upon the issue of which means are to be used.

Sir Ian Lloyd: Surely my right hon. Friend the Prime Minister is entitled to hold vehemently the view, as she does, that if sanctions will produce not the end of apartheid, which we all want, but the destruction of the South African state, they are undesirable.

Mr. Beith: But not one atom of that vehemence is directed against what is happening in South Africa now. I acknowledge that she disapproves of apartheid, but her emotions seem gravely misdirected.

What is the Prime Minister saying about sanctions? She says that she does not believe in general or total sanctions —some of the time because she does not think that they

will work and some of the time because she thinks they will do harm. There is considerable inconsistency between those two views. Half of the time she is implying that the effect of sanctions would be negligible because many countries will not participate, and half of the time she is implying that their effect will be so strong as to harm those parts of the population which we are most anxious to help.

I shall leave that inconsistency aside, however, to consider the more immediate issue, which is that the Prime Minister never allows herself to be questioned on specific sanctions and measures. Every question that she has answered in the House during the past five or six weeks has been answered as if it were a reference to general, total, mandatory sanctions. She has never allowed herself to utter a comment which was clearly and separately addressed to specific measures.

What is the right hon. Lady's motive for doing that? The effect is to give the impression that there are no measures which are likely to be effective which we would contemplate supporting. If she believes that certain measures are damaging, why does she not come out in support of such measures as she thinks will have a more desirable effect or such as she can accept will not have all of the undesirable consequences that she has mentioned in regard to general economic sanctions? Her failure to show support for such measures repeatedly undermines the Foreign Secretary's repeated insistence that some further measures will be considered. What is her attitude to the report of the Eminent Persons Group?

Mr. Donald Anderson (Swansea, East): Does the hon. Gentleman agree that, by adopting that attitude, the Prime Minister devalues in advance those moves which ultimately she will have to make, and therefore gains no credit for herself or Britain?

Mr. Beith: That is absolutely right, and any step that the Prime Minister is forced with obvious reluctance to take at the Commonwealth leaders' conference will seem that much less because of the vehemence with which she has denounced all sanctions hitherto.

The Prime Minister has never given a clear statement on whether she agrees or disagrees with the Eminent Persons Group, about which she has often spoken in general. That group said:

"We are convinced that the South African Government is concerned about the adoption of effective economic measures against it. If it comes to the conclusion that it would always remain protected from such measures, the process of change in South Africa is unlikely to increase in momentum and the descent into violence would be accelerated. In these circumstances, the cost in lives may have to be counted in millions."

In all of her references to the hunger which she believes would result from general economic sanctions, what is her view of that statement? What is her answer to the EPG, which said:

"The question in front of Heads of Government is in our view clear. It is not whether such measures will compel change; it is already the case that their absence and Pretoria's belief that they need not be feared defers change. Is the Commonwealth to stand by and allow the cycle of violence to spiral?"

The Prime Minister daily answers, in effect, that she is prepared to stand by and see the cycle of violence spiral.

What is the effect of all this? On the South African regime it is as the EPG says—they think that they are all right. They think that they have a friend in the Prime Minister and praise her lavishly. They believe that she is their last bastion of defence against economic pressure. That has been said again recently in a radio broadcast, and it is being said with increasing fulsomeness.

What is the effect on the black majority population? They increasingly believe that Britain is their enemy. From their distant point of view, it is hard for them to distinguish between the Prime Minister, who in their eyes represents Britain, and the country as a whole. We know from what is said in the House that the Prime Minister's view is widely contradicted. We know that there is increasing public dissatisfaction at what she is saying. There is now substantial public sympathy for measures against South Africa.

The view from the townships, however, is that Britain is not a friend of the majority population. We have to try to change that. What hope is there for the future if our relations with South Africa—there will be majority rule in South Africa in our lifetime—if we have been seen to crush that state's aspirations year after year? Where is that country to look for support if it has been denied it by us? It will look to those countries most ready to offer it, such as those in eastern Europe or the Communist world which can see a political advantage in gaining the allegiance that might come from such support. What is the alternative to violence if the people see no support coming from us? The Prime Minister is offering nothing to the majority community in South Africa.

What is the effect of all this on the Commonwealth? It is tearing it apart, just as it is tearing the Edinburgh Commonwealth games apart. I was horrified yesterday afternoon that the very mention of the name of the Secretary-General of the Commonwealth evoked a loud jeer from Tory Benches. Many of the hon. Members on the Tory Benches this afternoon may not have been there then. The Secretary-General has sought to present the views of Commonwealth countries to the best of his ability, and to present the consensus within the Commonwealth. That a man occupying a civil servant position such as that should be castigated and jeered by Tory Members is an indication of the extraordinary depths to which the Conservative party is sinking in its attitude to the Commonwealth.

Sir Anthony Kershaw (Stroud): It is not fair of the hon. Gentleman to say that the Secretary-General was jeered. That is not the right word. The Secretary-General was not appointed to be spokesman of the Commonwealth. That is not his job. He has a responsible job and, of course, he is entitled to express his own views on anything. However, he is not entitled to say that he speaks on behalf of the Commonwealth because he does not.

Mr. Beith: It would be extraordinary if the Secretary-General went around the capitals of the Commonwealth stating those views which are in direct contradiction to those reached at recent Commonwealth conferences. All the Secretary-General seeks to do is to voice the views which Commonwealth conferences have agreed upon. He has the evidence of the recent conference at Nassau on which to base those views. Of course, he must take some account of change and developing events in the meantime, as any person in such a position would. It would be an extraordinary Commonwealth Secretary-General who, in these circumstances, chose to pick out the views of the Prime Minister and advance those rather than the views of the Commonwealth leaders who were in a majority at the meeting.

Mr. John Carlisle: Will the hon. Gentleman give way?

Mr. Beith: I must make some progress in what I had intended to be a brief contribution.

The Commonwealth is a source of enormous strength to its members. It is a community of political co-operation which crosses the north-south barrier. It is something very precious and we should be striving to maintain it. It also has great trade importance. There are about £7·5 billion worth of imports from the Commonwealth to this country and £8·5 billion worth of exports from this country to the Commonwealth. We should be deeply concerned about its future.

I must say to those Commonwealth leaders who are thinking that they should leave the Commonwealth if it is unable to act coherently and sensibly in this matter that that is not the question that they should be addressing. The question is, what is wrong with the leadership of the Commonwealth if that comes about? We are moving to a position, in the course of these events, where countries other than Britain will be seen to occupy the key leadership position in the Commonwealth, countries such as Canada, India, Australia, and Nigeria. They are closer to the consensus of views within the Commonwealth. It is extraordinary for Britain, with all its historical involvement in the development of the Commonwealth, to put itself in that position.

Far from seeing this as a time for leaving the Commonwealth, the Commonwealth leaders should see the solution to the problem, if they are unable to carry the British Government along with them, in the assertion of leadership from different quarters within the Commonwealth. That would be part of the maturing process of the institution.

The Government should be working on a programme of measures which they would be ready to bring in the moment the Foreign Secretary's mission is completed. We have had enough delay. If the Government go to the August meeting with the intention of another leapfrogging delay saying "We cannot agree on anything because we have to wait for the next European Council of Ministers meeting and if we cannot agree there we must wait for another session of the House and then there will have to be another Commonwealth conference", the whole process could go on for ever. The Government must be looking at measures such as the banning of intercontinental airline flights and of new investment, not because that would have a profound effect in itself, because very little investment is taking place, but because it would be a signal. They must be prepared to look at bans on specific products and attempts to re-enact the rescheduling crisis that faced South Africa recently.

Mr. Terry Davis (Birmingham, Hodge Hill): If the hon. Gentleman is calling for a ban on new investment in South Africa, will he explain why last week the Liberal party abstained in a vote which would have stopped the tax relief under the personal equity plan of income and capital gains from shares in companies trading in South Africa? Is it not a case of the Liberal party saying one thing and doing another? How does the hon. Gentleman answer the charge of inconsistency?

Mr. Beith: It was an extremely badly worked out proposal. Its effects on companies in Britain could not be so precisely estimated as to distinguish between trading activities in South Africa and trading activities in the rest of the world. It was a piece of gesture politics. It was not an efficient gesture which could be brought to bear effectively on those companies really trading in South Africa. That was the conclusion we reached. The temptation was to vote against it because it was so badly conceived. However, we did not want to appear to support the Government's general resistance to any kind of measures. It was an attempt to introduce in the context of the Finance Bill a proposal which was not adequately worked out.

Mr. Toby Jessel (Twickenham) *rose*——

Mr. Beith: I must not give way any more because many hon. Members wish to take part.

At the same time as doing all that, we must continue the process of discussion with the front-line states to see that we are ready to assist them, especially over issues such as transport. I give the Foreign Secretary credit for the fact that he has not blunted or stopped that process. It is taking place. It was taking place before he went to Lusaka. With that there must be a commitment that we are prepared to strengthen our assistance. Zimbabwe is deeply involved in seeking to maintain through Mozambique transport routes which are threatened by the direct intervention of South Africa in supporting those who are attacking the routes. It is an irony that the routes which were used to defeat sanctions against Rhodesia are now the routes which may not be open, unless the troops of Zimbabwe can keep them open, to enable sanctions to be carried out.

The British Government must be ready to assist the front-line states. We support the motion and we believe that the signal which should be coming from the House and the country is that we are on the side of the majority community in South Africa in its desire to have democratic rights and in its desire to break down a system which has oppressed the majority for so many years. All those who share that feeling on the Conservative Benches should be ashamed that the speeches of the Prime Minister give the impression that the Government and Conservative party do not share that aspiration. They have only to talk to the leaders of other Commonwealth countries to realise that that is the impression they give. This may be one of our last opportunities to make clear where we stand on this issue.

5.48 pm

Mr. Andrew Hunter (Basingstoke): With the greatest respect to the hon. Member for Berwick-upon-Tweed (Mr. Beith), I utterly and profoundly disagree with the sentiments he has expressed. I regret that Opposition Members — and I include here the hon. Member for Berwick-upon-Tweed — do not appreciate that in this general debate on South Africa there is much more common ground between us than there is gulf. We share the one objective: to seek to encourage those who can overthrow apartheid to do so, and to create in its place a form of government acceptable to all races. That is the common ground.

I listened to the remarks of the right hon. Member for Leeds, East (Mr. Healey). I detected in his utterances what I would call three fundamental inner flaws. In his absence I address them to the hon. Member for Swansea, East (Mr. Anderson), and I hope that he will reply to them when he addresses the House.

The first inner flaw, the point of omission from all of the sincere utterances of Opposition Members—I do not

doubt their sincerity—is the failure to appreciate that there has been significant change in South Africa. That change does not go far enough. I do not think that any of us would say that it does. However, things have happened in South Africa over the past five years which were utterly inconceivable 10 years ago. That acknowledgement is missing from the thesis presented by Opposition Members. Job reservations have gone, the Mixed Marriages Act has gone, influx controls have gone, the tricameral Parliament is established, freehold rights for blacks have been extended and we have a declaration of educational parity for all races. That could not have happened before. Let us hear acknowledgement of those facts in the thesis presented by Opposition Members. Of course it is not enough, but the winds of change are blowing through South Africa.

On the second inner flaw, I find myself, with great regret, quarrelling profoundly with my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath). Even if sanctions were to work economically, they would not work politically. If we destroy the economic well-being of the Afrikaner, we will not turn him overnight into a western liberal. The reverse is the reality. If we destroy the economic well-being of the Afrikaner, we shall force him into the inner laager, which means the defeat of the very objective which should unite all hon. Members.

The third inner flaw in the argument presented to us by the Opposition is their failure to account for what I believe to be another fundamental factor. Were South Africa to indulge in counter sanctions, we would be obliged to call off our sanction programme within, say, 12 months. The rest of southern Africa is far more dependent on the wealth and economy of South Africa than South Africa is dependent on her markets in the borderline states and elsewhere in the African continent. We know that 99 per cent. of Lesotho's imports, 91 per cent. of Swaziland's, 88 per cent. of Botswana's and more than 66 per cent. of Zimbabwe's, Zaire's and Zambia's come from South Africa. How can the rest of the world undertake economically to make provision for that which counter sanctions would deny to the rest of southern Africa? I believe that the imposition of sanctions is a non-starter.

Those are the inner flaws in the Opposition's argument. As I have said, I acknowledge the sincerity with which they are advanced. I applaud what my right hon. and learned Friend the Foreign Secretary and my right hon. Friend the Prime Minister have been saying in contending that sanctions pre-eminently are unlikely to be effective. It is a horrific reality that some countries and many companies prefer money to morality. Sanctions would not be implemented effectively. That is a pragmatic view and it does not mean necessarily that we should not embark on the course of sanctions, but let us not kid ourselves that they will work.

My right hon. Friend the Member for Old Bexley and Sidcup acknowledges that it would be immigrant workers, the indigent blacks and the front-line states who would suffer from sanctions if they were to be effective. I am not prepared to shoulder that moral burden. If they want sanctions, they can apply them themselves. The immigrant black workers can get out of South Africa. The indigenous blacks can withdraw demand and labour, and the front-line states can withdraw their demand. They do not do so and they ask us to do it for them.

I welcome the reaction of my right hon. Friend the Prime Minister and that of my right hon. and learned Friend the Foreign Secretary to treat with disdain and cynicism the meaningless talk of democracy and one man, one vote within South Africa. Where in the rest of the African continent is the example? Where is the paradigm of virtue and the respecter of minorities that we can point to and enable us to say to South Africa, "Follow that lead"? We know what the answer is: absolutely nowhere.

I want genuinely to know the answer to another question. If we have a President of Tanzania who says that he does not believe in democracy, Westminster style, and if we have a President of Zimbabwe who says that he does not believe in Western-style democracy, why should a President of South Africa believe in Westminster-style democracy?

Mr. John Carlisle: Perhaps my hon. Friend will reflect on the fact that no black African Government have ever been changed by the ballot box.

Mr. Hunter: I accept that entirely. I do not have my hon. Friend's experience or knowledge of African affairs and I welcome his intervention and do not challenge him.

The Commonwealth dimension now enters the debate. We must be on our guard. The Commonwealth is not ours. It is not a confederation of former colonies over which we preside. It is a brotherhood of independent nations which are equal members. Likewise, the Commonwealth games are not ours. We are inviting other Commonwealth countries to come to Edinburgh to participate in various athletic pastimes. It would be tragic if the Commonwealth were to suffer grievously as a result of the stance that is now being taken by certain Commonwealth Governments, but I will not be bullied or browbeaten into doing what I know to be wrong to preserve a mistaken concept and understanding of the Commonwealth.

There are at work in South Africa forces of evolution, not revolution. The object of our diplomacy should be to identify and encourage those forces of evolution. I am talking about the body of white thinking which is far in advance of the South African Government and that body of black thinking which does not want the way of violence and revolution. I applaud and support the stand which my right hon. Friend the Prime Minister and my right hon. and learned Friend the Secretary of State for Foreign Affairs have taken. I hope most sincerely that they will not be deflected from the course of truth.

5.56 pm

Mr. Guy Barnett (Greenwich): There was a considerable contrast between the speech of the Foreign Secretary and that of the right hon. Member for Old Bexley and Sidcup (Mr. Heath). Peppered throughout the Foreign Secretary's speech were phrases such as "further measures are not excluded", "we shall consider further measures" or "there is no automaticity", the last word being a new one for me. Everything that the right hon. and learned Gentleman said was qualified and conditional.

As the right hon. Member for Old Bexley and Sidcup said, time is short and we are in great peril. Time is short, as the Eminent Persons Group made clear in South Africa. If something does not happen very soon—this can never be said too often to those such as the hon. Member for Basingstoke (Mr. Hunter)—there will be a bloodbath in South Africa. If something is not done to change the Government's policies very soon, the Commonwealth will break up. The consequences of a failure on the

[Mr. Guy Barnett]

Government's part to do something practical and positive are likely to stretch far beyond South Africa and far beyond Britain. That failure so to act will have profound consequences for the world. That is why I agree with the right hon. Member for Old Bexley and Sidcup that time is short and that we are in great peril. We are expecting from the Government a greater sense of urgency and a larger measure of commitment than was apparent from the Foreign Secretary's speech.

I have mentioned the Commonwealth and it was mentioned by the hon. Member for Berwick-upon-Tweed (Mr. Beith) and the right hon. Member for Old Bexley and Sidcup. I was sorry when it was said that the Commonwealth still had a role to play, or still was an asset. I take a different view. I believe that the Commonwealth should have a growing role in the world in future, and I believe that it will. It has already played a vital part. I do not think that the Commonwealth has ever received the credit that it deserves for the settlement of the Rhodesian issue. It played a far larger part than most hon. Members are prepared to accept or admit. I have in mind the part played by Malcolm Fraser of Australia, Michael Manley of Jamaica, Julius Nyerere and other leading statesmen of the Commonwealth at the time, including our then Foreign Secretary, Lord Carrington. I believe that the part which the Commonwealth played was crucial and was a major success.

The report of the Eminent Persons Group is another major achievement of the Commonwealth. It can be too easily dismissed by hon. Members—most of them are on the Government Benches—who are inclined to say, "We can forget about the Commonwealth. It has no further relevance as far as we are concerned. We are part of Europe." I do not accept that view, for several reasons. As the hon. Member for Berwick-upon-Tweed rightly pointed out, the Commonwealth is a vital organisation. In world affairs it is unique because it brings together some of the richest and poorest countries. It brings within its compass nations facing enormous problems of poverty, economic development and debt. It is also the only organisation that encompasses practically every racial group in the world.

It is interesting that practically every country in the Commonwealth has a racial or tribal problem to contend with. Only recently we noticed the tragic position in Sri Lanka and the Sikh problem in India. Leaders in east Africa are trying to sort out the almost intractable problems which they inherited from Britain when we formed those countries with little or no regard to racial groups.

If the hon. Member for Basingstoke is asking for a two-party democracy in east Africa, he is crying for the moon. Those countries have a terrible job trying to build a nation from their inheritance. If he wants an example of a democracy in Africa, I can give him one. I visited a democracy in February: Botswana is a two-party democracy with a remarkable measure of freedom and a great regard for the political system inherited from the United Kingdom. To criticise Commonwealth countries only a quarter of a century after they gained their independence with all the problems which they must face is absurd, especially when one recognises that this country evolved towards democracy over many years.

Mr. John Carlisle: The same rules apply.

Mr. Barnett: I do not know whether the hon. Gentleman wishes to interrupt or merely to shout, but clearly he has something to say.

Mr. Carlisle: Do not exactly the same rules and conditions apply to South Africa as those which the hon. Gentleman so eloquently described in relation to east Africa? Can he not accept that the South African people will not move towards one man, one vote precisely because of what has happened in other Commonwealth countries and the problems which they face?

Mr. Barnett: I do not think that that is true. African Governments have tried to move to one man, one vote. It is inadequate to argue that there has never been a change of Government because the system of democracy adopted by many Commonwealth countries has led to Ministers losing their constituency seats. Therefore, an important form of democracy is being worked out. In some ways it is influenced by African traditions of democracy which those countries are right to attempt to follow rather than slavishly following the two-party Westminster model. Something exciting and important can come from that.

The Commonwealth is an institution which brings together a great variety of races in different countries. The right hon. Member for Old Bexley and Sidcup was a member of the Brandt Commission and he will recognise the important contribution made to it by the Secretary-General of the Commonwealth. He will also recognise, as most hon. Members do, that the Commonwealth still has a major contribution to make on that issue because it contains so many rich and poor nations. It has published a number of documents and statements which are significant and valuable to the international debate about how we can solve the problems identified by the Brandt Commission. I would be desperately sorry to see the Commonwealth break up, but we are in great peril of that.

The situation in South Africa is also frightening. Yesterday afternoon some of us were privileged to listen to a talk given to the British-Zimbabwe parliamentary group by the Speaker of the Zimbabwe Parliament, Didymus Mustasa. He spoke movingly about how Zimbabwe, its President, Prime Minister and Government want to retain the closest possible relationship with the United Kingdom, and many points he made have been confirmed in this debate. We do a great deal of mutual trade, and many relationships exist which we hope will continue to exist. Many members of the Zimbabwe Government were educated at British universities, which underlines the importance of extending opportunity to Africans and other members of the Commonwealth to study at our universities. But Speaker Mustasa said that the behaviour of successive British Governments has been such as to drive Zimbabwe into the arms of the Russians. Those are almost his words.

Zimbabwe was unable to get any assistance from us when Didymus Mustasa was in the bush among the freedom fighters. How much assistance did he get from British Governments when he was fighting for the independence of his country? He got some assistance from my right hon. Friend the Member for Clydesdale (Dame J. Hart) who ensured that every refugee from the Smith regime could obtain education here, and we are reaping some of the benefit from that now. But how much assistance did we give those people? How much assistance

are we now giving the African National Congress? How much assistance could we give, given all the talk of the hon. Member for Basingstoke and others about the plight of the front-line states and about how terrible it would be for them if we applied sanctions against South Africa? How much assistance are we prepared to give? That is the key question.

Mr. Anderson: My hon. Friend probably knows that the Government have just announced that they will offer an additional £15 million over five years to southern Africa. He may like to put that in the context of the £400 million a year which is being spent on the Falklands.

Mr. Barnett: I am grateful to my hon. Friend for that staggering comparison. *[Laughter.]* The laughter of Conservative Members demonstrates that there is little sympathy or interest from a certain section of the Conservative party. Their words and jeers are not worth listening to. It was interesting to note the flak that my right hon. Friend the Member for Leeds, East (Mr. Healey) received from a certain section of the Conservative party. Frankly, it could not care less about the needs of some of the front-line states and the problems which they face as a consequence of the murderous attacks made on them and the attempts to destabilise their regimes. The £15 million is peanuts, considering the problems which those states face.

We should think seriously about assisting those countries by providing military equipment and, if necessary, soldiers to enable them to defend their borders, especially the Beira corridor, so that they can have a trade link separate and independent from South Africa. That would protect them to some degree from the type of consequences which have already arisen but which will inevitably arise increasingly when economic sanctions are applied. We should not pay attention to the crocodile tears of Conservative Members.

Sir John Page (Harrow, West): The hon. Gentleman is a distinguished and long-serving member of the Labour party. Is his view that, if necessary, British troops should go into the borderline states to maintain sanctions part of Labour party policy? Perhaps he will expand on that because it is an important aspect which was touched on by my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath).

Mr. Barnett: When my hon. Friend the Member for Swansea, East (Mr. Anderson) replies officially for the Labour party, I hope that he can give the hon. Gentleman the firm official answer that he requires. That is certainly something which I have been pressing in the House for some time and it would make an important contribution. The hon. Gentleman may already know that the British Army makes a valuable contribution in Zimbabwe by training the Zimbabwe army, and that there are already British troops in Zimbabwe. Therefore, it would be a natural extension for Britain at least to send equipment or to give other forms of military assistance to enable those defenceless countries to defend themselves against the attacks that they have received from the south.

I do not want to detain the House much longer, but I feel that I should underline the points that I have made —that I agree strongly with the speech of the right hon. Member for Old Bexley and Sidcup; that we are in peril; that time is short; and that decisions must be taken. I hope that the House listened carefully to what my right hon. Friend the Member for Clydesdale said about sanctions. Much more debate needs to take place in this House, and I think that my right hon. Friend's speech was one of the more constructive in the debate so far. Basically, my right hon. Friend said that there was no point in the absurd argument about whether measures were or were not effective. We should decide what effective measures could be taken, judge which were likely to have the desired effect —the effect that I hope every hon. Member wants—and recognise that this is not cheap debate, but an issue of deep concern to everyone in the African continent. It must be of deep concern to everyone in the world.

6.10 pm

Sir Frederic Bennett (Torbay): I wish first to anticipate possible interventions in my speech. The last time that I spoke on this issue several remarks were directed across the Benches to the effect that I had business interests in South Africa. I have none and have never had any. Perhaps that statement will save at least one intervention in my speech.

I shall barely comment on the speech of the hon. Member for Greenwich (Mr. Barnett) because it wandered into the realms of fantasy. As he represents a party that constantly votes against Defence Estimates because it believes that we are spending too much on the armed forces, it was rather odd that he should contemplate sending expeditionary armies to half a dozen countries on the African continent, and maintain them there to repel hypothetical attacks from South Africa. His speech, I repeat, took the debate temporarily into the realms of fantasy.

I have almost the same view of an earlier suggestion that, if necessary, we should enforce a boycott. Contrary to the comment of my right hon. Friend the former Prime Minister, I was in the House at the time of Rhodesian sanctions and witnessed their effect. Even that limited boycott was a grotesque and unsuccessful farce. We had an aircraft carrier steadily rusting away and one or two auxiliary ships cruising steadily outside Lourenco Marques but Rhodesia's trade continued to go through both South Africa and the port of Beira in Portuguese south Africa. Eventually, the aging vessel was withdrawn, before perhaps it sank to the bottom of the ocean. I shall return to Rhodesian sanctions later as an example of what could or could not happen in South Africa.

My first visit to South Africa was in 1947. I spent some time both in South Africa itself and in what was then Rhodesia, now Zimbabwe. I have three distinct recollections of that time, and I have regarded them constantly as valid right up to the present day—despite many frequent subsequent visits during which, at universities and other institutions, I have to the best of my ability warned about the inevitable consequences of apartheid, unless changes were made while there was still an atmosphere of moderation in which to make them. On one occasion, surprising as this may be to Opposition Members, my remarks were quoted as proving that I must be the only Communist in the British Conservative party —a label not usually attached to me. Therefore, my conscience is clear on my attitude of trying to induce people to change their minds before change became brutally and cruelly inevitable.

The first of my three recollections is that, having travelled throughout South Africa, this House made the

[Sir Frederic Bennett]

fatal mistake — as did most European and other countries — of not recognising that South Africa has evolved not as a country but as a continent comprising a whole series of peoples—black, white and other shades —who are just as different one from the other as the peoples of the continent of Europe. If one day we could understand that and take a different approach, we might help to create some form of satisfactory Government within the context of that multiracial continent. We might then, in this House and elsewhere, begin to talk sense.

The idea that there is a greater community between the Asian living in Durban, a Cape coloured, some of the black African tribes, the Afrikaner or the rural members of the so-called homelands and the Zulu is the same as saying that there is no difference between people living in Spain, in Sweden or in Greece. It is utter rubbish. If people visited South Africa not on a carefully arranged propaganda trip but to learn about the people, they would understand that we are trying to deal with a continental problem with fundamental racial differences.

My second recollection is of the certainty of the doom of apartheid. I saw it coming as long ago as 1947. As a young man, I thought that apartheid was an immoral concept. However, unfortunately plenty of immoral concepts and immoral states continue to survive. The Foreign Minister of one such state visited this country within the last few days. That country—the USSR—has survived on a wholly immoral basis since the Communists first gained power. However, a country can have an immoral totalitarian system provided that it is totalitarian.

What doomed the South Africans to the crisis that has now arisen was that they tried to have the best of both worlds. They tried to educate and provide a better standard of living—and therefore being bound in the process to foster greater aspirations — for the very people whom they would inevitably dominate if their system of apartheid could continue. The sowed the seeds of their own destruction long before the Commonwealth, the United Nations or anyone else got round to it. How could they have thought that they could send black people to educational institutions to gain a higher degree of education, to train to a high level to work in industry, and thereby to obtain a standard of living higher than any obtainable elsewhere in Africa without realising that they could not prevent the emergence of political aspirations? That is why apartheid was doomed from the start. It was based not only on immorality but on total unfeasibility in the long term. Indeed, I am surprised that it has taken 40 years for them to begin to understand that. In 1947 I bet £100—and I am not a gambling man—that apartheid would end within 20 years. Unfortunately, I was 20 years out and so lost my £100 — yet my concept of what would happen has turned out to be correct.

The third and perhaps the most important of my recollections is that no one in the House should underrate the built-in obstinacy of the Afrikans. Once again, we made a fatal mistake at the end of the last century when it took the whole might of the then British empire to bring the Afrikaners to their knees. It took three whole years before they would give way. If we think that stopping Krugerrands coming into this country or imposing any of the other suggested sanctions can be done without carrying the Afrikaners with us—and I am not talking about the ridiculous suggested boycott with non-existent ships cruising up and down—we are wholly wrong. On the other hand, I believe that my right hon. and learned Friend can carry Afrikaner Ministers with us, because they will listen to reason provided that we do not force them publicly to denounce themselves. If we did that, that Government would fall and another even more extreme Afrikaner Government would emerge. If we say, "If you do not do this and this, we will do that and that," we shall not succeed. If anyone thinks that that is the way to handle an Afrikaner, it is time that he paid a visit to that part of the world.

It is, therefore, time to begin looking at reality, and I therefore wish now to discuss the present position. When we talk about sanctions and measures, I wish that we could return to real history and not the rewriting of it. In the 1930s, people launched into a high moral code about sanctions to prevent Italy from conquering Abyssinia. That is never quoted, because it is inconvenient to remember that the only result was that Italy took Abyssinia more brutally than it should have done. She used mustard gas instead of more conventional means quickly to achieve her objectives.

The Rhodesian sanctions have been mentioned several times. It is not true to say that sanctions of themselves brought down the Rhodesian Government. That is selectively to rewrite history, which we do too much to suit certain individuals. I visited Rhodesia at the height of the sanctions period. For the first time in their history, the Rhodesians had had to bring in car parking regulations for Salisbury because there were more cars on the roads than ever before. Half of the vehicles came from France and the other half came from Japan. Yet both of those countries were subscribers to the sanctions exercise.

What happened in Rhodesia—let us state the facts and not what we would like it to be—was that the Portuguese empire collapsed and the roads to the coast through Beira and Lourenco Marques were blocked. Rhodesia had no seaport and the only route remaining was through South Africa. The South African Government forced the Rhodesian Government to give way on the propositions put forward by Lord Carrington and others, because the South African Government were not prepared to carry alone the flak for Rhodesia being able to survive against world opinion in case the flak was then directed at them. It was a statesmanlike measure from their point of view to try to induce the Rhodesians to give way. However, that is history. Certain right hon. and hon. Gentlemen, and others, do not like history. What I have said can be easily proved.

Mr. Heath: I do not know whether or not my hon. Friend is referring to my speech, but the fact is that they brought Mr. Smith to negotiate with Sir Alec Douglas-Home. That is a matter of fact.

Sir Frederic Bennett: My right hon. Friend has already reproved several of our hon. Friends because they were not MPs at the time and did not know what they were talking about. I hesitate to say the same thing to my right hon. Friend, because he was here and did know all about it. Yet he must accept my opinion that it was not sanctions—they had gone on for 15 years—that brought Rhodesia to the negotiating table. It was the collapse of the Portuguese empire, as I have said, and the fact that the South African Government was left with the sole

responsibility, which it was not prepared to take, to keep Rhodesia going. That is how I and most of my colleagues see the facts. Certainly, the history books do so.

When the Russians invaded Afghanistan, there was an outcry about sanctions. It was said that if we operated sanctions against the Soviet Union, and if the Americans led the way by withdrawing wheat supplies, Russia would be forced to withdraw from Afghanistan. She is still there and she is still killing people. The Americans have found that their wheat ban had no result, because Russia was able to get its wheat from other sources. The pathetic attempt to induce change in Afghanistan by way of sanctions has been shown for what it is.

I have visited the Library and I have checked on the United Nations records. The biggest breaker of sanctions against Rhodesia, including France and Japan, was the Soviet Union. No one has mentioned that in today's debate. We have talked about getting the consent of the Americans. What better understanding can we have than what the Russians would do if we exercised sanctions against South Africa? If the Russians were to do what they did in the case of Rhodesia, sanctions would become a dangerous farce.

If the sanctions are ineffective and are only an irritant, they will do nothing but strengthen the South African Government who will then say, "We can go on as we have always done, because whatever the West does, it is not effective. We can continue unchanged." If the sanctions are effective in the only sense that they can be, they would cause large scale unemployment. They would cause intense misery to the very population we are trying to help, according to the precepts on the Opposition Benches.

No one has mentioned today the estimates that have been given that if the comprehensive, mandatory and immediate sanctions which the right hon. Member for Leeds, East (Mr. Healey) espouses were implemented, up to a quarter of a million job losses could occur in this country. Will the Opposition include that in their programme?

Mr. Barnett *rose*——

Sir Frederic Bennett: I shall not give way.

Mr. Barnett: Twenty thousand.

Sir Frederic Bennett: Let the hon. Gentleman then tell the people in his constituency that he is willing to advocate even the loss of 20,000 jobs there. I prefer the figure that has been provided from other sources that up to a quarter of a million job losses may occur. If hon. Members will not admit that, it shows that they are not prepared to admit the consequences of what they seek.

One of the factors that does not help us to get a receptive hearing in South Africa is that South Africa thinks that the world is ideologically prejudiced and biased against its Government, and, of course, its white inhabitants. I have received a number of letters pointing out that this is the 10th anniversary of Soweto and, therefore, it is an occasion for special feelings. Yet I have not noticed many motions on the Order Paper pointing out that it is the 25th anniversary of the Russian invasion of Hungary when 20,000 Hungarians were killed. Why do we not have motions calling attention to that anniversary 25 years later?

Twenty years ago the Berlin wall was built. I wonder why we have not had a series of demands from the Opposition for a debate to commemorate the 20th anniversary of the Berlin wall.

The acts of hypocrisy in which members of the media and hon. Members indulge, when we are trying desperately to send the Foreign Secretary on his way with a real prospect of trying to get a negotiated settlement, makes his task all the more difficult.

6.26 pm

Mr. Richard Caborn (Sheffield, Central): The hon. Member for Torbay (Sir F. Bennett) referred to the loss of a quarter of a million jobs. The Prime Minister has referred in the House to, I think, 120,000 job losses. The Foreign Office has brought the figure down to 50,000. Two independent reports, to which I referred in the House a few weeks ago, cited a figure of between 12,000 and 20,000. To talk about a quarter of a million job losses can only have come from a leak from the South African embassy.

I shall refer to how the feelings in this country are manifesting themselves. I am a member of the Anti-Apartheid Movement. I am privileged to be on the national executive committee of that movement. Two weeks ago, we had a demonstration and a festival in the streets of London. Many pop stars participated, free of charge. More than 200,000 people—some say that the figure was 250,000—participated at one time or another during that day of events. It was probably one of the biggest demonstrations on an international issue in the United Kingdom for over a quarter of a century.

All types and classes of people attended the demonstration — blacks, whites and coloureds. The Christian Church was well represented, as were many political parties. That manifestation on the streets of London showed to some extent the feeling in the United Kingdom. The Anti-Apartheid Movement has hundreds of branches in this country. Through those branches, the movement is implementing the people's sanctions, the people's boycott of South Africa, which is having an effect. The membership of the movement increases daily.

A recent opinion poll showed that the British people, rather than being hostile to sanctions—the debate is at a level where people are becoming involved — are in support of sanctions against South Africa. Unfortunately, the Prime Minister came out of that poll rather badly. She was perceived by the British public as a supporter of P. W. Botha and of the apartheid regime in South Africa.

Not only has the Prime Minister brought the British Government into disrepute in the international arena but we are discredited. Because my right hon. Friend the Member for Leeds, East (Mr. Healey) clearly outlined that issue, I shall not go into the details. It is a sorry and serious matter when a British Prime Minister is regarded in that manner by the international community. That can do untold damage in the short and the long term.

In October 1985, at Nassau, an agreement was made to apply, in the Prime Minister's words, "teeny weeny" sanctions. The other members of that conference, because of their sincerity, took on trust the Prime Minister's argument that the Eminent Persons Group should go to South Africa. Some of us condemned that proposal at that time but, nevertheless, it went ahead.

In October 1985, at Nassau, a motion was tabled on the agenda, and was subsequently included in the accord

[Mr. Richard Caborn]

released after the meeting, that eight further measures against South Africa should seriously be considered if the EPG did not make progress in bringing about change in South Africa.

There has been a change of mind. My right hon. Friend the Member for Leeds, East said that he had changed his mind from supporting bringing in progressive sanctions to supporting the imposition immediately of fairly strict sanctions.

What will Heads of Government consider in London on 3, 4, 5 August?

"*(a)* a ban on air links with South Africa;

(b) a ban on new investment or reinvestment of profits earned in South Africa;

(c) a ban on the imports of agricultural products from South Africa;

(d) the termination of double taxation agreements with South Africa;

(e) the termination of all government assistance to investment in, and trade with, South Africa;

(f) a ban on all government procurement in South Africa;

(g) a ban on government contracts with majority-owned South African companies;

(h) a ban on the promotion of tourism to South Africa."

They are not major sanctions, or not as we would interpret them. They are minimum sanctions which we should seriously consider. I should be pleased if the Minister will tell us how far the Government are prepared to go.

The penultimate paragraph in the conclusion of the EPG report, which was unanimously agreed, stated:

"The question in front of Heads of Government is in our view clear. It is not whether such measures will compel change, it is already the case that their absence and Pretoria's belief that they need not be feared, defers change. Is the Commonwealth to stand by and allow the cycle of violence to spiral? Or will it take concerted action of an effective kind? Such action may offer the last opportunity to avert what could be the worst bloodbath since the Second World War."

Those strong words ask for the minimum sanctions which will be discussed on 3, 4, and 5 August. Those questions should be answered by the Minister of State.

Invariably, I come in at the fag end of debates on South Africa, so I should like to speak for just two more minutes. Reference has been made to the support of £15 million. In the past two or three weeks, I have written to 34 British multinationals. Because of the national service agreement in South Africa, British multinationals with subsidiaries in South Africa are subsidising the military. Following two years of conscription, the wages of those who go for further training with the military are topped up by the British multinationals. I have heard from reliable sources in South Africa that employees of European multinationals, who are paid and subsidised by their companies, have been seen on the backs of wagons used in the so-called "control" of the streets of South Africa but, in fact, have been shooting blacks. The sum of £15 million is being sent to South Africa through British multinationals subsidising the military. These multinationals are also topping up their employees' wages. That is nothing less than scandalous. I hope that multinational companies will play their part in stopping this type of subsidy to the military.

6.34 pm

Mr. Jerry Hayes (Harlow): The hon. Member for Swansea, East (Mr. Anderson) has given me two minutes to speak, although I hope that he does not time me closely.

The House should be deciding precisely how we can take measures that will generally change the position and free the blacks in South Africa. It is easy to posture and make grandiose statements about so-called sanctions which we should take while knowing full well that we shall sleep easily in our beds and nothing will happen.

I have been to South Africa—not on a Government-sponsored tour but on an independent tour. My group had the opportunity to meet people such as Bishop Tutu, Buthelezi, Allan Boesak and various Ministers. Right hon. and hon. Members would be foolish if they believed for one moment that they could bounce the Afrikaner Government into doing anything that they did not want to do. We cannot do that. That is why it is right that my right hon. and learned Friend the Foreign Secretary should at least try to do what he can.

The only group that can facilitate change in South Africa is big business. Those people have economic muscle. About 20 years ago, they abolished apartheid in their own enterprises. Mr. Botha, the state President, is faced with a divided Cabinet—on the one hand, there is Mr. Pik Botha, who is after the state President's job, and, on the other, there are people who are against the so-called "reforms" which Mr. Botha says he wants to introduce. I sincerely believe that, if my right hon. and learned Friend the Foreign Secretary fails in the next few days in Pretoria, the British Government will have to put forward positive measures which will send a signal of disapproval and which we hope will be effective. We must not for one moment fool ourselves into thinking that such measures will bounce the thoroughly wicked Government in Pretoria into changing their position one iota.

6.37 pm

Mr. Donald Anderson (Swansea, East): The quick answer to the point raised by the hon. Member for Harlow (Mr. Hayes) is that the South African Government can bask in their defiance because they know that, ultimately, they can rely on the British Government's support. So long as they labour under that belief, they will refuse to make the necessary moves.

Apparently, the Foreign Secretary has moved a little from the Prime Minister's intransigence. One can interpret the right hon. and learned Gentleman's points, with all their qualifications, as meaning, "If there is no tangible progress towards securing the objectives, some further measures, in my view, are likely to be necessary."

What is the Foreign Secretary's definition of "progress"? He has set as his task that of convincing the South African Government that Nelson Mandela and the other imprisoned leaders should be unconditionally released and the major parties should no longer be banned. Will the right hon. and learned Gentleman be content to take the South African Government's word about a release at some future time, or will he make the release of Nelson Mandela a certain aim without which he will give a commitment to the House to embark on these "further measures"? So far the Foreign Secretary has been coy about that point.

The Foreign Secretary knows from his dealings with the South African Government that they will try to play for time and present some sort of agreement which is full of loopholes. He knows, for example, the long delays over the independence of Namibia from Security Council resolution 435 of 1978. If he wants further examples of the duplicity of the South African Government, let him look

at those secret missives in relation to Mozambique, in spite of the Nkomati accord, which the South African Government signed in good faith with Mozambique. If he wishes to come closer to home, let him look at the Coventry Four. Four self-confessed representatives of the Armscor were indicted in this country. The first secretary of the South African Government, Mr. Pelzer, went to a High Court judge and pledged the full faith of the South African Government that they would return those four to this country for trial if they were allowed bail to return to South Africa. They returned to South Africa and then, of course, they said that they would not return to this country.

In the light of those clear examples of South African duplicity, will the Foreign Secretary accept something less than the release of Nelson Mandela before he embarks upon further measures or sanctions, call them what one will? Our fear is that the right hon. and learned Gentleman, decent man as he is, will return from his lonely odyssey brandishing a piece of paper saying, "Peace in our time." That would be greeted with derision in the world, and by the EEC and certainly by the Commonwealth.

Recently, the Prime Minister said that it was a pity that South Africa was no longer a member of the Commonwealth. Might it not be that her motive for saying that was that she was seeking to find at least one friend in the Commonwealth? The South African Broadcasting Corporation commended the Prime Minister for standing up against the mob. Does it thrill the Foreign Secretary as he embarks on his own safari that she has only the commendation of the state South African Broadcasting Corporation?

It is difficult to see how any reasonable individuals can dissent from these elements in the Opposition motion. Who can deny that there is a constitutional crisis looming, and that the Commonwealth is in danger of breaking up unless there are major moves on the part of the Government? Who can deny, after the failure of the Eminent Persons Group, that there is a danger of change being deferred yet again unless sanctions are imposed? Most sensible Members accept that. We believe that the Foreign Secretary and the Minister of State accept that effective sanctions will have to be imposed. Without them, who can deny that inevitably there will be a bloodbath in southern Africa which will make as naught all our nice calculations about the effect on jobs and on British investments? If that bloodbath comes about, it will sweep aside all our trade and investments in that country.

Since our previous debate, the Foreign Secretary has embarked on his safari. We wish him well. We know that he is a decent individual. But we also know that he is battling against the odds. Hardly had he embarked on the aeroplane before he read Hugo Young's interview with the Prime Minister. Poor Seigfried had no more cruel a stab in the back than the one that the Prime Minister delivered to the Foreign Secretary. The Prime Minister repeated the theme of her concern for the blacks. In effect, she said that she knew their interests better than they do. She repeated her concern for morality, which comes ill from someone who has shown no clear appreciation of the desperate position and repression of the blacks within South Africa.

I take no pleasure in saying this. The Foreign Secretary must know it, and the Prime Minister, too, because she has been told by our own diplomatic missions overseas. Rightly or wrongly, the perception of the Prime Minister among the majority of black leaders is that she is not on their side, that she is fundamentally opposed to their aspirations. She is just not believed when she says that she is against apartheid. Anyone with foresight must realise that the writing is on the wall for white minority government in South Africa. It is wrong for this country to be so closely identified with the old regime in South Africa, and so mistrusted by the emerging forces within that country. Might it not be a good thing for Britain if we were to give some signals of appreciation and sympathy for those emerging forces within South Africa?

Is the Prime Minister preparing for a famous victory, a deal under which Pretoria will promise to dismantle apartheid at some stage in the future, with many qualifications? Will she continue to give President Botha the benefit of every doubt? Is she prepared to ignore the possibility of the Commonwealth breaking up on the rock of her own intransigence in this matter? That has set her apart not only from the Foreign Office and the Ministers in it, but from the sensible majority of her own party.

The Prime Minister may feel passionately on this subject. Can she at least spare a thought for the passion of the families of the thousands of blacks who have been killed in South Africa over the past 18 months? Can she spare a thought for the wives and families of the 4,000 or more blacks and others who have been detained in South Africa, and for those, as my right hon. Friend the Member for Leeds, East (Mr. Healey) and I saw, at the Delmas treason trial of 22 leading blacks who in any sensible country would be playing a leading part in their own Government? Can the Prime Minister at least spare some of that passion for them or for the wives and families of those who do not know what has happened to their dear ones in South Africa or, indeed, to the blacks and others who are forced to flee their country because of the repression? I say to the Prime Minister that passion in the defence of vice is no virtue.

6.47 pm

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): This short debate is vital to us all. It is vital that the Commonwealth continues to be that important channel of dialogue and debate among countries across the world, regardless of colour or creed. I should like to repeat to the House something that my right hon. Friend the Prime Minister said only a few day ago, on 11 July:

> "The major objectives of our membership of the Commonwealth remain:
>
> (i) the maintenance and reinforcement of the continuing strong links at all levels between member states and their peoples;
>
> (ii) continued support for the Commonwealth as an organisation which can play a constructive and stabilising role in world affairs, notably in promoting democratic principles, international understanding and world peace;
>
> (iii) the development of the association as a unique channel for encouraging co-operation and understanding between the industrialised and developing countries;
>
> (iv) the maximisation of the political and economic benefits of our Commonwealth membership. — [*Official Report*, 11 July 1986; Vol. 101, c. *279-80*.]

We are told that the Commonwealth is under threat. The Commonwealth has survived many crises. Its unity and strength are based on the very many things that unite us. There are more things that unite than divide us. Those bonds remain and will continue to remain. In the Commonwealth, we are at one in our wish to

[Mrs. Lynda Chalker]

see an end to apartheid and a rapid and fundamental change in South Africa, for which my right hon. and learned Friend the Foreign Secretary is working so hard. I do not believe that differences of opinion, which are about means, not ends, can undermine Commonwealth unity. The Commonwealth is too strong for that.

The differences that exist will be discussed fully when the Commonwealth leaders meet next month. I am convinced that they can and will resolve the problems before us in the ways that they will decide. We want the Commonwealth to remain an effective force not only in promoting a solution to the present crisis in South Africa but in every sphere in which its influence is felt and is much needed across this very dangerous world of ours.

That bring me to the importance of my right hon. and learned Friend's mission. The House must remember that the Eminent Persons Group emphasised that the alternative to genuine negotiated settlement in South Africa is chaos, bloodshed and destruction. Faced with that alternative, which we all abhor, I hope that the House will agree that the Governments of the Twelve were not just right but absolutely right in wishing to make every possible effort to break the deadlock and to open the way to negotiations and the suspension of violence. That is a formidable task, requiring great patience and perseverance. On the first leg of this mission, which my right hon. and learned Friend found so valuable in establishing a closer understanding of the issues, we naturally met differences of opinion, but that will always be so. It cannot be right, however, for people in the House to talk down the mission for purely party political reasons. They should seriously ask themselves whether that in any way serves the cause of peaceful change that my right hon. and learned Friend is seeking to achieve.

In today's debate, as expected, there have been comments about divisions and differences, but in the Government there is strength and unity of commitment to do all that we can to bring a speedy end to apartheid and a change to a non-racial, democratic system of government in South Africa. As my right hon. Friend the Prime Minister has made clear so many times, we utterly abhor apartheid and we are totally committed to finding the most effective way to achieve the changes that we all want. It is in the achievement of that end that our paths diverge—I think that the House is agreed about the ends. It is in the light of the Commonwealth Eminent Persons Group report, the work agreed to be reviewed at the August conference and the decisions taken by our European partners on 27 June, that we must examine in detail what might need to be done.

We are still at an early stage. My right hon. and learned Friend has just completed the first leg of what may be a long, very detailed and very intense series of visits. It is absolutely clear that if, at the end of those consultations with the leaders of the Economic Seven, the Commonwealth and the European Community we can reach decisions with the unanimous backing of the European Council, 320 million European people and also the Commonwealth, that will be the way to bring about effective change in South Africa. Without that weight of world opinion and the effective commitment of all those countries to achieve that change, we shall not succeed and people will seek to avoid sanctions for their own selfish purposes. No one in the House or in the country would want that.

We should be looking forward, not underestimating the difficulties, but convinced that talking to the leaders of the economic giants of the world, to the leaders of the Commonwealth and to all who should be involved in the dialogue that we seek to achieve in South Africa is the way ahead and we are determined to carry that process through to the very best outcome that we can achieve.

The Eminent Persons Group report has been quoted. We said in that report that we should promote dialogue in South Africa and the suspension of violence on all sides. We all wish those objectives to be achieved. That is fully accepted, but it is a decision that Heads of Government will be taking in a few weeks' time.

Mr. Healey: The Minister referred approvingly to the Eminent Persons Group. Indeed, she described it as her own report when she said "We said in that report". But the report stated that the failure of the British Government and other Governments so far to impose sanctions had deferred change. The report said that sanctions were necessary to produce change—that is also the view of many Conservatives, including the right hon. Member for Old Bexley and Sidcup (Mr. Heath) — so will the Minister make it clear that when she says that sanctions will not work without everyone's agreement the Foreign Secretary's purpose is to achieve agreement on sanctions? Otherwise, she is deceiving the House.

Mrs. Chalker: The right hon. Member for Leeds, East (Mr. Healey) is up to his usual tricks, so eminently displayed in his opening speech. My right hon. and learned Friend the Foreign Secretary, in all his efforts in southern Africa, is seeking to find a way forward and to persuade the South African Government that the unconditional release of Nelson Mandela and other detainees, the unbanning of the ANC and other political groups and the end of the state of emergency should be achieved in very good time. Otherwise, the matters now being considered by European and Commonwealth leaders and the leaders of the Economic Seven will have to be further considered and a decision arrived at.

A decision that will be effective in bringing about an end to apartheid must be workable. The right hon. Member for Clydesdale (Dame J. Hart) put her finger on it when she talked about effective measures and the effect that certain financial decisions already taken have had. Whether they can be pushed further is being discussed and will be further discussed and will no doubt be discussed by my right hon. and learned Friend in Washington on Friday. It is important that there be unified backing for the efforts being made from both European Community and Commonwealth, that we do not concentrate on the views of extremists and that we move to the very thing that we have been seeking—the end of apartheid.

It is impossible to say exactly what could be done and how it could be done in terms of any measures that might have to be considered, but I remind the House of the importance of the positive measures that we are already taking. In addition to the £22 million that we are already giving to the states of southern Africa and to black people in South Africa, my right hon. Friend the Prime Minister has announced an additional sum of £15 million for education and training for non-white South Africans.

Mr. Anderson: It is spread over five years, so it is only £3 million per year.

Mrs. Chalker: Yes, but £3 million for transport projects in the front-line states is of major importance, as the hon. Member for Greenwich (Mr. Barnett) recognised. Those measures will do more to develop the way in which the front-line states and others diversify their markets—something that we have already been working on and shall continue to encourage.

None of the measures being discussed is finite. They have not been decided. We are negotiating with all the leaders whom my right hon. and learned Friend is meeting and seeking to meet to find the best chance of success. We are not committed to or against any of the measures that have been mentioned. My right hon. and learned Friend is engaged on a mission to try to achieve the very progress that all Members of the House claim to wish to achieve—an end to apartheid, the unbanning of the ANC and other groups and the unconditional release of Mandela as well as the lifting of the state of emergency. As my right hon. and learned Friend has said, if his mission cannot achieve that, he would regard agreement on further measures as being likely to be necessary. This is of vital importance for the mission that is going on, and we should remind ourselves that without those efforts we have no chance of persuading the South African Government to move further down the path on which they have started in recent years. The right hon. Member for Clydesdale is absolutely right——

Mr. James Hamilton (Motherwell, North): I beg to move, That the Question be now put.

Mrs. Chalker: I wish my right hon. and learned Friend every success in his mission, and I am sure that the whole House joins me in that, and will accept the Government's amendment.

Question put, That the original words stand part of the Question:—

The House divided: Ayes 204, Noes 319.

Division No. 261] **[7 pm**

AYES

Abse, Leo
Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boothroyd, Miss Betty
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Buchan, Norman
Caborn, Richard
Callaghan, Rt Hon J.
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Carter-Jones, Lewis
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Concannon, Rt Hon J. D.
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dixon, Donald
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Ellis, Raymond
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Freud, Clement
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hancock, Michael
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport East)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilroy-Silk, Robert
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
Maclennan, Robert
McTaggart, Robert
Madden, Max
Marek, Dr John
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Torney, Tom
Wallace, James
Wardell, Gareth *(Gower)*
Wareing, Robert
Weetch, Ken
Welsh, Michael
White, James
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Woodall, Alec
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. Sean Hughes and
Mr. Ron Davies.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Amery, Rt Hon Julian
Amess, David
Ancram, Michael
Arnold, Tom

Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Bennett, Rt Hon Sir Frederic
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brittan, Rt Hon Leon
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Chalker, Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hannam, John
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon D. *(G'ldford)*
Hubbard-Miles, Peter
Hunter, Andrew
Hurd, Rt Hon Douglas
Irving, Charles
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lewis, Sir Kenneth *(Stamf'd)*
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Nicholas
McCurley, Mrs Anna
Macfarlane, Neil
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
McNair-Wilson, P. *(New F'st)*
Madel, David
Major, John
Malins, Humfrey
Maples, John
Marland, Paul
Marlow, Antony
Marshall, Michael *(Arundel)*
Mates, Michael
Mather, Carol
Maxwell-Hyslop, Robin
Mellor, David
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Sir Peter *(West Devon)*
Miscampbell, Norman
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Normanton, Tom
Norris, Steven
Onslow, Cranley
Oppenheim, Phillip
Oppenheim, Rt Hon Mrs S.
Osborn, Sir John
Ottaway, Richard
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Pawsey, James
Peacock, Mrs Elizabeth
Percival, Rt Hon Sir Ian
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, Rt Hon J. E.
Powell, William *(Corby)*
Powley, John
Prentice, Rt Hon Reg
Price, Sir David
Prior, Rt Hon James
Raffan, Keith
Rathbone, Tim
Rees, Rt Hon Peter *(Dover)*
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Stokes, John
Sumberg, David
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Terlezki, Stefan
Thatcher, Rt Hon Mrs M.
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Francis Maude and
Mr. Gerald Malone.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments), and agreed to.*

MR. DEPUTY SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House reasserts its commitment to the Commonwealth and the goal of peaceful change in South Africa through negotiation; does not believe that general economic sanctions would help to secure that objective; notes that the Government is committed by the Nassau Accord and the Declaration by the European Council at The Hague on 27th June 1986 to consultations with the Commonwealth, the Community and other allies on further measures which might be needed; and welcomes the efforts of the Secretary of State for Foreign and Commonwealth Affairs in his capacity as President of the Twelve to establish conditions in which negotiations can take place.

Poverty (Elderly Persons)

Mr. Deputy Speaker (Mr. Ernest Armstrong): Mr. Speaker has selected the amendment in the name of the Prime Minister.

7.13 pm

Mr. Michael Meacher (Oldham, West): I beg to move,

That this House, noting the Government's niggardly pension increase of 40 pence, the break of the link with earnings which this year has prevented an increase three times higher, the cuts in housing benefit of £450 million, the reductions in public transport and the cuts in community provision, all of which chiefly hit pensioners, and bearing in mind that in seven Conservative years pensions have increased by three per cent. in real terms, while under the previous five Labour years they increased by 20 per cent. in real terms, calls on Her Majesty's Government to give priority to ending poverty among pensioners by reversing the tax hand-outs to the most privileged sections of society.

Our central contention in this debate is that poverty amongst the eldery in Britain today is shamefully high, that it is increasing, and that it desperately needs to be cut. Our contention is not only that the pension increase of 40p, due to be awarded in 12 day's time, is derisory but that the pension, at a mere £38·30 a week for a single person, compares extremely badly with pensions currently provided in other EEC countries and very badly too with the relative value of pensioners' cash allowances in this country in Victorian times, as I shall show.

It is our contention, too, that pensioners' living standards are suffering not only because of the miserable level of the pension but because they depend equally on a range of essential public services and are being dragged down by the cuts across the board in housing benefits, in the availability and cost of buses, in community care provision and in delayed access to hospitals for vital operations such as hip replacements.

I read with incredulity in last Saturday's newspapers that the Secretary of State for Social Services was issuing a call for an increased share of national prosperity for the old, the sick and the poor. I say "with incredulity" because no Government in modern times have done more than this Government to diminish that share. Indeed no Minister has done more to diminish it than the right hon. Gentleman; it is with regret that I note that he is not present this evening to hear me.

The Secretary of State has just completed what he likes to call the biggest review of the welfare state since Beveridge. According to the Government's own figures, the effect will be that 2·25 million pensioners will lose money, three times more than will gain. The average overall effect for all pensioners — again I quote the Government, as I shall do repeatedly in my speech — is a loss of 80p, twice the royal ransom that pensioners will get in a couple of weeks' time.

No fewer than 120,000 pensioners are being handed cuts in excess of £5 a week, which at today's pension levels would be the equivalent of hon. Members having their salaries docked by over £2,000 a year. One wonders how many Tory Members who voted for the Social Security Bill would support the same medicine being handed out to themselves.

All that is minor compared with what the Government did in 1980, the effect of which still continues and will increase, contrary to the Secretary of State's claims. The Government in 1980 took a clear and unequivocal decision not to give pensioners a share in the rising national

[Mr. Michael Meacher]

prosperity. They decided to uprate pensions only in line with price increases and not, as the previous Labour Government had done, in line with earnings. *[Interruption.]* The hon. Member may laugh, but if he considers the facts which I am about to give the laugh will be on him.

If Labour's formula had been continued, the pension increase paid this month would have been three times greater. That is one important fact. More important, if Labour's formula had not been changed—I have asked an independent source in the Library to produce these figures—the pension for a single person today would be no less than £5·95 per week higher than it is, and the pension for a married couple would be no less than £9·40 higher. Those amounts would apply to every week in 1986.

So far from increasing pensioners' share of the national cake, by that decision alone the Government have knocked off cumulatively £5 billion from pensioners' living standards since 1979. That is over the short period of six years. The Government's decision will continue to operate until it is changed, so over a lifetime, or the next 70 years, the figures of the Government's Actuary show that giving pensioners their share of the rising national income, that is, by paying pensions in line with earnings, would cumulatively put into pensioners' pockets pensions worth £56 billion. Those figures were issued recently by the Government.

By refusing to give pensioners their share of the rising national income, that is, by uprating pensions purely in line with prices, the Government have decided to allocate only £20 billion to pensioners over the same period. Again, that is the Government's own estimate. It really is the most brazen cynicism for the Secretary of State to call for pensioners and others to have their due share of rising national prosperity and then to do—and it is what the Government do that matters—exactly the reverse by reducing pensions by nearly two-thirds below that level over the period of a lifetime.

It is not as though the pension in Britain is exactly generous. I suspect that hon. Ministers and those outside the House——

Mr. Sydney Bidwell (Ealing, Southall): Also it will result in more pensioners having to ask for supplementary benefit as a counter balance.

Mr. Meacher: Of course, and I shall be commenting on that. My hon. Friend has made a very important point. Figures that were issued yesterday show that the number of people on supplementary benefit, including pensioners, has reached an all-time high.

I suspect that most people have little idea of how miserably badly the pension in this country compares with pensions that are now being paid in other European countries. According to the Department's evidence, which was given in a written answer last year, the total state pension amounts to just 27 per cent. of average earnings in Britain. In Germany it is 50 per cent.; in Belgium it is 60 per cent.; in France it is 60 to 70 per cent. Therefore, by international standards the pension in this country is pathetically inadequate. If other countries can pay a significantly higher pension, why cannot we? That question has never been satisfactorily answered by the Government.

It is not only by international comparisons that it can be seen that today our pensioners are getting such a raw deal. It is also by comparison with what happened in the past in this country. I am sure that most hon. Members will agree that poverty is not an absolute; it is relative to the average standard of living in society at any time. By that standard, pensioners today are somewhat worse off —I say advisedly "worse off"—than their forebears who received the first state old-age pension in the early years of this century.

It may seem remarkable to the House, but it is true, that they are much worse off — by comparison with the average worker, which is the relevant comparison—than those elderly persons who received the poor law allowances in the middle of the last century. Those allowances than amounted to roughly two-thirds or more of the income of an adult worker. Today the elderly are allotted little more than one-third of the income of the average adult worker.

We hear a great deal from the Prime Minister about Victorian values whenever she wants to exhort us to be thrifty. If she really believes in such values, she ought to apply them to her treatment of pensioners. If she did, it would mean a dramatic reversal of everything that she has done over pensions during the past seven years.

Unlike the Government, the Opposition believe that at present pensioners receive a shameful return after a lifetime of service to this country. We believe that widespread poverty in old age is an indictment of our society and that it should be removed. We believe that pensioners should be given a full share in rising national prosperity. It was precisely for those reasons that the last Labour Government increased pensions in line with earnings each year, with the result that the value of the pension rose 20 per cent. in real terms during the five years of the last Labour Government, compared with a mere 3 to 4 per cent. during the last seven years of this Government. It was precisely for those same reasons that the last Labour Government introduced the state earnings-related pension scheme, which uniquely offers a high road out of poverty in old age and at last begins to put this country on a par with what other European countries already do for their pensioners. Yet it is upon this high road that this Government are now insisting on imposing a road block.

In the current Social Security Bill, the build-up of SERPS, which would have taken virtually all pensioners well above the supplementary benefit poverty line without a means test, is being stopped in its tracks. The latest report of the Government Actuary shows that the cutbacks in SERPS will amount to no less than £19 billion in the middle of the next century. That is the amount which the Government are proposing over that period to take away from pensioners.

These figures, huge though they are, may still not convey the full enormity of what the Government are doing to pensioners. Therefore, I put down a question in which I asked what would be the combined effect on the ordinary pension of the two major structural changes that this Government have made in the state pension: the chopping back of SERPS and the uprating in line with prices only. I received a written answer, which Members can look up, if they wish, on 6 February 1986. It showed that a young man who starts work in 1988 when the current Social Security Bill is intended to come into operation will end up with a combined basic and SERPS

pension that is worth only £64 a week at 1985 prices. By comparison, if Labour's policy were pursued of uprating pensions in line with earnings and retaining SERPS in its present form, the written answer shows that he would receive a pension of exactly twice as much — £128 a week, again at 1985 prices.

That is the real case against the Government. It is not just a question of this cut or that cut here and now—although that is bad enough. It is the fundamental structural attack which this Government have launched on the position of pensioners in society which will drastically affect every single person in this country—not just those who are now retired but also middle-aged workers, young workers and those who are still at school. Indeed, the younger they are, the more it will affect them. For every person in this country the knives are out. They will hack back the state pension to which people can look forward by up to a half.

The gist of our case is that the framework of decent pensions above the poverty line is being dismantled. But the picture in the short term is not very different. Pensioners are being hit here and now by the huge £450 million cut in housing benefit. They were robbed of £550 million when the Government changed from a forecasting to a historic basis for uprating. They lost another £86 million when the Government increased the available scale margin, thus hitting the poorest pensioners on supplementary benefit who were receiving heating allowances.

Another £50 million is now being taken away from pensioners because of the Government's increase in the rates taper for housing benefit and their abolition of central heating additions for supplementary benefit claimants. Soon, if the Lords amendments are reversed, the poorest pensioners on supplementary benefit will be forced to pay 20 per cent. of their rates. That must inevitably force them below the poverty line. It will be the first time that any Government have ever done that. Over the next quarter of a century, widows — the great majority of whom will be pensioners—according to the Government's own figures that they have just released, will be deprived of £12 million, because of the cuts in widows' benefits that will arise from the Social Security Bill.

To compensate for all of that, in a couple of weeks time pensioners are to be treated to a bonanza rise of 40p. If that is not offensive enough, let me add that the next pensions increase will not be much bigger. The Secretary of State will announce it in October, which happens to be the month of the big bang. That is the nickname for financial deregulation in the City, but one might be excused for thinking that it referred to the explosive escalation of salaries in the City.

There is something ineradicably repellent yet irrefutably characteristic about this Government that in the same month that the Prime Minister's friends in the City—her people — will be popping the champagne corks to celebrate their six-figure pay packets, the Secretary of State will unveil the next pension increase, which I predict will be about 80p. So much for caring capitalism. So much for the Prime Minister's policy for the family. So much for giving pensioners a share in rising national prosperity. Frankly, I am amazed that the Prime Minister and her colleagues do not choke on the nausea of their cynicism.

Nor is there any compensation when we consider the social wage. Rather, the reverse is the case. The social wage is very important and good public services are an essential part of the livelihood of most pensioners. Pensioners, perhaps more than any other group in the population, have been the main victims of the steady erosion of public service provision over the past several years. Cuts in bus routes and the higher costs of fares under the Transport Bill must severely reduce pensioners' mobility. No doubt that will leave many pensioners little more than prisoners in their home area.

Reductions in home helps, meals on wheels, day centres, chiropody services, and the lack of respite for carers looking after the frail, confused or disabled elderly are all diminishing the quality of life for hundreds of thousands of pensioners. The lengthening waiting lists in many areas for crucial operations such as hip replacements leave thousands of pensioners not just in discomfort—although that is bad enough—but in intense pain for months at a time.

We reject a system with such priorities. We reject the system which gives a pittance of an increase on a pittance of a pension, while at the same time the Top Salaries Review Body awards an increase of nearly £50 a week to top civil servants, judges and military personnel. We reject a system which allowed 1,000 elderly people to die of hypothermia last year while the bungled bureaucratic farce of exceptionally severe weather payments denied help to pensioners even when the temperature was below zero. Above all, we reject a system and a Government which, according to the written answer issued yesterday, drives up the number in poverty to 5,250,000 claimants, the highest level ever recorded in Britain. That means that there are now officially more than 8 million people—one in seven of the population—living on or below the poverty line in Britain today. Of course, a high proportion are pensioners.

Instead of that, we propose a charter of justice for pensioners. As a priority, we will raise the single person's pension by £5 a week and the married couple's pension by £8 a week. That will broadly compensate pensioners for what they have lost during the Tory years by the break in the earnings link. We will pay for that and for a £3 a week increase in child benefit by taking back the tax handouts now totalling over £3·5 billion a year which have been poured out on the richest 5 per cent. of the population —the Prime Minister's own people—in honour of her zealous vision of growing inequality.

Mrs. Edwina Currie (Derbyshire, South): Can the hon. Gentleman tell us how many years on the trot the Labour party intends to offer the £5 and £8 increase? Will they, as they did in 1974, give a substantial increase made on a promise which won the election in the first year and then take it back in the following year?

Mr. Meacher: We will continue to pay those sums for every year that we remain in government. I do not think it is surprising that, having made that change, we will maintain that change in the order book. Each year, the £3·5 billion which the richest 5 per cent. would have received will go to pensioners, mothers with young children and to the long-term unemployed. A little will still be left over for the severely and very severely handicapped. That is a policy of social justice which I believe the people will strongly support.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Major): Before the hon. Gentleman goes too far with his £3·6 billion clawback in tax from high income earners, may I ask him whether he

[Mr. John Major]

is aware that the promises that he has made amount to a cost per annum not of £3·6 billion but, on reasonable assumptions, of £5·6 billion?

Mr. Meacher: That figure is as fabricated as the £24 billion which the Government like to prate about on every occasion.

Mr. Major *rose*——

Mr. Meacher: The Minister will have an opportunity to make his speech. I want to make it clear that the main item in that £24 billion is £3 billion which is allotted to the reduction of the pension age to a common age of 60. I have not said that, the Labour party has not said that and it is not party policy that the age will be reduced to 60. Yet it appears as the biggest single item in the Government's list. That is typical of the moonshine represented by these allegations.

Mr. Major: The hon. Gentleman is being inaccurate. However, rather than take up too much of his time, I shall be happy later—if I catch Mr. Speaker's eye—to set out in some detail the costings of the hon. Gentleman's promise.

Mr. Meacher: I should be delighted if the Minister were to do that. I hope that the costings will be more accurate than some of the allegations made earlier in the year. I remind the Minister—as he probably needs reminding—that the figures which I have quoted have been worked out on the basis of Treasury written answers and answers from the DHSS. I stand precisley by the figures that I have given because they are correct.

We will also restore the link with earnings because we believe that pensioners should fully share in rising national prosperity. We will retain SERPS, which is perfectly affordable because it offers pensioners the best deal that they have ever had and because SERPS will finally end the cruel indignity of means-tested poverty in old age.

We will tackle the horror of hypothermia by a new winter fuel premium of £5 a week for the coldest months from December to March. We will make the steady build-up of community care services, which are so vital to the well-being of the aged, one of the priorities for a renewed Health Service.

I do not deny that this is an ambitious programme but it is also a rigorously costed and practical programme. I believe that the vast majority of the British people will endorse it. Taken against the miserable and niggardly record on pensions over the past seven years, I believe that that programme will shortly play a major part in finally sweeping the Government from power.

7.37 pm

The Minister for Social Security (Mr. Tony Newton): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'congratulates Her Majesty's Government on its achievement in increasing the purchasing power of the national insurance retirement pension during a period when the number of pensioners has risen by nearly a million; endorses the Government's firm commitment fully to protect pensioners against rising prices; welcomes the continued development of health and community services for the elderly; recognises the Government's outstanding success in reducing the rise in prices to the lowest level for nearly twenty years; and notes that security in retirement would be the first casualty of the renewed and rapid inflation which would flow from the expenditure and taxation policies advocated by Her Majesty's Opposition.'

In moving the amendment, I want first to set out clearly and in less heated but more factual terms than those used by the hon. Member for Oldham, West (Mr. Meacher) what the Government have achieved in relation to pensions.

When we came to office in 1979, the national insurance retirement pension for a married couple stood at the rate set in November 1978—£19·50 a week. In less than a fortnight's time, with the uprating which takes place on 28 July, it will have been increased to £38·70 a week. That is an increase of £19·20 in cash terms, and of only just short of 100 per cent. in percentage terms. It compares with a rise in prices of several points less over the same period. Pensioners have therefore had a real increase in their standard of living—as indeed even the hon. Gentleman's motion has the grace to acknowledge. The fact is that we have more than kept faith with the clear promise we made—and continue to make, and will continue to fulfil—fully to protect the retirement pension against the rise in prices. What is more, we are doing so on the basis of clear facts about what that rise has actually been, not on the basis of the previous Government's hit-or-miss forecasts that turned out wrong five times out of seven.

Nor have those increases been achieved as a matter of easy routine. They have been made against a difficult economic background. And they have been made not only for the 8·5 million pensioners who existed in 1979, but for a number which has grown in the intervening period by nearly a million to the 9·5 million pensioners we have today. In other words, we are now paying better pensions than ever before, and to more pensioners than ever before. As always, the hon. Member for Oldham, West goes on about "cuts". It is his most frequently used word. There is no cut here. Spending on pensions has increased from £7·5 billion in 1978-79 to £16·5 billion in 1985-86. Of course, some of that increased spending is the consequence of inflation, albeit at the greatly reduced rate which has been not the least of the Government's successes, but much of it is not just the consequence of inflation. For example, £2·5 billion represents a real increase in the value of the resources that we devote to the state retirement pension, and of that, £1·5 billion represents the real increase in the purchasing power of pensions.

If the hon. Gentleman really wants, as he obviously does because he does little else, to talk about cuts perhaps he would tell us about the Christmas bonus and explain to the House why the Government of whom he was a member simply refused to pay it for two of the five Christmases during which they were in office.

Mr. Meacher: Piffling.

Mr. Newton: The Christmas bonus is piffling? Is that official Labour policy? Will that lead to the cancellation of the bonus under any future Labour Government?

Mr. Kevin Barron (Rother Valley): The Labour Government may not have paid the bonus, and it was wrong not to do so, but the Minister is talking about an amount of £20. When will he restore the money that he has taken from pensioners during the past seven years?

Mr. Newton: The hon. Gentleman may not think that £20 is much money, but one matter that the House must judge, in considering the words of the hon. Member for

Oldham, West about what he would do if he got the chance, is what he did when he had the chance. When he was a Minister in the DHSS he did not pay the Christmas bonus. The present Government have made the bonus a clear annual entitlement under the law.

Mr. Meacher: I was saying that it is a piffling point to refer to the fact that for two years the Christmas bonus was not paid. That is £20 less than pensioners might otherwise have got. Will the Minister tell us the value of a 20 per cent. real increase, multiplied by every week for five years, because that is the amount by which it was increased? It is hundreds of times more than the piffling amount to which he constantly refers.

Mr. Newton: It does not seem to me to be piffling or trivial to observe, when listening to the promises that the hon. Gentleman now so relentlessly makes whenever he gets the opportunity, that some regard should be paid to what he did when he had the chance to act. In effect, he cheated the old-age pensioners of their Christmas bonus two Christmases out of five.

Mrs. Margaret Beckett (Derby, South): I am most interested in following the Minister's observations. He has waxed eloquent about the loss of £20 in five years. Will he comment on the £570 that the pensioner couple has lost and the £390 that the single pensioner has lost since 1981 under the Government's cuts?

Mr. Newton: Yes, I would. I should like to comment on them in the following way, because it is the other great deficiency in the credibility of the hon. Gentleman, and slightly less in the case of the hon. Member for Derby, South (Mrs. Beckett), because she was at least cutting expenditure in another Department during the period of office of the Labour Government. The hon. Gentleman will remember clearly, because he was in the Department under the Labour Government, that when it came to the crunch of fulfilling all of those promises about increases related to earnings, after the International Monetary Fund had become involved in 1976 and 1977, the then Secretary of State for Social Services invented a dodge to change the uprating method which had the effect of taking £1,000 million in a full year from pensioners, measured by today's value of pensions.

The hon. Gentleman will have heard from me before —I do not wish to weary him too much—that that was when, as we all know, the celebrated story appeared in *The Times* on 11 March 1976 of how the hon. Gentleman had attended a pensioners' rally arranged by his brotherly loving friends in the Trades Union Congress and was shouted down as he tried to explain the Government's record on pensions. That is what happened when the hon. Gentleman had the opportunity to take responsibility for those matters. Alongside those broad measures which benefit all pensioners, we have made many other important improvements for some groups.

Dr. Norman A. Godman (Greenock and Port Glasgow): One of the most welcome defeats inflicted upon the Social Security Bill in the other place concerning pensions was the rejection of the 20 per cent. domestic rates contribution. As the matter is of special importance to Scottish pensioners vis-à-vis the recent revaluation exercise inflicted upon pensioners by the Government, what is the likelihood of the measure being reintroduced by the Government next week when the Bill returns to the House?

Mr. Newton: The hon. Gentleman will be aware that the consideration of the Bill in the other place is not yet completed. It would be inappropriate for me to respond to his question until it has been completed. I shall not disguise from him the fact that the Government still firmly believe that it is important to improve the accountability of local authorities to their electorates and to impose that through the social security system.

That is my description of the broad achievements of the Government in relation to the national insurance pension. Of course, there has been a range of other improvements, some of them admittedly only important to small but nevertheless important groups of people, which should not be forgotten when the House debates retirement pensions. For example, we have taken steps to ensure that a married woman over 80 who qualified for a non-contributory pension gets it at a full rate, not a reduced one. We have also relaxed the residence rule for those non-contributory over-80s pensions, in such a way as to enable people who return to Britain after the age of 70 to qualify, whereas under the previous regime they could never have got such a pension.

Although that is a small point, I take special pleasure in it, since I well recall trying to persuade the Labour Government to do almost exactly that in a Social Security Bill Standing Committee of which I was a member in 1978, only to have my proposal strongly resisted by the then Labour Minister for Social Security.

More importantly, we have abolished the remaining effects of the old half-test for married women which we inherited from the Labour Government and which prevented many married women from receiving their pension in return for the contributions that they had made. That measure alone enables 20,000 people — married women who reached the age of 60 before 1979 — to receive pensions on those contributions that they would not otherwise have had.

Nor, despite the hon. Gentleman's attempt to say so, have we forgotten those pensioners who are least well-off and on supplementary pensions. We have increased their pensions, too, in real terms. The rules about capital have been eased to help those with limited savings. Extra help with heating costs has been substantially increased since we took office and extended so that many more pensioners and more than 90 per cent. of pensioners on supplementary benefit receive such an addition with a higher rate for the over-85s. We have, of course, made it clear that the spending on heating additions will become part of the new scheme and will be taken into account in setting the new premium rates of income support for pensioners.

Mr. Nick Raynsford (Fulham): Will the Minister give way?

Mr. Newton: There are many hon. Members who wish to speak, and I am in danger of taking too much time. I have already given way many times and it is right, from the point of view of the entire House, that I should continue. However, I shall give way to the hon. Gentleman.

Mr. Raynsford: Does the Minister accept that last winter, during the period of exceptionally cold weather, many elderly people needed extra assistance but could not obtain it because of the byzantine complexity and the lack of public understanding about the additional help that

[Mr. Raynsford]

should be made available and potentially is available? Does he accept that something must be done before next winter to ensure that elderly people do not die from cold?

Mr. Newton: I have made it entirely clear that neither the Government nor anybody else is satisfied with the way in which that regulation has worked during the last two winters. We have been considering that matter and I hope that it will not be too long before I can give some idea of our intentions, although I cannot do so tonight.

As I have told the House before when discussing the Government's record on pensions, we need not apologise for that record. It is one in which we can, and do, take pride. That pride is in no way affected by the fact that, largely because of the Government's success in cutting inflation, the actual amount of this July's pension increase is modest by the standards of the Labour days when large increases were needed just to stand still. As my right hon. Friend the Secretary of State said on a previous occasion, the one ambition of the hon. Member for Oldham, West seems to be to return to the days of 20 per cent. inflation so that he can then claim credit for 20 per cent. pension increases, and completely ignore the hardship caused by that inflation.

Much of the hon. Gentleman's speech was nothing more than a re-run of his speech in the debate on the uprating orders a month ago. As the hon. Gentleman has re-run his speech, I shall remind the House of my comments on that occasion. The pension increases that will come into effect in a fortnight are four months earlier than usual and, when taken with last November's increase, will mean that the pension for a married couple will be increased by £4·65 a week in less than a year. There will be another increase only eight months later, resulting in three increases in a period that would normally have seen two.

The hon. Gentleman relentlessly runs away from the fact that those increases are coupled with greater price stability than we have seen for decades, and that is probably the biggest single bonus that pensioners have had in 20 or 30 years. That helps to give us a more sensible framework for future increases and is fully in line, as have been all our actions, with our firm and continuing commitment to maintain the value of the pension.

The hon. Gentleman concentrated almost exclusively on social security, despite the fact that his motion refers rather more widely to aspects of health and personal social services as well. I should like to comment on that because it is of great importance to our retired population. It is an area in which any Government will face a significant challenge over the coming decades, and well into the next century. Total expenditure on social services has increased from a little over £1 billion in 1978-79 to nearly £2·5 billion in 1985-86, a real increase of over 20 per cent. A growing proportion of that increase relates to the elderly.

The hon. Gentleman made some play of a number of statistics relating to social services. I shall give him just one to digest while he considers the rest of the debate. Everybody would accept that day centres are an important part of our provision for the elderly. There are now 39,700 places, representing an increase of 31·5 per cent. since 1978. That is the kind of provision which we are seeking to stimulate and encourage as part of an overall greater flexibility and diversity in the provision of care.

Mrs. Beckett: Since the Minister said that he wanted to give the House as much information as possible, will he now tell us how much of that was spent by Labour-controlled local authorities who have continually been criticised and rate capped by the Government as a result?

Mr. Newton: The Government have consistently sought to encourage all local authorities to make better use of the money they spend on social services, and to give greater priority to the needs of groups such as the elderly. That policy and the Government's encouragement are reflected in what is happening.

Mr. Jeremy Corbyn (Islington, North): Is the Minister aware that last year the Department of the Environment informed 30 of the 32 London boroughs that their social services budget was over the grant-related expenditure allocation formula, and that a significant number, I think half, were over the target figure as well, specifically on social services, which means, in effect, that the Government were telling those authorities to cut back on their social services provision, much of which was for the elderly?

Mr. Newton: If the hon. Gentleman examines some of the work of the Audit Commission and others, he will know just how many of those London boroughs could deliver a great deal more service for the same amount of money, as has been demonstrated by local authorities up and down the country.

I am anxious to allow other hon. Members to contribute to the debate, but I should also like to comment on National Health Service expenditure which has risen by some 25 per cent. in real terms, in respect of people aged 65 and over between 1978-79 and 1984-85. Those increases have meant that, despite the rising population of people over retirement age, expenditure per head rose by some 19 per cent. over that period. This in turn has been reflected in the services available to them.

The hon. Member for Oldham, West referred to hip operations. The number of hip replacements, 75 per cent. of which are performed on elderly people, rose from just over 28,000 to well over 37,000 in that period and a similar pattern is true of other operations which are of particular importance to elderly people.

Mr. Tam Dalyell (Linlithgow): I put this point gently because the problem is difficult. It relates to dental care. The Minister will be aware of the representations of the General Dental Practitioners Association and of the problems encountered by many hon. Members in their constituencies. On visiting the dentist, some, but not all, elderly people find that the charges are rather high, up to £115. Is it not an anomaly that charges should be made for X-rays of the mouth in cases where elderly people do not have to pay for X-rays of other parts of the body? There are other anomalies, but all I am asking is that the Department of Health and Social Security should study the problem and comment on it. I see the Secretary of State nodding. I think that he recognises that this is a real problem.

Mr. Newton: I heard my right hon. Friend the Secretary of State murmur "Certainly" just as the hon. Gentleman saw him nodding and we shall, of course, look at the points he raised. I know that my hon. Friend the Under-Secretary of State will make any comment that he can at the end of the debate, but it may well be more appropriate for us to write to the hon. Gentleman on this matter.

Before I conclude, I should like to comment on the promises and estimates made by the hon. Member for Oldham, West on which he was challenged by my hon. Friend. I will give the hon. Gentleman the figures that we have put on the promises that he has made and repeated today. For the promises that he has made about increasing retirement pension and supplementary pension, assuming he intends to adjust the housing benefit needs allowances——

Mr. Meacher: Oh!

Mr. Newton: Let me run through my figures. It is going to be very interesting indeed. I shall give my figures and we shall then see what interesting gloss the hon. Gentleman wishes to put on them. The pension increases which he has just repeated, and to adjust the housing benefit needs allowances in line, would cost £2·2 billion. It will cost £1·85 billion to increase child benefit by £3, along with supplementary benefit and housing benefit needs allowances for families with children, to ensure that they too benefit from the increase. To pay the long-term scale rate for people who are unemployed for more than one year would cost £540 million. This makes a total of £4·6 billion as distinct from the £3·6 billion mentioned by the hon. Gentleman.

We have also assumed that, in line with the policies of successive Governments over many years, he would also wish to raise other long-term national insurance benefits, for example, widows' benefit, to which he referred in such loving terms, and invalidity benefit which for people between 65 and 70 years of age is, in some circumstances, virtually an alternative to retirement pension.

Mr. Raynsford Will the Minister give way?

Mr. Newton: No, let me finish.

We have also assumed that the hon. Gentleman would raise the supplementary allowance long-term scale rate and avoid offsetting savings in supplementary benefit for widowed mothers and people on invalidity benefit, and that housing benefit needs allowances would also have to be increased. That is how we reach the total of £5·6 billion. I should be fascinated to hear—indeed, I should like to hear it now—whether the real meaning of those large and apparently generous promises is that the poorest people, in respect of housing benefit needs allowances and supplementary benefit, whether they are pensioners, families with children, the long-term unemployed, widows or those on invalidity benefit, are to get no benefit from the hon. Gentleman's promises. Because on the £3·6 billion, every penny, as far as I can judge, will be clawed back from the poorest social security beneficiaries. Is that the policy?

Mr. Raynsford *rose*——

Hon Members: Answer.

Mr. Deputy Speaker (Mr. Harold Walker). Order. I thought that the Minister was giving way to the hon. Member for Fulham (Mr. Raynsford). I hope that he will make clear to whom he is giving way.

Mr. Newton: I was giving way to the hon. Member for Oldham, West in order that he should make clear his policy. If the hon. Gentleman does not wish to intervene to tell me what his policy is in a way which clarifies the matter, I see no reason for giving way to any more of his hon. Friends at this stage of the debate.

Mr. Raynsford *rose*——

Mr. Newton: No, I shall not give way.

We now know either that the promises of the hon. Member for Oldham, West mean nothing for the poorest people on social security benefits, or that they would cost a great deal more than the money he can get from the so-called wealthy taxpayers, in which case we want to know where the rest of the money is coming from. Which ordinary taxpayers, which VAT rate, which other forms of taxation will be raised to achieve the hon. Gentleman's objectives?

Mr. Raynsford *rose*——

Mr. Newton: No, I shall not give way.

The House must recognise that the promises of the hon. Member for Oldham, West—whatever they turn out to be—must be set against Labour's record. I have already referred to the Christmas bonus fiddle and the uprating fiddle of the Labour Government. The invalid care allowance, which this Government are now extending to married women, was introduced on a discriminatory anti-married woman basis by the Labour Government of which the hon. Gentleman was a member.

In 1977-78 the NHS budget was cut by 3 per cent. in real terms—the only time that that has happened in recorded history. In 1978-79 capital spending on hospitals in Great Britain was reduced to £436 million, which compares with well over £1 billion available now for spending on new facilities for pensioners in the NHS.

Lastly, I make the point about the dog that has not barked in this debate. It is clear from everything that the hon. Gentleman has said that the target for this debate is not the relatively few Members of Parliament assembled here this evening; it is the electors of Newcastle-under-Lyme tomorrow. I just wonder why it is that the dog that has not barked is the Bradwell geriatric hospital in the Newcastle-under-Lyme constituency. That is a £5 million development for the very elderly people who are the subject of the debate. That was cut by Labour and dropped from the capital programme when that programme was cut by one third in 1976-77. That programme has been restored by this Government. The hospital is now being built and will open at the end of next year. The reality against which the hon. Gentleman's promises have to be measured is the cuts of the Labour Government and the building programme of this one.

In the previous debate that we had on these matters about a month ago, I predicted that if the hon. Gentleman were let loose to spend as he promises we should have back the surging inflation that marked the previous Labour Government, with all the hardship that that meant for pensioners in Britain. Today I shall venture another prediction. If the hon. Gentleman were to achieve what no doubt is his heart's desire, and became the Secretary of State for Social Services, he would not last six months. It would simply become too embarrassing for his colleagues to listen to him speaking at the Government Dispatch Box, eating all the words that he had uttered at the Opposition Dispatch Box. I invite the Houes to reject the motion, to accept the amendment, and to help save the hon. Gentleman from that embarrassment.

8.5 pm

Mr. Charles Kennedy (Ross, Cromarty and Skye): The mark of a society that is in some difficulty and, indeed, in

[Mr. Charles Kennedy]

some danger is one that does not offer decent prospects to young people nor a fair chance of security to the old. Despite the side of the House on which hon. Members may sit, they will have to agree that two of the biggest social problems that Britain has at the moment are the lack of opportunity for the young and the sense of insecurity for the elderly. Ministers are not doing themselves or their case, far less the issue at stake, much good by trying to pretend that there are no problems, conflicts or competing priorities to be faced. In that respect, I found the Minister's speech, entertaining though it was in its analysis of the Labour party's economic policies—an analysis with which I would concur—disappointing in that it did not seek to address some of the serious and genuine problems that exist.

It was interesting that in April 1985 a public opinion poll carried out by MORI showed that 69 per cent. of people, when asked, believed the basic state pension to be too low. I hardly think that in the wake of a 40p increase that percentage of people expressing dissatisfaction with the level of the basic pension is liable to have dropped. I should have thought that one could say clearly that at least three quarters of the population would like to see a higher basic pension.

If we want that, the Minister, in putting forward his case, is right to stress that at the end of the day that can only be based on a sound economic policy. I agree that simply to run a highly inflationary economic policy and then to claim some credit for increasing a basic pension rate in line with high levels of inflation is nothing to be proud of. His analysis is correct.

Therefore, I hope that the Minister will admit that in the case that has been put forward by my right hon. Friends and myself over the past few years at each Budget time, in marked contrast to the Labour party, we have produced a costed economic programme and have admitted where our spending priorities would have to be met by specific increases in certain areas, or that certain things that we would like to do as a point of principle cannot be achieved in the immediate future because the money would not be there to do so. I hope that the Minister will be fair-minded enough to recognise the difference of approach which exists between the Labour party and ourselves in putting forward those kinds of social priorities.

So it has been with pensions.

Dr. John G. Blackburn (Dudley, West): I am deeply appreciative that the hon. Gentleman has given way. He is right in saying that the Benches that he represents have a policy which is costed. Would he be so kind as to inform the House of the increase that he would make, particularly as we now know the position of the Opposition?

Mr. Kennedy: If the hon. Gentleman reads the programme for government which we presented at the last general election, and subsequent policy statements—and a further statement which we shall make in the autumn, although I cannot anticipate its contents—he will find that we propose that a married couple with no private pension or other income would receive a basic pension of £63·25. We also propose a scheme of pensioner credit, which would provide an additional £5·72. The total of £68·95 should be compared with the Government's proposed £61·30. Moreover, pensioners' housing costs would be met. Even if the pennies change between now and the autumn, the change would mean that a pensioner's income would be substantially above supplementary benefit rates.

At the last general election and since, when we have introduced private Members' Bills, my right hon. and hon. Friends have tried to abolish standing charges. We have allowed for that in our figures. That would be welcomed in various parts of the House and in the country.

Mr. Corbyn: Is the hon. Gentleman aware that the last time two Bills which would have abolished standing charges, one of which was mine on pensioners' rights to heat, light and communications, were presented, the hon. Member for Hove (Mr. Sainsbury), a member of the Sainsbury family, opposed them on behalf of the Government and thus prevented this important matter from being debated?

Mr. Kennedy: I am grateful to the hon. Gentleman for bringing that to our attention. I am glad that it is on record. It will be interesting to read the *Official Report* tomorrow to see whether it remains on the record. I am sure that he will make strenuous efforts to ensure that it is. It is important to be aware that, when there has been opposition, it has come from the Government.

In the social security reviews, the Government are displaying supreme insensitivity in regard to the death grant, which is an important matter for many elderly people. The Government now suggest that the grant, which is woefully low—low enough to be a poor joke—is to be abolished and that some means, as yet rather ill-defined, will be established to provide support through the social fund. Subjecting elderly people at a time of bereavement to some regionally cash-limited, means-tested interview procedure is callous. Our policy document on this matter suggests that the death grant should be increased immediately to £250, and that it should be reclaimable out of the estate of the deceased according to its size.

Our Budget statement in March made it clear that we would restore the deplorable cut in heating allowances. As the hon. Member for Greenock and Port Glasgow (Dr. Godman) said, it is scandalous to suggest that pensioners should contribute 20 per cent. of their rates. It is clear that there are to be real cuts in housing benefit. Despite the Minister's robust defence of the social security reviews, it is worth noting the conclusion reached by the Institute for Fiscal Studies, which said:

"the reviews imply a significant shift of resources from pensioners to the working age population, half of all pensioners are more than 1 per cent. worse off and 11 per cent. have their incomes reduced by more than 5 per cent. The net effect is a transfer of £300 million".

I should like Ministers to attack those figures as well briefed and with the same enthusiasm with which they attack the figures advanced by the hon. Member for Oldham, West (Mr. Meacher). The Government seem considerably more reticent to attack a detailed and independent analysis by such groups than they are to attack their political opponents. We are left wondering why. We, and perhaps Ministers in their hearts, know that independent analyses reveal the disturbing truth.

Dr. Godman: I am listening closely to what an alliance Government would provide for pensioners. The hon. Gentleman mentioned heating additions. I do not know about his experience in the part of Scotland which he

represents, but in Strathclyde there have been many complaints about exceptionally severe weather payments for February. I know that many scores of thousands of payments were made in Scotland and, presumably, a goodly number were made to pensioners. What is the hon. Gentleman's answer to that dreadful state of affairs?

Mr. Kennedy: As I said earlier, we must try to assist at the outset by giving a more substantial basic pension to help people to heat their homes. We must recognise that such additional payments will be made, however, and I suspect that the hon. Gentleman and I agree that the system is botched and chaotic. I have heard from people who work in the DHSS that, much as they want to help, they are furious when the Minister of State, in response to political pressure here, goes on television to say that the Government have fixed it because he has issued a blanket instruction that such payments must be made. People who work in the DHSS are then deluged with applications from pensioners. They cannot cope and, in July, they are still working on the backlog.

The Government have made more people dependent on social security benefits and added to poverty. They have also cut the number of DHSS staff. Even the best system in the world will not operate properly if there are insufficient people to administer it. We must make the system better and increase the number of personnel to make it operate better. I hope that the hon. Gentleman agrees that that would be a step in the right direction, and better than what the Government offer.

I do not know to what extent the Parliamentary Under-Secretary of State reads reports of the Scottish Grand Committee.

Mr. Major: Daily.

Mr. Kennedy: Jeffrey Archer clearly has competition when it comes to the Minister's bedside reading. The Scottish Grand Committee recently had a debate on the Scottish Office proposal to reform the rating system in Scotland. I do not intend to get into that horrendously complicated issue, but my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood) made a valid point concerning the 20 per cent. rate contribution. Apparently, we face that prospect in Scotland much sooner than people south of the border. We asked the Secretary of State for Scotland how he would accommodate that fact and what form the system would take in Scotland in the transition towards the community charge——

Mr. Archy Kirkwood (Roxburgh and Berwickshire): The poll tax.

Mr. Kennedy: Indeed. The community charge is Saachi and Saachi's description of a poll tax. The Secretary of State for Scotland said that it is not his responsibility because it comes under the social security reviews which are being handled by the DHSS. The Minister will appreciate that Scottish Members have been told by the Secretary of State that, although he is getting rid of rates, it is not his problem that some way has to be found to collect the 20 per cent. contribution. We have never had, from the DHSS or from the Scottish Office, an adequate description of what will happen in Scotland in the transitional phase and thereafter. I would be grateful if he could give some indication tonight because many hon. Members would be extremely interested to find out what the Government propose to do. My strong hunch is that the Government do not have the faintest idea what to do about the problem. Judging by the rather guilty grin on the Minister's face, I suspect that that is an accurate assumption. We shall listen with interest, and I hope that he can satisfy us better than did his right hon. and learned Friend the Secretary of State for Scotland.

We tend to think of the pensioner being cared for. We must also remember those pensioners who are perhaps parents of handicapped children and who are having to look after them. We must also think of pensioners who have to look after very aged parents, perhaps in their late 80s or early 90s. We all know the effect of that because we see it in our communities. More often than not, it is the person doing the caring who ends up falling ill or dying as a result of the strain. That being the case, it would be good to see the Government move in the direction proposed by my hon. Friend the Member for Roxburgh and Berwickshire (Mr. Kirkwood), myself and my colleagues of introducing a carers' charter which would seek to give those who care informally for dependent or handicapped relatives or whoever in the community, not just a level of support through a carer's benefit, but some form of agreement with local authorities so that relief facilities can be provided to give the carer a much-needed break.

Unfortunately, although the Government paid considerable lip service to the private Member's Bill dealing with services and representation for disabled people, they did not move very far down the line in practical support.

I said at the beginning that in this country we are not caring adequately in terms of opportunities for the young or security for the old. Tonight we are debating the elderly. One of the things which must give the elderly the greatest cause for insecurity, with perhaps the single exception of the degree of violence in Britain, must be the fact that there is increasingly a glaring hole in the level of network support in the community to make care in the community the viable and realistic option that we all want it to be. That is coming about as a result of the complete distortion and lack of matching of Government policies. The Scottish Home and Health Department and the DHSS are encouraging care in the community, and the Department of the Environment and the Scottish Office have policies for local government finance which are deliberately or directly thwarting that by the level to which they are pulling back on the resources which could be available.

Until that border problem begins to be tackled, I fear, despite the enthusiasm with which the Minister criticises his direct political opponent, the hon. Member for Oldham, West, across the Dispatch Box, the truth will be shown, not just in a certain constituency that goes to the polls tomorrow, but all over the country, that the lot for pensioners in this country under the Government is not something that the Minister should crow about to the extent that he did tonight. I believe that the policies put forward by my right hon. and hon. Friends will, when put into practice, I hope by ourselves in government, prove a much better way forward.

8.25 pm

Dr. John G. Blackburn (Dudley, West): In taking part in this debate I feel, as a matter of honour, that I should declare that for the past seven years I have represented 95,000 old-age pensioners at national level. Having said that, I hold the view, and I have held it over many years, that the greatest blessing that any Government of any

[Dr. John G. Blackburn]

persuasion can give to the sick, aged, infirm, unemployed, pensioners and those on fixed incomes is low inflation. The blessing that is being experienced at the moment with the level of inflation is something that the House, across all political divides, should applaud.

I went into the general election in 1983, like all Conservative Members, with a firm pledge that we would protect the retirement pension. I address the House this evening with a great sense of confidence that we have honoured that manifesto pledge to the letter.

I am a little surprised and disappointed that we have had so much debate regarding the heating costs. It is a simple, plain and unchallengeable fact that the allowances for heating are running at record levels. However, I must take account of the comments made by the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy) regarding the administration. It was a source of considerable pleasure, not only to people in the House, but to pensioners at large, to hear the assurance from the Government Front Bench that positive steps are being taken to ensure that there will be a distinct improvement in the payment of those allowances next year. I am prepared to say loudly and clearly that there were considerable problems last year and I hope that we do not experience those administrative problems during the coming year. We are all part of a caring society and I claim to be part of a caring party. However, on that issue I know that there is room for considerable improvement.

I accept the suggestion that 42 per cent. of the facilities of the National Health Service are used by the elderly without qualification. If that is so, I am able to say, again with a sense of confidence, that spending on the NHS has gone up year by year and is a particular credit to the Government. We are particularly directing our attention to geriatric care for the infirm and those in considerable difficulty.

Let the message go out loud and clear that the number of consultants engaged in geriatric care in this country since 1979 has gone up by 34 per cent. I am proud of a party that has done that. In addition, the number of nurses engaged in looking after the elderly has gone up by 18 per cent. That is not enough. We are looking not only at the medical staff and the nurses but the facilities. How good it is to know that the Government have gone forward with a programme which has given a 31 per cent. increase in the amount of buildings in connection with the care of the elderly.

I believe—and this view may be shared on both sides of the Chamber—that the real caring community is not within geriatric wards or the NHS. To me, the hallmark of a caring society is within the home and family. I am perfectly prepared to stand up and be counted as one who cherishes the family unit. It is interesting to note that the increase in the number of places providing day care, which is a tremendous relief to those caring for the elderly, has increased by 4,000 since 1978.

I was saddened when the spokesman for the Opposition, the hon. Member for Oldham, West (Mr. Meacher), said that a Labour Government would increase the retirement pension of a married couple by £8 and that of a single pensioner by £5. When questioned, he held firm to those figures, and gave a policy commitment that they would continue year upon year. In the midst of the 1983 general election the then Opposition spokesman on social services produced a figure of £11.

I do not believe that the British public want their pensions to be subject to an auction. They want a firm and fair pension and low inflation. I was pleased when I heard the hon. Member for Ross, Cromarty and Skye, the alliance's spokesman in this debate, say that the alliance would introduce a pension increase of £1·5o.

When we start talking about caring for the community and the people within it, I recall that prior to my election to this place I was for many years the spokesman of my local authority on social services. Socialist and Conservative members worked together and understood that when it came to social services the issues concerned people and not politics.

Mr. Kennedy: I am sorry to interrupt the hon. Gentleman's flow. He has said that the alliance would introduce a pension increase of £1·50p. I should have made it clear—I think I read out the figures—that we would increase the pension to £68·95. That must be compared with the Government's £61·30. I think that he will accept that the alliance proposes to introduce a significant increase.

Dr. Blackburn: I accept that I made a mistake. I thought that the hon. Gentleman said £63 and not £68. I apologise.

The local authority on which I served spoke with one voice in caring for the people for which it was responsible electorally. I recall receiving in 1978 one of the most memorable telephone calls in my life. I received a phone call at my home at half-past eight in the morning and was told to go to the town hall straight away. When I arrived, I discovered that the then Labour Government had been forced by the International Monetary Fund to make drastic reductions in their expenditure. The authority was called upon to cut its social services budget by £6 million within 24 hours. I am delighted to say — this reflects great credit on the authority — that we set about rearranging the budget responsibly and constructively to make allowance for the reduction that had been forced upon us by the then Socialist Government.

Mr. Corbyn: Perhaps the hon. Gentleman will tell us on which local authority he served and the cuts that it has been instructed to make by the Conservative Government since 1979 in the form of reduced rate support grant and reduced block grant.

Dr. Blackburn: Certainly. I had the privilege of serving on Wolverhampton borough council, which became the Wolverhampton metropolitan council. The meeting to which I have referred took place in 1976, when the authority was under the control of a Socialist administration. Since that time the authority has had a record of extremely high spending, which resulted in a 56 per cent. wage increase two years ago. It is responsible to the electorate for that level of spending. I do not believe that social service provision has been significantly increased as a result of the increased expenditure on the part of the authority.

I was disappointed when the Christmas bonus was described by the hon. Member for Oldham, West, who spoke from the Opposition Front Bench, as piffling.

Mrs. Beckett: The hon. Gentleman must have misheard my hon. Friend the Member for Oldham, West (Mr.

Meacher). He said that the way in which the Minister uses the Christmas bonus when he cannot think of anything else to say is piffling.

Dr. Blackburn: In musical terms, that is a variation on a theme. Whether piffling or not, I am proud to say that it is part of our policy, part of our principle and part of Britain's statute law.

Dr. Godman: Will the hon. Gentleman give way?

Dr. Blackburn: No, I will not. I have given way four times already.

In my experience in this place and in local authority work, I have found that one of the keynotes of growth in social services and in caring for the elderly, the sick and the infirm is something which we seem to forget. It is called value for money. I am delighted to know that the important work that is undertaken by the Audit Commission is designed to ensure that there is the fullest utilisation of resources.

Like all other hon. Members, I take my political and constituency duties extremely seriously. A constituent came to me in considerable distress—I know that this is the experience of many other hon. Members—and told me that he had been waiting eight months for a hip replacement operation.

Dr. Godman: People wait for three years in Scotland for that operation.

Dr. Blackburn: Very well, there is a three-year wait in Scotland.

I found to my astonishment that facilities were available to carry out hip replacement operations. It seems that the difficulty is that the facilities are not available in the areas where they are needed. It was possible to transfer my constituent to Stanmore, Middlesex—a distance of about 100 miles—and the operation was performed in two weeks. There are many success stories of that sort that we can recount. I understand that 28,000 hip replacement operations were carried out in 1979 and that since then the number has increased to 37,000. These figures do not spell out a decrease in the number of these operations. Instead, they tell us that we have a caring community which is prepared to carry out hip replacement surgery for the benefit of the elderly.

I turn to the vexed question of personal social services, on which spending has increased since 1979 from £436 million to £1·5 billion. Whichever way those figures are considered, they are evidence of a caring society and caring Government and not of reduced expenditure.

Dr. Godman *rose*——

Dr. Blackburn: We have been told this evening by the hon. Member for Ross, Cromarty and Skye, on behalf of the alliance, that an alliance administration would increase the death grant to £250. One of the blessings of the Social Security Bill is that in future a widow will receive a tax-free lump sum of £1,000 on the death of her husband. She will receive that sum at a time of great emotion and distress and it will be a considerable blessing.

It is critical, as a matter of honour, that if policies on the care of the elderly throughout this land are to be presented in this House, they must operate within the bounds of arithmetic. I find it difficult to believe that the Opposition's proposal would work within the bounds of arithmetic, when we know, and have spelt out loud and clear, that the costings are £5·6 million, not £3·3 million. It is a deceit above words to present that sort of policy to our people.

The British people should applaud the work that has been undertaken by the Government to produce a rate of inflation of 2·5 per cent. When the pages of history are written, we shall find that this has been one of those periods of administration which has brought the greatest blessing possible to pensioners, the sick, the aged and the infirm. I salute the Minister on the Front Bench, my hon. Friend the Member for Huntingdon (Mr. Major).

8.40 pm

Mr. Tam Dalyell (Linlithgow): The House will not take it amiss if I refer to a former colleague who passed away this morning. He was a champion of pensioners and an extremely effective holder of the Chair. I am speaking of the late Lord Dick Crawshaw. Like many of my colleagues, I was extremely sad and I disapproved when he changed to the SDP, but may it be always to his memory and credit that we never heard him criticise his former colleagues. To the end he remained a friend to many of us and he is a loss to Parliament.

I shall raise three issues. First, what are the Department's projections for the likely number of elderly people in the 1990s through to 2020? We hear that the latest projections are horrific, which is why I am rather against ya-boo politics on this issue. We shall face a most appalling problem over the next three decades. We shall somehow have to carry a burden of rising expectations and increased numbers of elderly people.

One way of coping with the position is through the respite allowance, and the Minister for Social Security mentioned it in his opening remarks. What money is involved in the respite allowance? The respite allowance is one of the most cost-effective and humane ways of helping people care for others. Many people wish to remain in their homes until their late 80s or early 90s and they should be helped to do so. That often means that some holiday and rest must be given to the carers. Therefore, what money is available?

Secondly, I recommend to the Ministers the section of the Crossman diaries—it seems to be fashionable to dig up all sorts of texts from them—which deals with what Dick Crossman did when the Cypriot nurse came to the Department to spill the beans on the Ely hospital. It deals with the whole issue of Ely, Farley and South Ockendon, and how the Minister of the day got a great deal of money from the Cabinet by highlighting what at first looked like a scandal, but which was a genuine, serious situation.

In some areas our care of the elderly mentally ill is back in the mid-1960s. Some hospitals are extremely good and much excellent work has been done in building and nursing. However, some places—I shall not name them because I am not after headlines or publicity—have returned to mid-1960s standards. I think that the Department knows exactly the sort of institution about which I am speaking where the conditions that prevailed in the mid-1960s which so upset Dick Crossman prevail now in the mid-1980s. Every Scot who has been watching the programmes on Lennoxtown castle will know the problems there. I am not highlighting them for political advantage. Indeed, the staff there have worked extremely hard.

The Minister has just entered the Chamber, and I was commending that he should read the sections of the

[Mr. Tam Dalyell]

Crossman diaries that refer to Ely, Farley and South Ockendon because the conditions in some hospitals have returned to the standards of the 1960s. I can give an example of that. Mrs. Hendry, the wife of the distinguished Edinburgh engineer Professor Hendry, is the chairman of a number of boards and is extremely rational. She knows of many cases where patients have been given back the wrong false teeth. That is a very human situation and simply reflects the shortage of staff in certain areas. What is the Government's thinking on that?

Thirdly, I come to the question of dental charges. I had a word with the Secretary of State who courteously said that either he would write to me or that notes would be provided for the reply. The problem is that more and more dentists are having to make judgments, not on clinical matters, but on the extent to which some of their patients can afford to pay for their treatment. The difficulty is that there are all sorts of anomalies in relation to the elderly. One is that there are charges for dental X-rays but not for X-rays for other parts of the body. The Department is probably seized of the problems put by the General Dental Practitioners Association and others.

Another problem relates to new materials. What does the Department think of the provision of expensive new dental materials? The hon. Member for Aberdeen, South (Mr. Malone) is present. He will recollect that the Secretary of State for Scotland said to the Scottish Grand Committee that we should understand that demands on health care were infinite and that one could never satisfy everyone. I accept what he said, especially about raising expectations. The truth is that in dentistry, as in medicine, many sophisticated and, therefore, expensive materials can be used. Has the Department a philosophy on the extent to which new materials are a priority and should be provided, particularly for the comfort of the elderly?

I promised to make a short speech. I have put my points and I should welcome either a letter or answers in the reply.

8.48 pm

Sir Brandon Rhys Williams (Kensington): The Opposition motion complains about the break of the link with earnings in the system for uprating state pensions. The Opposition are seeking to bring us back to the debates which we have had over many years as to whether upratings should be based on earnings or prices.

I support the Government's philosophy and what they are doing. Their solution to the finance of old age is different from what the Opposition have in mind. The Government propose that pensioners should be able to rely on two sources of income. The first is a basic income guarantee, which is not means-tested, but is every citizen's right; and the second is a variable earnings-related retirement benefit to enable people to retire in the standard of life to which they have become accustomed during working life through an occupational pension scheme or some other form of private provision for retirement. That philosophy is right, and we should build on it.

The question inevitably arises whether the occupational pension schemes and other private schemes are sufficiently good. They are in the public sector, because it has established an extremely generous earnings-related retirement scheme. Indeed, some people think that in some respects public sector schemes are too generous, but I shall not go into that now. Public sector schemes cost about 20 per cent. on top of the remuneration for the people in work. Therefore, if comparable benefits are to accrue in the private sector, we must look for contributions of about 20 per cent. on top of earnings, and possibly even more. That level of contribution is not flowing into the private sector at present, so inevitably there will continue to be disappointments and inadequacies for those in private sector schemes.

The National Association of Pension Funds survey for 1984 contains some interesting figures. Of course, it deals only with schemes that belong to the association. It says that for non-contributory schemes the overall average employer's contribution was 17·24 per cent. for staff schemes — not too bad — but only 6·83 per cent. for works schemes, and 16 per cent. for combined schemes. For contributory schemes, the corresponding figures are 11·95 per cent., 7·26 per cent. and 10·48 per cent. Those figures are not sufficient to produce the sort of income that people are entitled to expect in retirement. The result, sadly, is that a large number of people are dependent in retirement on supplementary benefit. They cannot stand on their own feet and we have to help them to a minimum standard of living through supplementary benefit, or housing benefits of one sort or another for those who inevitably find themselves over-housed when they have finished their working lives.

As I have said in the House before, 14 million people are now dependent on means-tested benefits. That is a large number of people who cannot rely on their savings and resources. It is something to which the Government must address their mind urgently if they are to justify their philosophy—which I believe to be right—to the electors.

Many people do not belong to occupational pension schemes, or belong only to schemes not as generous as those analysed in the survey. I wish to draw attention to the fact that a substantial element of members of occupational pension schemes get a raw deal. I refer to the early leavers — people who, for one reason or another, change their jobs during their careers. I calculated some years ago, and the figures are likely still to be true, that when someone who has been in full-time employment with a generous occupational pension scheme changes his job in mid-career he is likely to be writing off an asset that is at least as valuable as his house. That is a very large sacrifice to better oneself by changing employment. Ironically, the more generous the scheme, the more that is lost by changing jobs. That position has obtained for far too long. As a result, a large number of people reach retirement but are then unable to manage on their own resources.

I regret that the Government did not go through with their original intention to abolish the state earnings-related pension scheme, making good the gap by turning over the current employers' contribution to national insurance — and preferably the employees' contribution also—to accumulate in an approved tax-exempt fund on the principle of money-purchase and proper funding. It was a mistake not to have had the courage to go through with that.

The money that goes into the pension schemes should be recognised as the employees' deferred pay. It is their money and they should not be deprived of it. It should flow either into a national pension scheme that would

invest it in Government indexed stocks on compound interest, or into one of the many approved schemes in the private sector.

In any event, occupational pension schemes will continue to play a very important part in providing retirement income. Whatever the position with the state scheme, we must pay attention to what is happening with private schemes; there are likely to be several million people in those schemes for the foreseeable future. Apart from the fact that not enough money is flowing into them to provide satisfactory benefits, the major deficiency that must be rectified is the shabby treatment of early leavers. There is still a great deal to be done in that area.

I know that recently the Government have made efforts and there has been some recognition of the problem, but on the best information that I can obtain from people who have access to the best data, I calculate that people who change their jobs are forfeiting at least £20 million every week from the assets that have accumulated on their accounts in their occupational penson schemes. We cannot allow that scandal to continue.

The suggestion that I hope that I shall be entitled to make in our debate on the Report stage of the Finance Bill is that an overpowering incentive should be given to occupational pension schemes to rectify that position through their tax treatment; I shall not try to develop that argument now. The real problem with the treatment of early leavers is the divided departmental responsibility in regard to occupational schemes. That was brought out in his presidential address to the actuaries by Professor Moore this year. Too many different Government Departments have responsibility in this area. The Treasury is concerned about the tax angle, the DHSS is interested in the schemes as an aspect of social security, and the Department of Employment is interested because of the implications for job mobility.

It is now 18 years since I made my first speech in the House on this subject. I am glad that we have made a little progress, but we have not yet done nearly enough for the members of occupational pension schemes who change their jobs. Present legislation will not bring them justice even in 40 years when it comes into full effect. In my opinion, and that of very many others, we cannot wait that long. Will the Secretary of State undertake to set up an inter-departmental review of the matter forthwith, with a view to publishing a White Paper before the end of the year?

If the Government, quite rightly, are to rely on private provision for retirement, the scandal of the schemes that give shabby treatment to early leavers must be put right. We cannot allow private citizens to forfeit more than £1,000 million of their savings each year simply because they have chosen — or been forced — to change their employment.

8.58 pm

Mr. Eddie Loyden (Liverpool, Garston): I take on board what the Minister for Social Security said in opening. No matter how robustly he tries to defend the Government's position, he offers no solution to the basic problem. The question of pensions and retirement must be looked at with entirely different eyes. People argue that one of the things that measures how much a society cares is how it treats its aged, its poor, its sick and its young.

When an average working class man retires, having worked for 50 years, or 45 years in the case of a woman, he wants to enjoy the rest of his days by pursuing his own interests rather than those dictated by his employer. People should be able to look forward to their retirement. Men and women who have created the wealth of the nation by spending their working lives in industry should approach their retirement in a happy frame of mind.

Over the years — under successive Governments — millions of people have faced retirement with fear, apprehension and insecurity. Virtually overnight, they faced a dramatic fall in their living standards. The worries and concerns of such people are genuine. No matter how robustly the Minister defends the Government's position, he does not solve the problem.

I believe that our attitude to pensioners shows that we have an almost total contempt and disregard for what must be done. Britain is not an impoverished nation. It is a wealthy nation. It is said that Britain is the fifth wealthiest nation in the world. If the political will is there, there is no reason why we cannot remove that apprehension, fear, insecurity and, in many cases, the poverty that follows retirement.

When we consider the differences in the social classes, we find that those on the highest incomes, such as managers and directors of boards, who have accumulated wealth at the expense of those who produced it, find no difficulty, when their working life has ended, moving from one period to another. They move with the ease of a person moving from a non-smoking compartment to a smoking compartment in a train. We are not talking about the generality of retirement, pensions, and all the problems that people face. We are talking about working class people, many of whom cannot rely on an occupational pension because no provision was made for such a pension during their working life.

It is a scandal that Ministers of State — it does not matter which party is in government — bandy around figures and point to the performance of previous Governments rather than tackle the problem. This country's pensioners are fourth in the league made up of their comparable European counterparts. Pensions in this country are lower than in most European countries. It is a scandal that a wealthy country such as ours should ignore the plight of pensioners. It does no one any good to point to the performance of previous Governments.

Since I have been a Member of Parliament, I have been consistent — whether my party has been in power or not — in advancing the arguments that I advance today. We must reconceive the whole question of pensions and people's entitlements. I do not just refer to pensions. However, that is the main purpose of the discussion. We must return to a system of tying pensions to national average earnings.

I impress upon the Minister that pensioners do not want handouts. They do not want grants that enable them to do this and that. Heating allowances may resolve a problem for a time. What a pensioner needs, and should have, is sufficient money in his pocket to get the things that he or she needs and which, in my view, he or she deserves. Pensioners created the wealth that we inherited. The Government have ignored that basic question.

There must be recognition of the rights of pensioners, not because they are becoming a powerful electoral group but because the aging population is living longer and, therefore, in the future the problems and burdens will be greater. I reject the prognosis of many people and the point mooted in the review that in future it will not be possible

[Mr. Eddie Loyden]

to meet even the meagre amount of the state pension. It is an indictment of society to suggest that the pensions of the future will be in danger. There is no evidence that the private sector will make provision for retired people.

The Government have disregarded the important point that pensioners want in their pockets sufficient money to allow them to live a decent life, to have enough for food and clothing and to keep warm. Year after year, people weep crocodile tears about deaths from hypothermia when people die merely because they are cold. However, nothing has been done to eliminate that problem. Arbitrary figures are bandied about considering whether need exists. Meanwhile, people are dying. That is an indictment of society and of any Government who allow it to continue.

I hope that the Minister will reflect on what this means for present and future pensioners. The problem must be tackled. We must condition people to believe that retirement should be a period of pleasure when they can pursue the activities that they were previously denied. Retirement should be a happy time in their lives, not one burdened with its present difficulties. I hope that Government and Labour Members will take note of that point both during this debate and in the weeks and months ahead.

9.6 pm

Dame Jill Knight (Birmingham, Edgbaston): The hon. Member for Liverpool, Garston (Mr. Loyden) feels, as I do—unlike the spokesman for the Opposition—that the welfare of pensioners is not and should not be made a party matter. It is a matter of caring and neither side of the House and no party in it has a monopoly on care for elderly people.

We all know of the propensity of the hon. Member for Oldham, West (Mr. Meacher) for throwing accuracy out the window, which matches the way he welcomes hyperbole in through the door. I am sorry that the hon. Gentleman has so quickly left his place. Perhaps he has gone off to the confessional. Perhaps he is doing his sums, because that is certainly necessary. Perhaps he is even now apologising to the Leader of the Opposition for having dropped him in it on such a scale.

The hon. Member for Oldham, West said that pensioners today were worse off than when pensions began. I challenge that. When pensions began, a married couple was paid £2·10 a week. I am told that that would be worth about £24 today. This month, a married couple will receive a pension of £61·95.

Mrs. Beckett: I am sorry that the hon. Lady chose to make those uncharitable and foolish remarks about my hon. Friend the Member for Oldham, West (Mr. Meacher). I am afraid that she did not listen to, or did not hear, what he said. According to the fruits of independent research—not my hon. Friend's figures—compared to the standard of living of the average worker, the pensioner is now worse off. My hon. Friend was, of course, as shocked as the hon. Lady to discover that.

Dame Jill Knight: That is simply the way that one reads the figures. I am going through the details to show why the pensioner today, thank God—and it is due to all parties and all people who have cared enough to try to help—is very much better off than when pensions began—not as much as we would wish, but the pensioner is certainly better off.

When pensions began, there was no question of concessionary fares. There was no question of dietary allowance or heating additions. There was no question of help with the rates or social services help, which assists so many elderly people in need today. We must recognise that when pensions began the people receiving them would not have dreamed of the help which, rightly, would be made available to them in future years. One example is walking frames.

Mr. Kennedy: Will the hon. Lady give way?

Dame Jill Knight: The hon. Gentleman has had quite a go already. I want to try to finish quickly because others wish to speak.

Other examples are wheelchairs, meals on wheels, day centres and hospital care. I speak with feeling because for some years I was a member of the health committee on a local authority. We pioneered the idea of sheltered housing for the elderly—a place where they could be given a home where there was a warden. All those benefits have been given, and they are undeniable. When one looks them in the face, one cannot possibly say that pensioners today are worse off than when pensions began.

A great deal of play has been made of the fact that people are waiting for hip operations. Very little play has been made of the fact that they are getting them. My hon. Friend the Member for Dudley, West (Dr. Blackburn) gave the figure. To me, it is a wonderful thing that so many elderly people are able to walk without pain because of the advance of medical science. We should recognise that that must have changed their lives out of all recognition. I can think of many other operations, such as the glaucoma operation, which would not have been possible years ago. There is also help with drugs and prescriptions.

Sometimes I think that Opposition Members tend to believe that if everybody cannot have something free, we must not pretend that anyone has it free. I admire the speech by the hon. Member for Linlithgow (Mr. Dalyell). I am sorry that I am not able to tell him this to his face. With regard to dental charges for the elderly, he rightly made the reasonable comment that it seems crazy that one can have an X-ray of part of one's body for nothing, but if one has a mouth X-ray one has to pay. The reason why an X-ray is free is that it is carried out at a general hospital. It is possible for people to go along and have an X-ray in the dental section of a hospital. Certainly, in Birmingham we have a dental hospital where anyone can go and, without charge, have a necessary X-ray of his mouth. Elderly people who need dental care and who receive either supplementary benefit or housing benefit are exempt from all charges for dental treatment, which would include X-rays. Those who are just above supplementary benefit level can also claim exemption. Those things are important advances.

I must take the hon. Member for Oldham, West to task for some of the phrases that he flung out. He talked about handouts to taxpayers. That is a favourite phrase. I wish that he would understand that it is not a handout to a taxpayer; the taxpayer is merely allowed to keep a little more of his own money, which he has earned by the sweat of his brow. Labour Members talk about handouts as if a mythical hand has gone into the national till and given

the taxpayers money. In fact, our measures mean that taxpayers may keep more of their own money. That is a very real difference.

The hon. Gentleman also shot out a phrase beloved of many Labour spokesmen—"the means test". He said that Labour would abolish the demeaning means test. I hope that my right hon. and hon. Friends on the Front Bench have taken that fully on board. Abolishing the means test means giving money to anyone who holds out his hand. When spending public money one has a responsibility to taxpayers to ensure that their money is paid out only to those who need it. Without a means test, we cannot know who needs it. I am very much against giving public money to people who do not need it. It is salutary to know that the Labour party would abolish the means test. In real terms, that means that to anyone who asks, cash must be given. If that system comes back—God help us if it does—there will be the biggest forest of palms from here to the middle east.

The hon. Member for Oldham, West said that pensioners should share in the increasing prosperity of this country. We all agree with that, but I doubt whether there will be any increasing prosperity if the hon. Gentleman's suggestions are implemented because inflation would immediately be pushed upwards again which would be the worst thing possible for pensioners. The hon. Member for Oldham, West seems content to offer glittering prizes but is not prepared to reckon the cost of those prizes, even to those who will receive them.

I thought that the argument about the change in the method of calculation had already been won and I was amazed to hear it raised again. The Labour Government changed the method of forecasting pension increases in 1976. They said that pension increases would be based on what they thought—not what they knew, because they did not know—the rate of inflation might be. In so doing, they saved themselves a handy £500 million. Moreover, that method of calculation proved wrong five times out of seven. Do Labour Members think that we should stick to a method which clearly does not work? We might as well bring in the crystal ball or the ouija board or pull the petals off a daisy. Even that would be better than sticking to a method which has proved wrong more often than right.

Surely it is better to give increases, albeit small ones, several times a year to keep pensions up with any rise in the cost of living. There were plenty of complaints in the House and outside when pensions were increased only once a year, but when the Government moved to a system allowing several increases per year they provoked a wave of fury because pensions were not increased by £3 or £4 three or four times a year. It would be nice to be able to do that, but at least we can keep pensioners abreast and, one hopes, a little ahead of any rise in inflation.

Whether we can honour promises to pensioners in future years is not a matter of will. It is a sad fact that in the future there will be far fewer people working than in the pensioner age group, due to population changes. That is where the worry arises and we must never let pensioners down by promising something that we cannot provide.

Mr. Loyden: Does the hon. Lady agree that, regardless of how many people are working, through modern technology and so on, wealth is still being produced at higher levels than it was? Is not the redistribution of wealth rather than its creation the problem?

Dame Jill Knight: I agree that increased technology and so on should provide more wealth. However, there are still fewer people in the working age group. That is the root of the trouble.

I am glad strongly to support the Government's amendment. Although we would wish to do more, what has been done should be recognised.

9.20 pm

Dr. Norman A. Godman (Greenock and Port Glasgow): Listening to some Conservative Members makes a question spring to mind. If the Government are so caring and humane an Administration, why are the electorate so deeply disenchanted with the Conservative party? Many pensioners I know would not respond favourably to the speeches about their problems that we have heard.

I have to disagree mildly with some of the things said by my hon. Friend the Member for Liverpool, Garston (Mr. Loyden), who spoke about pensioners being happy if they are protected and their interests promoted. I have much more sympathy with what Charles de Gaulle said about the old. He said that age is a shipwreck, and I agree with that. We have to protect and promote the interests of the elderly as best we can, and that might mean that those of us in employment have to make a greater contribution.

I represent thousands of pensioners who live in appallingly inadequate housing conditions. About 6,000 public sector houses in my constituency are acknowledged by the council to be suffering from damp, and many pensioners live under these circumstances. Much more needs to be done for them.

I have a question for the Minister about a constituency case. An elderly constituent of mine, a widow, recently visited her daughter and son-in-law in Holland where, unfortunately, she suffered a heart attack and died. Her daughter in Holland is on the Dutch equivalent of our social welfare. She wanted to send her mother's body back to Greenock as her mother had always expressed the heartfelt desire to be buried alongside her late husband in Greenock. The remaining daughter in Greenock, who is also on supplementary benefit, and the rest of the family managed to raise about £950 to bring the mother's body back for burial. They were £310 short, so they applied to the local DHSS for an urgent needs payment.

As I said several times in Committee on the Social Security Bill, I have great respect for the managers of the two local DHSS offices in my constituency at Greenock and Port Glasgow. I also respect the hard work done on the whole courteously and unflaggingly by their officials. However, in this tragic case the request for an urgent needs payment was turned down. The Dutch authorities have said to the daughter in Vlissingen in Holland and to the daughter in Greenock in Scotland that if the local Member of Parliament can provide documentary proof that the British system has turned down the application they will try to help the family to meet the shortfall of £310.

I appeal to the Minister to intervene in this case. I have written to the manager of the local office, Mr. Andrews, in the hope that the local adjudicator will consider again the request for payment. The family is prepared somehow to save the money rather than go to the Dutch authorities. I hope that our authorities can provide the family with the £310 and take away the stigma that has besmirched the old lady's dying wish that she be buried alongside her husband.

[Dr. Norman A. Godman]

There is a great need for more sheltered housing for my elderly constituents. Recently I attended the opening of a sheltered housing complex that is sponsored and managed by the Church of Scotland. It is a first class establishment run by an excellent team. The people residing in that complex have their own flats. The regime is so humane and compassionate that in two cases elderly people have living with them disabled children who are themselves well into middle age. The provision of sheltered housing needs to be extended throughout the country but particularly in areas such as mine where, according to official figures, about 33,000 people, or 42·9 per cent. of my constituents, are living on or below the supplementary benefit level.

Another important issue with which the Minister is familiar concerns the problems inflicted on pensioners by spells of exceptionally severe weather. Some months ago I asked the Minister how many single payments had been made to claimants in Scotland under the regulations. At that time the figure was 57,000, but the Minister said that many more claims were being processed. I have another question down to be answered next week. I suspect that the total will be much higher than the interim figure.

Many people, particularly pensioners, have complained to me about the difficulties that are associated with applying for exceptionally severe weather payments. That applies particularly to pensioners who are still buying coal from what might be called itinerant coal dealers.

I sincerely hope that the heating additions for spells of exceptionally severe weather will be improved to avoid the humiliation that so often surrounds applications for single payments of this kind.

Many other areas need to be discussed, but my immediate concern relates to the problems that are faced by my constituent. I shall be deeply grateful if the Minister will take on board that serious problem.

9.30 pm

Mrs. Margaret Beckett (Derby, South): This has been an interesting debate. At the beginning of her remarks the hon. Member for Birmingham, Edgbaston (Dame J. Knight) referred to a very unusual concept in politics, from which issues such as pension levels are apparently excluded. Politics are, more than anything else, about choices. The choices that have been made by this Government are at the heart of this debate. The hon. Lady also said—and I agree entirely with her—that what has been done by this Government ought to be recognised. That is the purpose of our motion and of the speeches that have been made by Opposition Members.

One of the greatest achievements of the past decade was the recognition of the universal poverty that exists among so many elderly people. The tragedy of the last few years has been the slow but steady progress towards the return of that considerable poverty. A major contribution towards it so far has been the break in the link between earnings and pensions and the steady cut in housing benefit.

Another major contribution that the Government are making in this direction is their changes to the state earnings-related pension scheme and occupational pensions. It is too little recognised that the Government are cutting, indeed halving, the value of the state earnings-related pension scheme, along with the basic pension. Furthermore, by lowering the standards of the state scheme the Government are also lowering the standards that are required to be met by occupational pensions, thereby — in one fell swoop — worsening the pension entitlement of everybody, whatever kind of pension scheme they happen to be in.

The cost and the problems involved in breaking the link between pensions and earnings are so great that in time they will have offset even the increase that is due to the state earnings-related pension scheme, as it was originally designed. Therefore, the total pension — the earnings-related supplement and the basic pension itself — will gradually fall back to a level that is no higher than that of the basic pension today. However, as the Government have introduced proposals, which we expect shortly to be returned to this House, substantially to reduce the state earnings-related pension scheme, the total pension — basic and earnings-related alike — will be substantially less over a period than today's basic pension.

The example that we give — which the Government have never contradicted, or argued with, or questioned, apart from saying that to dwell on the details of the figures would be tedious—is that a 16-year-old who starts work after the Social Security Bill becomes law, who never has a sustained period of unemployment and who never has a sustained period of sickness will receive a pension when he retires that is only half that which he would have received before that Bill became law.

I refer to a young person with a full employment record. Those who are unfortunate enough, for whatever reason, not to have a full employment record will receive even less than the half pension to which they will be entitled under the Government's proposals. Those with low earnings at some period during their working lives will have their pension disproportionately affected and disproportionately reduced, because the Government have decided that the pension should be calculated no longer over the best 20, 30 or 40 years but over a full working life. That inexorably means that far more pensioners will be dependent on the equivalent of supplementary benefit in future than are dependent on it today. Today 1·7 million pensioners are so dependent alongside the 4·2 million receiving housing benefit.

The Minister talked about the record of the previous Labour Government, a topic of which Ministers are especially fond. They would much rather talk about the Labour Government's record than about their own. I believe that the hon. Member for Ealing, North (Mr. Greenway) holds the record in this respect, having dragged in and attacked the Labour Government of 1947 on one occasion. Perhaps, not surprisingly, the hon. Gentleman rather glossed over the record of his own Government. As he always does, the hon. Member for Ealing, North dragged in the fact that the Christmas bonus was stopped at the loss of £20 to pensioners over a period of five years.

Mrs. Elaine Kellett-Bowman (Lancaster): That was a lot of money at the time.

Mrs. Beckett: Indeed it was. However, as the hon. Lady would have known if she had been present earlier, it is rather less than the £570 which the Government have taken from pensioners by breaking the link with earnings.

In his enthusiasm, the Minister forgot that when the Government delayed the pension uprating for two weeks in 1980 the cost to a pensioner couple was £12·30 and in 1984, when they delayed the uprating by a further week,

the cost was £2·80. I recall the then Minister of State justifying that on the ground that, if the date was not changed, in 250 years' time there would be two pension increases in one year. At the time, we did not think that that was a strong argument but it was the best that the former Minister of State could do other than attack the Labour Government's record.

I believe that it was the hon. Member for Dudley, West (Dr. Blackburn) who mentioned that heating allowances under this Government are running at record levels. So, of course, are fuel costs. These have been increased by the deliberate decision of the Chancellor of the Exchequer to raise money by putting a tax on fuel to give benefits to the wealthiest through tax cuts.

The Minister took credit for the increase in spending on social services only to be shot down in flames by my hon. Friend the Member for Islington, North (Mr. Corbyn) who said that the Government continually criticise and try to undermine the extent of spending on social services in Labour-controlled authorities across the country on the grounds that they are spending too much. The Minister forgot to mention that the Government's contribution to social services expenditure has fallen — if I recall correctly — by over 10 per cent. as rate support grant has been slashed. The Minister also forgot to mention how the Government refused the Opposition's pleas to exempt pensioners from what he recognised at the time was likely to be the higher cost of glasses under the Health and Social Security Act 1984.

The Minister forgot to mention the substantial increase in prescription charges. There was a little talk earlier about clear pledges. If ever there was a clear pledge, it was the one given by the Prime Minister in 1979 not to increase prescription charges. That pledge was almost as clear as the Prime Minister's 1983 pledge not to attack the state earnings-related pension scheme.

The Minister barely mentioned housing benefit in his glowing account of the Government's record. Perhaps he did not do that because between April 1983 and November 1985 the Government saved £233 million in housing benefit during which period 600,000 pensioners lost all entitlement to housing benefit. That is not surprising, as pensioners are the largest group relying on housing benefit. There are 4 million pensioner households in all.

In the Social Security Bill the Government are making room for further substantial losses in housing benefit. Using the Government's figures from the technical annexe, it appears that an average pensioner couple paying average rent will receive nearly £3 a week less housing benefit than they would have had to set against the same rent in 1982 before the last series of cuts began. That is due to changes in the taper. It has been calculated that 650,000 pensioner households will lose as a result of the proposed changes. Up to £2 a week will be lost by 450,000; 110,000 will lose up to £3 a week; 90,000 will lose £3 or more a week and 30,000 of those will lose more than £5 a week. Some 140,000 will cease to be entitled to any housing benefit.

All that will happen before the proposal to deduct 20 per cent. of rates and water rates from those in receipt of supplementary benefit. If that is added to the taper changes to which I have just referred, nearly 3 million pensioner households will lose out through the Government's proposals. Up to £1 a week will be lost by 1,150,000, and a similar number will lose £2 a week, 270,000 will lose up to £3 a week and 170,000 will lose £3 or more a week, of which some 30,000 will lose over £5 a week.

I am sure that those figures, like the figures on basic pensions, are a little tedious for the Government, but they are of some considerable interest and significance to pensioners. Quite apart from that, the introduction of a capital limit will mean that some 250,000 pensioners will lose their entitlement to housing benefit. Again, we are seeing a further £450 million or so cut, saved or lost from housing benefit by the actions of this caring Government, praised so heartily by their Back Benchers during the debate.

That brings me directly to the calculations that the Minister claimed to have done on various issues, including housing benefit, on the costing proposals put forward by my hon. Friend the Member for Oldham, West. It is only right to say straight away that the Minister has costed not the proposals put forward by my hon. Friend but some wholly fictitious package of his own. The hon. Member for Dudley, West (Dr. Blackburn), who was here and was presumably listening to the Minister, had the gall to talk about deceit in the context of my hon. Friend's remarks and what we are setting before the country. There are few things more deceitful than fabricating a set of proposals, adding up the cost and then claiming that one's opponents are responsible for proposals that are not theirs. It should be made clear that the Minister costed his proposals, not ours.

However, let me ask a question on the Minister's proposals. How much of the cost of his proposals is due to restoring cuts in housing benefit already made under the Government to which I have referred? How much is due to the cuts that are being made under the Social Security Bill — cuts which the Government are proposing to restore in this place in a week's time, having lost in another place, perhaps even, it is rumoured, on the day of the royal wedding?

We had some interesting information and examples recently of the Government's costings. The Minister had the gall to take the credit, in the face of the decision by the European Court, for the decision to extend the invalid care allowance to married women, something that they were forced into and have steadfastly been refusing to do for seven years. *[Interruption.]* I wish that the hon. Member for Wirral, South (Mr. Porter) would cease interrupting. If he had been here earlier, he would have heard my hon. Friend give the costs, and he can read them in the *Official Report*.

For the past several years the Minister has told us that the cost of extending the invalid care allowance to married women would be £85 million. Now that he is going to do it he tells us that it is £55 million, which I estimate is slightly over 35 per cent. less than his original claim. If we deduct 35 per cent. from what the Government claim to be the cost of our proposals, that might be more accurate.

But the main point and the main problem of the debate is that there is poverty among the elderly and that that poverty is increasing and will be substantially worsened by the Government's plans. Under this Government, poverty has increased, but that increase pales into insignificance beside what is in store for the elderly under the policies likely to be brought back before the House before we rise for the summer.

The motion calls for priority for pensioners. It calls for a reversal of the tax changes and the concessions given to

[Mrs. Beckett]

the wealthiest people in Britain and for that reversal to be done in order to give priority to pensioners. The Minister appears to say nothing to that argument. All he says is that he has costed our proposals—although he has actually costed his own—and he argues that reversing the tax concessions and changes would not be sufficient to pay for what we would give to pensioners.

If the Under-Secretary argues that our costings are wrong, although we do not accept that, and reversing the £3,600 million given to the wealthiest 5 per cent. of people in Britain every year by the Government's tax changes would not provide the pension increases that we claim, I challenge him to tell the House what pension increase that would fund and then tell us why the Government will not do it.

9.44 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. John Major): In the middle of the debate, the hon. Member for Linlithgow (Mr. Dalyell) paid a generous and warm tribute to Lord Crawshaw, who died last evening. I believe that the whole House would wish to echo that. He was a kind and gentle man who many of us will recall with some affection. He will be sadly missed by his many friends in this place and along the Corridor.

I am grateful to the Opposition for bringing this important subject before the House, albeit on a motion which is bizarre in its selectivity. We have heard yet again the old, familiar, unsustainable and unrealistic cry that the Government are not doing enough and that they do not care. It is the old story from the hon. Member for Oldham, West (Mr. Meacher) and his colleagues, and we have grown accustomed to it. That charge is neither accurate nor sustainable.

When moving the motion in the Newcastle-under-Lyme address, as we may come to think of it, the hon. Member for Oldham, West illustrated yet again one of the principal facets of his delightful character—the fact that he is unable to resist temptation. Not for him self-denial in words or expenditure, whether it be expenditure from his own pocket or that of taxpayers. He set out once again a catalogue of electoral offers for the next general election.

I do not doubt the Opposition's genuine wish to help the elderly. We have the same ambition. I am beginning, however, to suspect that the hon. Gentleman will offer anything on any occasion to any group for any purpose at any time if he thinks that that will buy a vote or two. One of the hon. Gentleman's characteristics—we enjoy it—is that he always overbids. He is the man who cannot say no. If somebody wants it, in the programme it goes, and he hopes that the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) does not notice or cannot add up. If the Labour party was ever able to carry out its plans, it would have its hands in the taxpayers' pockets more often than the taxpayers themselves.

The House will be stunned to learn that the hon. Member for Oldham, West visited Newcastle-under-Lyme yesterday, where he added to his previously extensive spending plans. Among other things, he committed himself yesterday to abolishing all prescription charges.

Mr. Meacher: Not immediately. [HON. MEMBERS: "Ah."] Read what I said.

Mr. Major: The hon. Gentleman intervenes before he hears what I am about to say. I suspect that he has a guilty conscience. I was about to say that it was not clear how rapidly he would abolish prescription charges, but it was clear that they would be abolished. When and if the hon. Gentleman gets an opportunity to do that, and if he does it, I hope that he will bear in mind that it will not help the elderly, for they are already exempt from prescription charges.

Mr. Meacher: Why does the hon. Gentleman mention it then?

Mr. Major: I shall tell the hon. Gentleman why if he gives me a moment. The change would help the hon. Gentleman and me, for we would no longer have to pay, and £135 million would be lost to the National Health Service. It would be a redistribution from the NHS to middle-income earners such as the hon. Gentleman and me, and it would come courtesy of the Labour party. I hope that pensioners, upon whom that £135 million could usefully be spent, will enjoy that piece of regressive redistribution to which the hon. Gentleman so rashly committed himself when addressing the electors of Newcastle-under-Lyme yesterday. It is the hon. Gentleman's equivalent of the Humber bridge. I suppose that we might be grateful that it was not even more expensive.

Of course, the loss of revenue——

Mr. Max Madden (Bradford, West): Tell us what you are doing.

Mr. Major: I am responding to the debate.

Mr. Allan Rogers (Rhondda) *rose*——

Mr. Major: My hon. Friend the Minister of State set out what we are doing. It is my responsibility and my intention to respond to the debate, if the hon. Member for Bradford, West (Mr. Madden) will listen.

The loss of revenue is apparently to be financed by pouring back what the hon. Member for Oldham, West offensively calls in his motion

"tax hand-outs to the most privileged sections of society."

That pot of gold, which the hon. Gentleman treats as if it were two loaves and five fishes because he is always extending it, will need to stretch to infinity as the hon. Gentleman has already spent very nearly £6 billion of the £3·6 billion he is referring to.

The hon. Gentleman's proposals to increase pensions, child benefit and the long-term scale rate for the unemployed amount to £4·6 billion. The hon. Member for Derby, South (Mrs. Beckett) tried to wriggle, but the figures are clearly set out in *Hansard*. When the hon. Gentleman and his advisers crawl over them, they will find that our costings are right.

If other benefits, which are presently at the same level as retirement pension—widows benefit and invalidity benefit—were to be increased by the same amount the cost would rise to £5·6 billion or thereabouts. Of course, abolishing the yield from prescription charges, when and if the hon. Gentleman does it, adds another £135 million.

The hon. Gentleman will have to look much further than the tax clawback to fund all that. The hon. Member for Derby, South rallied strongly. However, she did not rally strongly enough to cover the gaping gap of about £2 billion.

The point to which the hon. Member for Oldham, West did not refer, which was put to him clearly by my hon.

Friend the Minister, is that unless the means—tested benefits levels are increased in line, the effect of a large increase in retirement pension would be to float large numbers of people off supplementary benefit and housing benefit. They would then gain little in cash terms from the hon. Gentleman's proposal. His spending propositions would benefit the better-off pensioners and not the poorest pensioners. Therefore, unless he is prepared to accept the realistic assumption that we set out—he may wish to study it at leisure—he will see that he is not benefiting those to whom he has held himself out as a benefactor.

The hon. Member for Ross, Cromarty and Skye (Mr. Kennedy), speaking for the Social Democratic part of the alliance — the hon. Member for the Roxburgh and Berwickshire (Mr. Kirkwood) was keeping a close eye on him but he has fled since the hon. Gentleman sat down — referred to the death grant. The Social Democratic party's proposals, as set out in an amendment in the other place, are to pay a death grant automatically. According to the hon. Member for Ross, Cromarty and Skye, it would be £250. According to his noble Friend Lord Kilmarnock, it would be paid at rates to be set in regulations which may differ for different geographical areas. The noble Lord appears intent on reinventing the death grant equivalent of exceptionally severe weather payments.

The essence of the point is that the hon. Gentleman said quite clearly that our propositions on the death grant were ill defined. That is not so and the hon. Gentleman will see that clearly if he studies the position. We propose that funeral expenses will be available from the social fund automatically to people on income-related benefits and will be paid quickly and, equally important, without intrusion or means testing at the time of death. That may have been a surprise to the hon. Gentleman's colleagues in another place, but it has been our proposition since the time of the Green Paper.

The hon. Member for Ross, Cromarty and Skye also referred to the community charge, the 20 per cent. contribution in rates and the Government's position on that. I do not think that the hon. Gentleman genuinely expected me to respond at length upon that subject tonight. I am pleased to tell him that he was entirely right. I have no intention of disappointing him. He must be patient on that point for a little longer.

Mr. Kennedy *rose*——

Mr. Major: I will not give way because there are many points still to be covered.

My hon. Friend the Member for Kensington (Sir B. Rhys Williams) raised the question of the level of contribution flowing into the private sector pension provision which he felt was insufficient. I am aware of my hon. Friend's interest and persistence in this area of occupational pensions. I must remind him, however, that we tackled the early-leaver problem by tackling transfer arrangements. I am sure that he will recognise that and I know that he would wish us to go further, but he would be wise to see how the transfer regulations, which came into effect only on 1 January, work out in practice. I give him the assurance that we shall review the regulations carefully in the light of our proposals. I hope that he will welcome that.

The hon. Member for Linlithgow raised a number of important issues on dental care and respite charges. My right hon. Friend the Secretary of State said from a sedentary position that we would consider the issues and write to the hon. Gentleman. I undertake to do that at an early date.

The hon. Member for Linlithgow raised a further point, and a critical one in terms of the debate. He referred to the number of pensioners for whom we will need to care in future. In doing so, he asked for figures. I shall write to him with more detailed figures, but at present we have 9·5 million pensioners and we shall have 9·8 million in 1995. There will be 10 million in 2005 and 11·1 million in 2015. Even more critical is the fact that the age profile of pensioners is becoming higher all the time. Between 1981 and 2011 the growth in the number of pensioners aged 65 and above will be 7 per cent. It will be 24·6 per cent. for those aged 75 and above and 96·3 per cent. for those aged 85 and above. That is a staggering problem for us to deal with in future.

The hon. Member for Greenock and Port Glasgow (Dr. Godman) raised a specific and distressing problem that is faced by one of his constituents. I shall be happy to examine the case urgently. I shall write to him, or see him to discuss the matter, as soon as I possibly can.

My hon. Friend the Member for Birmingham, Edgbaston (Dame J. Knight) referred to the greater certainty of the uprating mechanism. I agree with her that it is a material advantage to what it followed. The lottery of the forecast method that we have endured was inaccurate five years out of seven and clearly unsatisfactory.

My hon. Friend the Member for Dudley, West (Dr. Blackburn) observed correctly that spending on the National Health Service has risen year upon year. He referred specifically to the capital building programme, which was decimated when the hon. Member for Oldham, West was a member of the previous Labour Government. The programme has been improved substantially in recent years and my right hon. Friend the Secretary of State is determined that it will continue to be improved. About £2,000 a minute is spent on capital expenditure on the NHS day in and day out.

A considerable amount has been said in recent months about the increase in the single person's pension. There is nothing novel about uprating being linked to price movement. The contraction of inflation is of immense value to everyone. Above all perhaps, it is of immense value to those who are on fixed incomes or relatively low incomes, as are many pensioners. As my hon. Friend the Minister of State has said, the 40p increase is an interim measure as we move the date of uprating from November to April so that it coincides each year with tax and budgetary changes. I doubt whether there is one hon. Member who has not at some time been asked why pensioners must wait six months for their increase when tax changes occur swiftly. That is one of the principal reasons for seeking to align the dates. The move should be a matter of welcome and nothing else.

When the inflation measurement fell to 1·1 per cent., there were three options—pay nothing, pay more, or pay inflation proofing. We thought that the last option was right, and it was what was anticipated. It costs over £400 million in a full year, and it follows a 7 per cent. increase last November that cost about £2 billion. The increase was well above the inflation rate at that time. It precedes a further uprating announcement that my right

[Mr. Major]

hon. Friend the Secretary of State will make in the autumn. The counterpoint to this modest cash increase is the level of price restraint, which is critical.

It may be thought from what I have said that the Opposition's motion has little merit. I believe that it has no merit. It puts in what was better left out and it leaves out what was better left in. There is no mention whatever of the improved benefits or of the virtues of low inflation. There is no acknowledgement of the services that remain free to supplementary pensioners and no recognition of the growth of personal social services. There is no reference to the rising number of district nurses, home helps, geriatricians and others. The motion is stuffed with assertion. The Government's record is——

Mr. Don Dixon (Jarrow) *rose in his place and claimed to move*, That the Question be now put.

Question, That the Question be now put, *put and agreed to.*

Question put accordingly, That the original words stand part of the Question:—

The House divided: Ayes 177, Noes 293.

Division No. 262] **[10 pm**

AYES

Abse, Leo
Anderson, Donald
Archer, Rt Hon Peter
Ashley, Rt Hon Jack
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'mline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Brown, Ron *(E'burgh, Leith)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell, Ian
Campbell-Savours, Dale
Carter-Jones, Lewis
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Coleman, Donald
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cox, Thomas *(Tooting)*
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dormand, Jack
Douglas, Dick
Dubs, Alfred
Duffy, A. E. P.
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Edwards, Bob *(W'h'mpt'n SE)*
Evans, John *(St. Helens N)*
Ewing, Harry
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foster, Derek
Foulkes, George
Fraser, J. *(Norwood)*
Garrett, W. E.
George, Bruce
Gilbert, Rt Hon Dr John
Godman, Dr Norman
Gould, Bryan
Gourlay, Harry
Hamilton, James *(M'well N)*
Hamilton, W. W. *(Fife Central)*
Hardy, Peter
Harman, Ms Harriet
Harrison, Rt Hon Walter
Hart, Rt Hon Dame Judith
Healey, Rt Hon Denis
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Hughes, Dr Mark *(Durham)*
Hughes, Roy *(Newport East)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Janner, Hon Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Kaufman, Rt Hon Gerald
Kilroy-Silk, Robert
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McCartney, Hugh
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
MacKenzie, Rt Hon Gregor
McTaggart, Robert
Madden, Max
Marek, Dr John
Martin, Michael
Mason, Rt Hon Roy
Maxton, John
Maynard, Miss Joan
Meacher, Michael
Meadowcroft, Michael
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Park, George
Parry, Robert
Patchett, Terry
Pavitt, Laurie
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Radice, Giles
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Sheerman, Barry
Sheldon, Rt Hon R.
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Short, Mrs R. *(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thompson, J. *(Wansbeck)*
Thorne, Stan *(Preston)*
Torney, Tom
Wardell, Gareth *(Gower)*
Wareing, Robert
Welsh, Michael
White, James
Williams, Rt Hon A.
Winnick, David
Woodall, Alec

Tellers for the Ayes:
Mr. Don Dixon and
Mr. Derek Fatchett.

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Buck, Sir Antony
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clegg, Sir Walter
Cockeram, Eric
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Cormack, Patrick
Corrie, John
Couchman, James
Cranborne, Viscount
Critchley, Julian
Currie, Mrs Edwina
Dorrell, Stephen

Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart Sir Philip
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Straff'd-on-A)*
Howarth, Gerald *(Cannock)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
Madel, David
Major, John
Marland, Paul
Marlow, Antony
Mates, Michael
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Monro, Sir Hector
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Newton, Tony
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Parkinson, Rt Hon Cecil
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Pym, Rt Hon Francis
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Rifkind, Rt Hon Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Stokes, John
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thornton, Malcolm
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Wardle, C. *(Bexhill)*
Warren, Kenneth
Watson, John
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Archie Hamilton and
Mr. Michael Neubert.

Question accordingly negatived.

Question, That the proposed words be there added, *put forthwith pursuant to Standing Order No. 33 (Questions on amendments):—*

The House divided: Ayes 280, Noes 124.

Division No. 263] **[10.16 pm**

AYES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Ancram, Michael
Arnold, Tom
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Bellingham, Henry
Bendall, Vivian
Benyon, William
Best, Keith
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, John
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Buchanan-Smith, Rt Hon A.
Bulmer, Esmond
Burt, Alistair
Butcher, John
Butler, Rt Hon Sir Adam
Butterfill, John
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carlisle, Rt Hon M. *(W'ton S)*
Carttiss, Michael
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, W. S.
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Cockeram, Eric
Coombs, Simon
Cope, John
Corrie, John
Couchman, James
Cranborne, Viscount
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
du Cann, Rt Hon Sir Edward
Dunn, Robert
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim

Evennett, David
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Finsberg, Sir Geoffrey
Fletcher, Alexander
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Gardiner, George *(Reigate)*
Gardner, Sir Edward *(Fylde)*
Garel-Jones, Tristan
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Harvey, Robert
Haselhurst, Alan
Havers, Rt Hon Sir Michael
Hawkins, C. *(High Peak)*
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hickmet, Richard
Hill, James
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Stratf'd-on-A)*
Howarth, Gerald *(Cannock)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
Kershaw, Sir Anthony
Key, Robert
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawrence, Ivan
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
Madel, David
Major, John
Malone, Gerald
Marland, Paul
Marlow, Antony
Mates, Michael
Mather, Carol
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Miscampbell, Norman
Monro, Sir Hector
Moore, Rt Hon John
Morris, M. *(N'hampton S)*
Morrison, Hon C. *(Devizes)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Page, Sir John *(Harrow W)*
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Pym, Rt Hon Francis
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Rifkind, Rt Hon Malcolm
Rippon, Rt Hon Geoffrey
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Silvester, Fred
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spencer, Derek
Spicer, Jim *(Dorset W)*
Squire, Robin
Stanbrook, Ivor
Stanley, Rt Hon John
Steen, Anthony
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stewart, Ian *(Hertf'dshire N)*
Stokes, John
Sumberg, David
Tapsell, Sir Peter
Taylor, John *(Solihull)*
Taylor, Teddy *(S'end E)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Terlezki, Stefan
Thomas, Rt Hon Peter
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
van Straubenzee, Sir W.
Vaughan, Sir Gerard
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side N)*
Waller, Gary
Wardle, C. *(Bexhill)*
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Tony Durant and
Mr. Francis Maude.

NOES

Alton, David
Anderson, Donald
Archer, Rt Hon Peter
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Beith, A. J.
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Bruce, Malcolm
Caborn, Richard
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Cartwright, John
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Conlan, Bernard
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Douglas, Dick
Dunwoody, Hon Mrs G.
Eadie, Alex
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forrester, John
Foulkes, George
George, Bruce
Gould, Bryan
Hancock, Michael
Hardy, Peter
Harman, Ms Harriet
Hart, Rt Hon Dame Judith
Heffer, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Howells, Geraint
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
John, Brynmor
Johnston, Sir Russell
Kennedy, Charles
Lambie, David
Lamond, James
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Livsey, Richard
Lofthouse, Geoffrey
McDonald, Dr Oonagh
McGuire, Michael
McKelvey, William
Madden, Max
Martin, Michael
Mason, Rt Hon Roy
Meacher, Michael
Meadowcroft, Michael
Michie, William
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
O'Neill, Martin
Owen, Rt Hon Dr David
Parry, Robert
Patchett, Terry
Penhaligon, David
Pike, Peter
Radice, Giles
Randall, Stuart
Robertson, George

Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Shore, Rt Hon Peter
Short, Mrs R.*(W'hampt'n NE)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Smith, Rt Hon J. *(M'ds E)*
Snape, Peter
Soley, Clive
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dafydd *(Merioneth)*
Thomas, Dr R. *(Carmarthen)*
Thorne, Stan *(Preston)*
Wardell, Gareth *(Gower)*
Wareing, Robert
Wilson, Gordon
Winnick, David
Wrigglesworth, Ian

Tellers for the Noes:
Mr. James Wallace and
Mr. Archy Kirkwood.

Question accordingly agreed to.

MR. SPEAKER *forthwith declared the main Question, as amended, to be agreed to.*

Resolved,

That this House congratulates Her Majesty's Government on its achievement in increasing the purchasing power of the national insurance retirement pension during a period when the number of pensioners has risen by nearly a million; endorses the Government's firm commitment fully to protect pensioners against rising prices; welcomes the continued development of health and community services for the elderly; recognises the Government's outstanding success in reducing the rise in prices to the lowest level for nearly twenty years; and notes that security in retirement would be the first casualty of the renewed and rapid inflation which would flow from the expenditure and taxation policies advocated by Her Majesty's Opposition.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the British Council and Commonwealth Institute Superannuation Bill may be proceeded with, though opposed, until any hour.—*[Mr. Mather.]*

Pesticides

10.28 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mrs. Peggy Fenner): I beg to move,

That the draft Control of Pesticide Regulations 1986, which were laid before this House on 3 July, be approved.

These regulations implement the powers in section 16(2) of the Food and Environment Protection Act 1985. They have been drafted after extensive consultations with all the interests affected. Hon. Members will know that my Department, on behalf of the six Departments responsible for these regulations, issued a consultative document in November last year. Nearly 1,500 copies were sent out by my officials to interested groups and individuals. They also met many representative organisations. These draft regulations are the combined result of the expressed wishes of Parliament and of those consultations.

I shall now describe the main features of the draft regulations and explain at what date they come into operation.

Draft regulation 3, which comes into operation on 6 October, covers the pesticides to be controlled. Broadly speaking, they are the same as currently covered by the pesticides safety precautions scheme: pesticides used in agriculture, horticulture, forestry, food storage, public health and hygiene, wood preservation and masonry treatment. From 1 July 1987, this scope will be expanded to include antifouling paints. This is a major departure and one which I hope will be welcome to all who are concerned for the quality of the marine environment.

Draft regulation 4 prohibits the advertisement, sale, supply, storage and use of pesticides unless the pesticides have been approved under regulation 5 and a consent to the activity concerned has been made under regulation 6 and any condition of the approval and the consent have been complied with. I should like to stress this difference between approvals and consents. Approvals relate to the pesticides themselves. Consents relate to the activities of advertising, selling, using, and so on.

All these prohibitions will come into force on 6 October except for the first on advertising, which will come into force on 1 January 1987. This will allow companies time to modify their advertisements in the ways specified in schedule 1, which I shall explain shortly. Paragraph (5)*(b)*(i) of this draft regulation will also not come into force until 1 January 1988 and again, I shall explain this when I deal with use of pesticides.

Draft regulation 5, which will come into force on 6 October 1986 provides the essential features for the approval of pesticides. A notable improvement on the old arrangements is the move from the four to a three-phase approval system. This will bring us into line with the majority of registration procedures operating abroad and more importantly will do much more to facilitate enforcement. Another important new feature is the introduction of a system of automatic review of approved products, the intention of which is to ensure that approvals will not be reliant on data which do not meet modern standards.

I am pleased that, thanks in no small part to the co-operation given by the industry, and particularly the National Farmers Union, we have been able to develop a system for encompassing within the approval arrangements what were previously fringe uses of pesticides, not controlled by the pesticides safety precautions scheme. This will be achieved by providing access to the approvals procedure for the growers of so called minor crops so that safe uses of pesticides on these crops, which for reasons of crop liability manufacturers are not able to recommend, may be approved as off-label use.

Draft regulation 6 must be read together with schedules 1 to 4 to the regulations. It is in these parts of the statutory instruments that we have set out as fully as possible the general controls which we wish to impose on activities relating to pesticides. This is in contrast to the approvals system, which will provide the specific controls on each approved pesticide.

Regulation 6*(a)* and schedule 1 relate to advertisement. As with the prohibition on advertising, this consent and its conditions will come into force on 1 January 1987. So that all users of pesticides are fully informed of any risks associated with their use, manufacturers will be required to state in all advertisements the common names of the pesticidal ingredients and any specific warnings related to human health or the environment which are thought necessary by the Advisory Committee on Pesticides in its assessment.

Draft regulation 6*(b)* and schedule 2 relate to sale, supply and storage. Ministers' consent to these activities will be given on 6 October and be subject to the general obligation in paragraph 1(1) of schedule 2. Paragraph 1(2) will not apply until 1 January 1987 and this will be specified in the consent.

We propose the introduction of statutory support for standards of pesticide storage and the competence of all those who sell or store pesticides. This proceeds from the recommendation made by the Royal Commission on Environmental Pollution in 1979 and recognises the considerable work already done by organisations such as the British Agricultural Standards, Inspection Scheme, in achieving high standards through self-regulation. Where possible we have built on these foundations.

Everyone engaged in the storage, sale or supply of professional pesticides will, in future, be obliged to take all reasonable precautions to protect human health and the environment and to be competent for the job they do.

We recognise that the nature and use of agricultural pesticides is perceived as posing a greater potential hazard to people — both as users or consumers — and the environment than other pesticides. The regulations accordingly contain a more detailed prescription, for certification of competence which must be obtained by those who store, sell or supply agricultural pesticides.

Draft regulation 6*(c)* and schedules 3 and 4 relate to use of pesticides, including aerial application. The consent on use will be made on 6 October and it will be subject to the conditions listed in both schedules 3 and 4. But I must stress that not all these conditions will come into force in October this year.

Paragraph 1 of schedule 3 provides a general obligation on all users of pesticides to take all reasonable precautions to protect the health of human beings, creatures and plants and to safeguard the environment. Paragraph 4 requires all those who use pesticides in the course of their business to be competent and to have received adequate instruction and guidance in the safe, efficient and humane use of pesticides. These general obligations will come into force in October.

Sir Eldon Griffiths (Bury St. Edmunds): In paragraph 1 there is a requirement that people should take all reasonable precautions. One problem is that over the past 30 years manufacturers have produced all kinds of new pesticides, but the technology whereby the pesticide is dispensed through the spray nozzle has not changed. Are the reasonable precautions to require that the spray nozzles will be improved as well?

Mrs. Fenner: Yes, indeed. If I may develop my explanation, calibration and the availability to consider new techniques will be covered. So there will be a constant updating of new techniques under the regulations.

Mr. John Carlisle (Luton, North): My hon. Friend referred to persons using pesticides having adequate instruction. Will she confirm that those who will police the regulations will themselves have had sufficient instruction to be able to monitor them? As she will know, there is concern that although there is an obligation on the user to be adequately trained, there is not the same obligation on those who will carry out inspections through the Health and Safety Commission and other bodies. Perhaps my hon. Friend will comment on that.

Mrs. Fenner: We shall see that those operating through ADAS are certificated to the standard that we expect under the regulations.

From 1 January 1988, users will have to comply with the conditions of approval of the particular pesticide they are using, for example, any specified maximum dose rate or minimum time between use and harvest. Paragraphs 5 and 6 require contractors, including aerial sprayers, and persons under the age of 25 on 1 January 1989 who use agricultural pesticides to obtain recognised certificates of competence unless they are working under the direct and personal supervision of a certificate holder. These conditions will not come into force until 1 January 1989. From the same date there will be specific controls on the mixing of two or more pesticides — paragraph 2 of schedule 3—and the use of pesticides with adjuvants—paragraph 3.

I know that there has been some misunderstanding and hence concern about paragraph 3 of schedule 3 to our draft regulations. At present the more responsible adjuvant manufacturers notify their adjuvants to our Harpenden laboratory and they are cleared through the PSPS, including agreement on label recommendations and warnings, as though they were pesticides. Clearly we cannot continue to operate in this way under the regulations because adjuvants do not fall within the definition of pesticides in the Act. However, what we intend to do is continue to evaluate adjuvants notified to us and to publish a list of adjuvants which we have found to be suitable for use with approved pesticides. The conditions of approval of a pesticide referred to in paragraph 3 of schedule 3 will then include something to the effect that this pesticide may only be mixed with adjuvants which appear on the MAFF list and provided the conditions of use on the adjuvant label are complied with.

Users will not therefore be restricted to using only the adjuvants which appear on the pesticide label but will be free to use any from the MAFF list, provided there is no restriction or contra-indication on the adjuvant label.

Agricultural departments have recently issued a draft code of practice on the agricultural and horticultural use of pesticides for public comment and discussions. Copies were made available, both in this House and in the other place, on Monday. *[Interruption.]* The code would be made under section 17 of the Act and has as its purpose the provision of practical guidance to agricultural and horticultural users of pesticides as to how they can comply with the obligations imposed by the regulations. *[Interruption.]*

Mr. John Carlisle: On a point of order, Mr. Deputy Speaker. It is very difficult on this side of the House to hear what my hon. Friend the Minister is saying because of the incessant chatter on the Opposition Benches.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. I am anxious to hear the debate, too. Conversations should take place outside the Chamber.

Mrs. Fenner: I am obliged, Mr. Deputy Speaker. I know that in Committee hon. Members felt very strongly that as it was an enabling Bill there should be an opportunity to hear about the regulations. I hope that they will be patient while I try fully to cover them.

The draft code will eventually be laid before Parliament for approval, after the content of the draft has been considered and revised in the light of consultation and practical experience.

There have been many discussions on our proposals for controls over users of pesticides since they were published last year. They have met with general agreement and we have, I believe, a package which will raise standards and ensure the progressive establishment of a trained and competent work force. In this we have considered the needs of the industry and chosen a timetable for introduction that will not impose excessive burdens on costs.

There is general agreement that it is important that farmers keep records of pesticide use. Indeed, it is only common sense that for a farmer to use pesticides efficiently he should keep a record of what he has done. Records are also useful in identifying pollution problems. Farmers should not be concerned that in such cases their records would be used against them. On the contrary, if they have acted properly they will have nothing to fear, but their records could provide an indication that the approved conditions of use for a pesticide may need to be reviewed. For these reasons, the need to keep records has been strongly emphasised in the draft code of practice which supports the regulations. It was not thought necessary at this time to make record-keeping a statutory requirement. If, however, a farmer were to use pesticides irresponsibly and he did not keep records, he could be subject to a notice requiring him to keep records in future. Non-compliance with that notice would be an offence.

I can assure the House that if this non-statutory approach is not seen to be working well—if farmers do not keep appropriate records — there will be no hesitation about introducing a statutory requirement.

As I said, the consent on use will also be subject to the conditions set out in schedule 4 on aerial application. These repeat, in the main, the existing requirements already imposed on aerial operators by the Air Navigation Order 1985. They will all come into operation on 6 October this year.

Briefly, no one can apply a pesticide from the air unless he holds an aerial application certificate granted by the Civil Aviation Authority and there are controls on

[Mrs. Fenner]

operators relating to the advance notification of operations, the provision of warnings to passers-by, the conditions under which operations may be undertaken, the keeping of safe distances from surrounding property, the avoidance of spray drift and the keeping of records. Advance notification of operations has to be given to the Nature Conservancy Council, water authorities, the Chief Environmental Health Officer, neighbours, hospitals, schools or other institutions and to local beekeepers where there is a local spray warning scheme. Where appropriate, the agreement of the water authority must be obtained. A maximum wind speed for operations is prescribed and ground markers are required where necessary. Pilots of aircraft carrying out spraying operations must maintain a minimum height when flying over occupied buildings, gardens and roads, and they must maintain a mimimum horizontal distance from occupied buildings and their gardens, playgrounds, sports ground or buildings containing livestock and they must contain the pesticide to the land intended to be treated. *[Interruption.]* The draft code of practice of the agricultural and horticultural use of pesticides will provide guidance on the measurement of wind speed, prevention of spray drift, the advance warning of operations, warning signs to be displayed and the use of human ground markers.

Hon. Members will be aware that paragraph 2*(a)* of schedule 4, which relates to prior consultations with the Nature Conservancy Council where aerial operations are within three quarters of a nautical mile of a site of special scientific interest, does not quite reflect our intentions because there is an omission. The paragraph refers to section 29(1) of the Wildlife and Countryside Act 1981, which relates to a small number of SSSIs where the Secretary of State has made an order. But the remaining SSSIs and national nature reserves are covered by section 28 of the Act. That is an omission and it is our intention to make use of the power granted by regulation 6*(c)*(ii) of these regulations to include as a condition of the consent to the use of pesticides for aerial application that prior consultations are also required in relation to SSSIs covered by section 28. Thus *[Interruption.]* prior consultation with the NCC will be required for all SSSIs and national nature reserves within three quarters of one nautical mile of operations.

Mr. Simon Hughes (Southwark and Bermondsey): As I recollect matters, there was an undertaking in a consultation paper issued by the Minister's Department that there would be a statutory requirement for consultation in the context of the NCC and sites of special scientific interest. Would it not be possible for the final regulations to be amended to include that in the obvious place rather than at three steps removed in some other way, in accordance with what I understand was the Department's original intention?

Mrs. Fenner: The Department's original intention is also fully covered in the requirement—*[Interruption.]*—referring to section 29(1). We wish to ensure that that level of concentration also applies to those SSSIs and nature reserves covered by section 28 of the Act — *[Interruption.]* We are not making provision at three steps removed, we will make use of the power granted to us to introduce it in the way that I have described.

One issue that I must mention before I conclude is disclosure of information, which is the subject of draft regulation 8. From both sides of the House and from all quarters there have been increasing and ever-louder calls for greater disclosure of information. The Government have listened and responded. The Act under which the regulations will be made was the first piece of British legislation to be made under any Government which specifically provided for the release of information on pesticides to the public. In regulation 8 we have taken up the power provided in the Act to set out the ground rules for a disclosure of information system that will achieve that fine but essential balance between as much public access to data as possible and the need to protect from exploitation by competitors information which has a genuine and considerable commercial value — *[Interruption.]*

We already publish, or intend to publish, information on approvals granted, reviews to be carried out and their results, the results of our monitoring work on usage patterns, residue levels and wildlife effects, and the annual reports of the advisory committee. Under regulation 8, we shall make available our detailed evaluations of all the toxicity, environmental, efficacy and other test data on a pesticide as it receives provisional approval. Where a genuine query remains unanswered by the evaluation, we shall grant access to the study reports on which the evaluation is based. Before making available an evaluation, and still more before providing access to study reports, we shall do everything possible to ensure that the inquirer understands that if he publishes without permission or makes commercial use of the data, he will be committing a criminal offence under the Act.

That triple thread——

Mr. D. N. Campbell-Savours (Workington): Triple thread?

Mrs. Fenner: —of published reports, availability of detailed evaluations and access to study reports is a sound and workable procedure which will provide the public with much useful information. The system will place the United Kingdom in the vanguard of authorities that are responding to the appeals for greater openness, and should be welcomed by the noisy Opposition as such.

I commend the draft regulations to the House.

10.52 pm

Mr. Brynmor John (Pontypridd): I was extremely disturbed by the Minister's speech, particularly because the Standing Committee that considered the Food and Environment Protection Bill of 1985 debated matters without strict party differences to try to produce the best legislation that it could. It was one of those rare Bills. Therefore, it is sickening for me to have to observe that the Committee was misguided and misled by the Government in those debates, and that we wasted our time on matters in which the Government have no serious interest and to which they are not deeply committed.

The Opposition will oppose the regulations. They do not deserve the approval of the House, and we shall try to ensure that they do not obtain it. That is not because we do not believe in effective pesticide regulations, but because these regulations will not be effective — *[Interruption.]* The Minister complained about noise. I should be grateful if she would obey her own strictures.

Some of our objections overlap in practice, but I shall set out the broad groups of objection. The first is the way in which the regulations were framed. The second is the probity of Ministers in introducing them in this form. The third is the obvious ways in which the regulations weaken existing protection, and the fourth is the fact that they omit matters that the discussion documents said would be included.

First, may I deal with the form of the regulations. In our debates in Committee, hon. Members on both sides pointed out the excessively general nature of the Bill's provisions. We were told that we should not worry, because the Bill was not an appropriate vehicle—to coin civil servants' jargon. We were told to wait for the detailed regulations; that would be the time to debate the matter and all our detailed queries would be answered. Here they are before us, but they do not include those or any other details. They are almost as general as the Act itself and just about as vague. Now, apparently, we have to wait for advertisements which are to be placed in the *London Gazette* and the *Edinburgh Gazette*, not to see what they propose for specific pesticides, as the consultative document said, but for the general controls themselves.

The Minister skirted over her part in Committee, particularly the ministerial assurances which she gave. For example, on 2 April, in columns 178-79 of *Hansard*, we were told that the details we then wanted to discuss were unsuitable for the Committee but that we would have plenty of time to do that when the regulations came along.

The regulations are no more precise than the Act itself and we have to wait for a further stage, not secondary legislation, but tertiary legislation, legislation by advertisement, not for, I repeat, one pesticide, but for general conditions for all pesticides, such as training in its use. Not only were we misled in Committee, but the regulations are now being framed in such a form — by adverts advertising them in the *London Gazette* and the *Edinburgh Gazette*—which will mean that many details of pesticide use will never be debated in the House, nor will they ever be subject to the scrutiny of the House.

Given the national interest in this subject, that is a disgrace. We are told, and I am sure the Minister will say the same, that that is just a matter of judgment and of differing views between the parties. But even granting the differing views upon their nature, it is impossible upon the working of the regulations to tell what sort of controls we shall end up with.

It is true that the schedule gives us some sketchy details of what the conditions might comprise, but it is equally true that they might not comprise them, because, as I read it, the Minister is under no statutory obligation to include all the points in the schedule in the final conditions which are imposed.

At the same time, by an ingenious piece of drafting, other points which are not in the schedule at the moment can be included in the advertisement. So what use are the regulations? I suggest that they are no use at all except to enable the Government to claim that they are observing the proprieties while keeping Parliament firmly shut out on the substance of the debate. In what may sound a harsh judgment, particularly of the Parliamentary Secretary, I said that I believed that ministerial probity was involved. I have already given one instance when we were assured that details would be debated on the regulations rather than on the Bill. Now we know that that is not so.

Let me give some other instances. On 16 April, as part of the same Committee stage, when discussing labelling and pesticide containers, we were told by the Minister that the regulations would contain details on those subjects. Indeed, she gave an absolute assurance that labels would be dealt with in the regulations. Neither matter is even mentioned in the regulations. What price ministerial assurances now?

But even more serious is the question of enforcement. We all know—we recognised it when we debated this—that enforcement was the key to the effectiveness of the regulations. We also know from the Institution of Professional Civil Servants that routine inspections of family farms, as opposed to farms which employ labour, can now be expected only every 30 years. I repeat—30 years. It was always anticipated that without additional inspectors enforcement of the regulations would be ineffective.

On 26 June on Report, the Minister assured us that "there will be 12 additional inspectors."—[*Official Report*, 26 June 1985; Vol. 81, c. 959.]

We now know, from the evidence of the Health and Safety Executive to the Select Committee on Agriculture, that there will not be any additional inspectors. This catalogue makes me wonder what ministerial assurances on this Bill are worth. Such a cavalier attitude does not do the Ministry any credit, and that alone merits our dividing the House.

I shall now consider the weakness of the regulations compared with what we were promised would happen. Chief among them, although the hon. Lady did not mention it in her long comments on aerial spraying is the gross weakening of the protection afforded to sites of special scientific interest. The Committee was anxious about aerial spraying but was somewhat mollified when we were told not to be too worried as regulations and statutory control would replace the air navigation orders. Those orders require notification of a proposal to spray aerially within three quarters of a nautical mile of an SSSI. We were astounded to learn that, in the regulations, that provision is limited to SSSIs which are the subject of a section 29 order, which is appropriately made against an awkward landowner. I can illustrate how exceptional such orders are by saying that fewer then 20—I believe that it is fewer then 15 — such orders have been made, although there are 5,000 SSSIs.

Despite the hon. Lady's protestations, as the regulations stand, protection is being removed from the overwhelming majority of SSSIs. All that they have is a promise, the keeping of which is not debatable in the House, to use an advertisement. She may be trying to create a run on the *London Gazette*, but she is certainly not creating a flood of hon. Members coming into the Chamber to debate the regulations. This is the right place in which to debate them. If, as the hon. Lady said, she meant to include all sites to which section 28 applies, it is a sad commentary of the extensive consultation which she said that she did and on the extensive adoption of the suggestions that she got the wrong section in the regulations.

The regulations are materially defective. They should be taken away, given back to the draftsmen and brought back in a more acceptable form. Anybody would have thought that this was a joke or a mistake. If this is not a mistake, it will be a shameful betrayal of thousands of farmers who are deeply concerned about the environment.

[Mr. Brynmor John]

That is but one example of how control is being weakened. Another concerns the provision of training. We all agree that it is vital, when handling a toxic substance such as a pesticide, to be properly trained. That was common ground in Committee. Our assent was therefore strained to breaking point when the regulations became known. They provide that only people who will be under 25 in 1989 will have to be trained before they can apply pesticides. With normal retirement dates, that means that it will be 40 years before everyone who handles pesticides will be covered by the regulations. I have heard of phased introduction, but that it taking it to absurd lengths. A qualified work force is important.

I shall now consider the omissions. The Committee favoured most strongly the minimum of pesticides being applied with the maximum accuracy. There was agreement about that.

I understand that discussions on these regulations have featured a procedure of parallel approvement whereby adjuvents for example, would be approved separately and brought into effect with pesticides. One example of adjuvents is vegetable oil, which not only makes lower quantities of pesticide more effective, but cuts the risk of spray drift. I remember spending many happy hours in Committee on the problem of spray drift.

The approval procedure is not part of the regulations. We are not told that it will be produced in some amorphous form, which I cannot pretend to understand from the Minister's explanation, and will somehow be all right. The omission of the provision about adjuvents from the regulations has led the United Kingdom Agricultural Supply Trade Association, the Agricultural Engineers Association and companies involved to believe that pesticide manufacturers have been given an effective veto on what substances may be used with their pesticides and what means of application, such as controlled droplet application, can be used. If that is so, and it seems that it is, I believe it to be contrary to public policy.

It is true that we got another absolute assurance from the Minister that such techniques would be neither explicitly nor implicitly banned. I shall want a great deal of convincing, of the vagueness of the Minister's speech tonight, before I believe that this is not another example of a broken promise given to the Committee.

Again, head 8 of the possible heads of proposals mentions a list of all approved pesticides. It is similar to one currently to be found by farmers and other people in agriculture to be very useful. It is a booklet in which one can find all the approved pesticides. However, although it was in the heads of proposals under the consultation procedure, it is nowhere to be found in this regulation. Also, there are no references to include the training of advisers, which was in the consultation procedure, or the regulation of storage and the transportation of pesticides.

This is a typically slipshod effort at legislating by a know-nothing and care-nothing Department. The gaps and deficiencies in the regulations mean that they should be withdrawn and redrafted. Of course, we know that that will not happen because the Government pay no heed to advice they get from concerned people. We shall vote against these regulations, not because we are against pesticide control, but because this attempt falls so short of pesticide control that it devalues the subject and insults the feeling of genuine concern of many thousands of people.

11.7 pm

Sir John Farr (Harborough): I do not share the disappointment of the hon. Member for Pontypridd (Mr. John) over what my hon. Friend has said. I was on the Standing Committee with the hon. Gentleman and a number of other Members in the Chamber and, as I understood it, one of the main things that the Minister said in the long debates we had was that she would tighten up on aerial spraying. In schedule 4 we have quite a detailed, and, to my view, satisfactory calendar of events which any aerial operator has to follow in the future. I would say that schedule 4 is well worth a try.

I do not share the bogus disappointment which the hon. Member for Pontypridd has, in a typical way, expressed from the Opposition Front Bench. We were promised by the Minister, I distinctly remember, that we would get regulations. We have only one hour and a half on this. The Whips have already been round asking us to speak for two minutes or less. We were promised a whole flow of regulations. I regard this as the first of a family. I think that the hon. Member for Pontypridd will not be disappointed when the Minister says that this is the first of the regulations which will flow from the mass of work that we all shared in Committee. As such he should not be so churlish as to speak about it in the way that he has.

I recognise that it is impossible in a debate lasting one and a half hours to include all the undertakings that my hon. Friend the Parliamentary Secretary gave in Committee. I recall, however, that during our debates on aerial spraying, during which the hon. Member for Pontypridd talked about spray drift, my hon. Friend said that she recognised that some products could change their character completely within a few months. It is unfortunate that we have nothing in the regulations about products that can change substantially in character after 12 months and become either dangerous or harmless, or have an entirely different effect from that which they had originally. I hope that a statement to that effect will be included in the next set of regulations to come forward.

There was quite a substantial debate on that issue in Committee, and if my hon. Friend the Parliamentary Secretary refers to the *Hansard* reports of the proceedings, if she has time to do so, she will find that she undertook to consider the issue.

As the hon. Member for Pontypridd has said, the Committee which considered the Bill, as it then was, was a good one in that we tried to confine ourselves to issues of common sense. We discussed carefully misleading advertisements of products that are quite effective in dealing with a certain problem but which have harmful by-effects. We had long debates about a product called Kestrel, to which the hon. Member for Sheffield, Brightside (Miss Maynard) drew attention. It is a German chemical which has dangerous effects on wildlife. General anxiety was expressed by Members on both sides of the Committee about the need to tighten up on regulations that apply to misleading advertisements and the provision of inadequate warnings. I would hope that we have before us the first of a family of regulations that will flow from my hon. Friend the Minister.

Schedule 3 sets out eight sensible conditions subject to which consent to the use of pesticides may be given. There is reference to proper training. The third condition states:

"No person shall use a pesticide in conjunction with an adjuvant except in accordance with the conditions".

There is reference also to a person's training, which is so important. An omission, which I hope will be put right, is a requirement that should be placed upon machinery manufacturers. It should be possible for all spray operators to gain access to spraying controls without leaving their closed tractor cab. That is something that is recognised by good tractor manufacturers and suppliers which offer sealed safety cabs. The controls are placed inside the cab, but only because the manufacturers think that that is a good idea. In fact, it is essential to the comfort, health and safety of the operator that they are. He should not have to leave his cab when he wants to turn the sprayer off and risk inhaling outside air which could be contaminated. I would ask my hon. Friend the Minister to take a greater interest in practicalities and introduce a requirement, in conjunction with machinery and tractor manufacturers, that at an early date all new tractors must have all spraying controls inside a sealed cab so as to protect the operator by making it unnecessary to leave the cab and risk inhaling outside air in what could be a temporarily polluted environment.

In expressing disappointment yet great hope and confidence in my hon. Friend the Minister — she has never let me down over many years — I welcome the regulations.

11.14 pm

Mr. Simon Hughes (Southwark and Bermondsey): I have less hope and confidence than the hon. Member for Harborough (Sir J. Farr). My hon. Friend the Member for Brecon and Radnor (Mr. Livsey) has pointed out to me that it is significant that whereas the Liberal and Labour parties have agricultural and environmental spokesmen in the Chamber, no Minister from the Department of the Environment is present on the Front Bench. *[Interruption.]* There is only an Agriculture Minister. There is nobody from the Department of the Environment. *[Interruption.]* The Minister of Agriculture, Fisheries and Food and the Parliamentary Secretary to the Ministry, the hon. Member for Medway (Mrs. Fenner), have been present. If the Government are to make a commitment to reconcile, properly, the interests of agriculture and the environment, it might be just about possible for one Minister from the six at the Department of the Environment to manage to be present for an hour and a half at the end of an evening.

Sir Eldon Griffiths: Will the hon. Gentleman give way?

Mr. Hughes: No. I will not give way.

Sir Eldon Griffiths: Will the hon. Gentleman give way?

Mr. Deputy Speaker: Order. This is a very short debate. Perhaps we can return to the regulations under consideration.

Several Hon. Members *rose*——

Mr. Hughes: No. I am not giving way.

Mr. Jeremy Hanley (Richmond and Barnes): On a point of order, Mr. Deputy Speaker. The Parliamentary Under-Secretary of State for the Environment, my hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold), was present until about two or three minutes ago when she left the Chamber. It is grossly unfair that an hon. Member should refuse to give way when he has made an attack of that sort.

Mr. Deputy Speaker: It may be unfair, but it is not a matter for me. Let us get on with the debate.

Mr. Hughes: When the legislation went through the House it was clear that regulations were to be expected, and my hon. Friend the Member for Ceredigion and Pembroke, North (Mr. Howells) and I said that the sooner we got them, the better. We now have the regulations, and that is to be welcomed, because the Bill was without substance until they came before the House. If the Government were truly minded to honour the commitments made in Committee, on Report and on Third Reading, the ideal way to proceed would be to introduce their proposals and, in the light of a debate in the House, to take them away, improve them and bring them back in a generally acceptable form. The fact that they have not done so is to be regretted.

As the hon. Member for Pontypridd (Mr. John) made clear, there is concern that whereas in the draft consultation document it was clearly anticipated that the Government would deal with sites of special scientific interest, somehow — the Minister said "by mistake" — they were omitted. I cannot believe that with a whole Department of Civil Servants such a substantial mistake can be made on a matter coming before the House. It must give some cause for suspicion that the Government have no real commitment, unless in the reply the Government can say that all the SSSIs will be protected as they anticipated in the MAFF consultation paper of November 1985.

It is not clear whether the regulations, especially those relating to training, also apply to independent advisers and consultants. Clearly, they apply to the industry, but at various stages of the principal legislation the anxiety was expressed that the controls related to agricultural pesticides, but not to non-agricultural pesticides and those using them in a different context, as advisers and consultants. If the Minister's Parliamentary Private Secretary reappears, I would be grateful if the Minister could be given an answer to that question.

It is not clear whether the scope of the regulations extends beyond the agricultural sector. It was intended that it should. I hope that the Minister can give an undertaking that the regulations cover all use of pesticides by whomsoever it may be, and are not limited to one sector.

There is concern among the trade associations that they were not adequately consulted. I hope that the Minister has taken note of that concern — people were led to believe that they would have a more substantial period of consultation.

The hon. Member for Pontypridd made a comment that I would endorse—that simply and scientifically it is wrong to suggest, as is done in schedule 3, paragraph (2), that one can include both tank mixes and adjuvants in the same context in the regulations. That is not the way in which the industry deals with the matter, and it would have been far better to have separated them.

I wish briefly to make two final points. The Minister said little about resources for enforcement. If we agree that there should be regulations, and that they should be made soon after the Act, it is clear that they are no good unless people are available to enforce them. The one without the other is of no use to anyone. The Minister did not make any substantial commitment to that in her speech.

[Mr. Hughes]

Secondly, it must be apparent to everyone that with the method that the Government have now chosen, the crucial stage will lie with the granting or withholding of licences. We are putting back the day and the way in which the law becomes effective. My hon. Friend the Member for Ceredigion and Pembroke, North, who served on the Committee, and my hon. Friend for Brecon and Radnor, who speaks for my party on agricultural matters, clearly want regulations. My concern is that the Government did not take into account what we and other hon. Members said in Committee. Perhaps more important they did not honour all the things that they said they would before they brought the regulations to the House.

11.21 pm

Sir Eldon Griffiths (Bury St. Edmunds): This matter greatly concerns my part of East Anglia, where aerial spraying is common and the use of pesticides essential to our farming industry. Last night I spoke on an environmental matter that touched upon East Anglia, and ended up with a result quite different from the one that I had hoped to achieve. However, tonight we are fortunate enough to have present two members of the Whip's Office who will at least ensure that, whoever wins the argument, we will win the vote.

I was impressed by the arguments of the hon. Member for Pontypridd (Mr. John). His views, although perhaps overstated, coincided with much of the advice that I have received. It was while I was in the Department of the Environment as a junior Minister that the Royal Commission on environmental pollution was established. As one of its founding fathers, I have always regarded it with the utmost seriousness. When I read its 1979 report, which dealt with aerial spraying, I thought that the time had come to deal with that matter.

The Opposition spokesman was a little grudging in his remarks, because at least the Government have tackled the problem that their predecessors did not. It is a matter for congratulation that this Government have at least done something about pesticides, while Opposition Members have talked about it but achieved nothing. That having been said, I must say that I am not happy with— *[Interruption.]* The hon. Member for Southwark and Bermondsey (Mr. Hughes), who has already made his speech, wants to intervene. I must tell him pointedly that he is badly dressed, badly informed and bad-mannered. My hon. Friend the Parliamentary Under-Secretary of State for the Environment was here, listened to the two Front Benches, excused herself, as must happen in this Chamber from time to time, and is almost certainly going to return. It was wrong of the hon. Gentleman quite typically to asperse her—especially as he is, I repeat, bad-mannered, badly informed and badly dressed.

I come now to the matter on which I find myself in considerable agreement with the Opposition. I have been advised by those involved in CDA—controlled droplet application — sprays in my constituency that these regulations are defective in some parts. When one of my constituents wrote to me and complained about the regulations and claimed that they would destroy his company, I said that I needed more evidence than that of an interested party. He obtained for me the advice of a gentleman, Mr. R. J. Makepeace, who is an expert in the field. I shall not go into his details in view of the shortage of time. Mr. Makepeace said:

"When I read this"—

paragraph 3 of schedule 3—

"this confirmed my worst suspicions that this Act would . . . give a charter for the major international agrochem manufacturers to restrict development and special applications of adjuvants in the United Kingdom. On reading schedule 3 I immediately came to the conclusion that one could not use an adjuvant, except in accordance with the conditions of the approval given in relation to that pesticide and, as already stated by the minister the pesticide would, in fact, be a label from a manufacturer. If, therefore, that label did not care to mention an adjuvant then none could be used with it. This is particularly bad when one looks at a product such as Betanal E"—

he then mentioned the manufacturer, which was a non-British-owned company—

"where they make no recommendations for any adjuvant at all, not even their own adjuvant oil, and yet this market would not exist without adjuvants and indeed the British Sugar Corporation recommend every post-emergent herbicide be used with an adjuvant."

The schedule does not deal with that. When I brought that to the attention of my hon. Friend, she courteously and diligently considered the matter. She wrote to me on 16 July. I need not read all the letter, because she used the same words tonight. The essence of what she said was:

"Clearly we cannot continue to operate in this way under the regulations because adjuvants do not fall within the definition of pesticides in the Act."

Then came the immortal words:

"However, what we intend to do is to continue to evaluate adjuvants notified to us and to publish a list of adjuvants which we have found to be suitable for use with approved pesticides."

That is something that she intends to do. Yet, she is asking the House to approve it. It is not a question of what she intends to do. I want to know what she has done so far. She continued:

"The conditions of approval of a pesticide referred to in paragraph 3 of Schedule 3 will then include"—

I ask the House to mark the words—

"something to the effect that this pesticide may only be used with adjuvants which appear on the MAFF list."

What on earth does one mean by coming to the House of Commons and talking about "something to the effect"? We are asked to pass specific regulations that must be enforced and obeyed by everyone in the country. Yet, what we are offered is that some time in future the Ministry will work out

"something to the effect that this pesticide may only be used with adjuvants which appear on the MAFF list."

What MAFF list? There is no MAFF list in front of us tonight. It will be concocted some time in future.

I am grateful to my hon. Friend for the care and diligence with which she has considered the problem. The assurances she has given will go a long way to satisfying some of my constituents. I congratulate her on having tackled the problem of pesticides and on having done something that has not been done before. However, the vagueness of her letter and her speech tonight does not give me a great deal of confidence that the Ministry is tackling the problem with the rigorous, intellectual care that is required in such a matter.

The country cares that pesticides should be brought under effective control—and no group of people more than the agriculture industry. The better farmer is deeply concerned. But he must have something better than words saying that at some uncertain point in the future,

something to the effect will be produced on a list that is not before us. That is not good legislation. It is not good enough for the House.

11.29 pm

Miss Joan Maynard (Sheffield, Brightside): The regulations, which are being laid before Parliament in accordance with the Food and Environment Protection Act 1985, do not even address all the issues identified in the consultative document. Will the matters not addressed in the regulations be addressed in future regulations? This is a matter for concern. We will not know the full extent of the protection likely to be afforded until all the regulations have been laid before Parliament. We can have no faith in that approach, given the Government's stated intention not to provide 12 more inspectors, as promised in the consultative document.

How many other matters will be conveniently left unaddressed? The regulations are controlled and run by the wrong agency — the Ministry of Agriculture, Fisheries and Food. It would have been better if the Department of the Environment had been in control. I believe that the Ministry of Agriculture, Fisheries and Food has been influenced far too much by the powerful farming lobby, which has a direct interest in the use of pesticides. I wonder how much the agro-chemical industry has influenced the Ministry.

The scope of the regulations is too narrow, as outlined in regulation 3, and the exemptions in regulation 3(2) are too wide—the worst of both worlds. Regulation 4 deals with prohibitions, but there is no mention of procedures to be adopted to ensure compliance with the regulations. I believe that regulation 4 should give details of proper sampling procedures, record-keeping, and so on and the roles of the following: the Health and Safety Executive, the public analyst and the environmental health officers.

Regulation 4, which deals with information, lays down no appeals procedure when a member of the public is refused access to information. The body that makes the decision relating to pesticide clearance should not have the power of veto. There must be a formal independent appeals procedure which can be invoked when there has been a refusal to provide raw data on request.

Regulation 8(3) states:

"A copy of an evaluation or study report may be furnished by the Ministers on payment of such reasonable fees as the Ministers, with the consent of the Treasury, may determine from time to time."

I am worried about three aspects. First, the regulation states that the Ministers "may", not "will". Secondly, it refers to the payment of "such reasonable fees". The word "reasonable" could have different meanings for different people. Thirdly, the regulation refers to the "consent of the Treasury".

This is in sharp contrast to section 18 of the Food and Environment Protection Act 1985, which deals with fees which "may" be payable by industry. I believe that regulation 8(3) is at best ambiguous and at worst biased against the public and in favour of industry. One side should not be obliged to pay while the other "may" have to pay.

Aerial spraying is one of the most contentious issues, yet there is no requirement under the regulations to notify the Health and Safety Executive of aerial spraying activity. Notice must be given to the chief environmental health officer for the district in which it is intended to apply pesticides. The Health and Safety Executive is the body responsible for human health and safety under the Health and Safety at Work, etc. Act 1974, yet it is specifically excluded from the notification requirements of schedule 4 to the regulations. Is this another example of deregulation or a thinly disguised attempt to reduce the Health and Safety Executive's responsibilities under the Food and Envionment Protection Act to justify the refusal to provide the 12 additional inspectors originally promised?

Whatever the reasons, the exclusion of the Health and Safety Executive is wholly unacceptable. Let us look at records — again, an important matter. There is no mention of record keeping in the regulations except under schedule 4(5), dealing with aerial spraying. I believe that records must be kept in respect of all pesticide users. They need to include the following details: the length of operation, the date of first use, ill effects, suspected or confirmed, medical attention received or sought, nature of application equipment, protective clothing supplied or used. To have any real value, those records need to be kept for at least 20 years. The three-year period for record-keeping in respect of aerial spraying is far too short. That, too, should be a minimum of 20 years, as for all other records.

Let us look at the review procedure. The regulations make no reference to a review procedure in connection with pesticide approval. Pesticides should be reviewed every five years, and sooner when there is knowledge of potential or actual risks and hazards. On container design, storage and disposal, the consultative document refers to a code of practice relating to those issues. The full extent of the code is not identified, however, and no mention is made of container design. Those issues are too important to be relegated to an undetermined future code of practice, and must form part of and be covered by the regulations.

The original consultative document referred to the need "to secure safe, sufficient and humane methods of controlling pests".

No such reference is made in the regulations. Such a reference must be included in the preamble. In short, the regulations, to put it mildly, leave much to be desired. That is why we shall vote against them.

11.36 pm

Mr. John Carlisle (Luton, North): I hope that the hon. Member for Sheffield, Brightside (Miss Maynard) will forgive me if I do not take up some of the various points that she made.

The behaviour of Opposition Members, with the honourable exceptions of the hon. Member for Pontypridd (Mr. John) and for South Shields (Dr. Clark), was appalling while my hon. Friend the Parliamentary Secretary was making her speech. This is a serious debate, which affects many people, both in and outside the industry. It was appalling that some Opposition Members, particularly the hon. Member for Workington (Mr. Campbell-Savours), who has returned to the Chamber, considered that it was a matter for such levity. We spent many hours in Committee on this important subject. Perhaps it befits the Labour party that it considered it a matter for laughter and light-heartedness.

I followed with interest the remarks of the hon. Member for Pontypridd. He will know that I have much sympathy with what he said. Conservative Members admired the way in which he conducted the debate in Committee, but he will understand that I cannot go fully

[Mr. John Carlisle]

down the road of the extravagant language that he used in his criticism of the regulations. He is right in that there are certain deficiencies, and he is also right that there are certain matters left unsaid and perhaps certain questions unanswered. I agree with him that there must be concern that these long-awaited regulations are perhaps a disappointment to some of us.

However, I think that most hon. Members and certainly the industry and farmers will welcome the regulations. As my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) said, at least this Government have had the courage to bring them before the House in response to a certain amount of public pressure as well as pressure within the agriculture industry itself. For that, we should be grateful.

I should like to put three small points to my hon. Friend the Minister, on matters where there is still some concern in the industry. The first is to do with schedule 3 (2) and (3), which have already been mentioned. I should like to refer to mixing the adjuvants. If the regulations are enforced strictly according to the law it will restrict many farmers in the mixes that they can put into their own tanks. As my hon. Friend the Member for Bury St. Edmunds rightly said, if they have to keep rigidly to the manufacturers' recommendations, with certain chemicals, it will be far more costly for the farmers to use them.

One is concerned that adjuvants do not appear in the pesticide regulations. I can understand why they do not. The cost to the farming industry could be considerable, and in many cases, certain geographical and climatic conditions may mean that farmers should be able to mix and use the strengths of chemical according to their judgment at a particular time. The rigidity of these regulations would tend to restrict that. There is great concern in the industry on this matter, and any way in which my hon. Friend can look at it again, or make some further remark on it, would be welcome.

I understand that liquid fertilisers are to be considered within this part of the regulations, but they were not mentioned in Committee, and it seems as though that has been slipped in. Again, perhaps my hon. Friend can say something about that.

I mentioned my second point in an intervention in my hon. Friend's speech. It is about the advisers and inspectors. I share the concern of the hon. Member for Pontypridd about the reduced number of inspectors that has been proposed. Far be it from any Conservative Member to approve more bureaucrats, but in this case concern was expressed to members of the Select Committee when we were at Rothamsted recently that the regulations might come in without enforcement because of lack of personnel.

I am more worried that the regulations insist, possibly rightly, that those who use chemicals, and those directly involved, should have some form of training. My hon. Friend will know that in our discussions on Second Reading concern was expressed that the British agricultural standards inspection scheme, of which I know that she and my right hon. Friend the Minister are admirers, was not written into the legislation. The industry can understand how it was impossible to put that in. If strict training procedures are put on those who use the chemicals, surely, similar training must be imposed on those who inspect and have the job of making sure that the regulations are carried out. As far as I can see, there is nothing in the regulations about that.

My third point of concern is about access to information. My hon. Friend was right to express some surprise at the opposition to this measure that has come from the Opposition Benches, and particularly from the Liberal spokesman, the hon. Member for Southwark and Bermondsey (Mr. Hughes). I am sorry that the spokesman for the SDP is not here, but that is a matter for him, and perhaps for the Liberal party. There is concern that the greater access to information could have a damaging effect on the future of chemicals, and could put some chemicals at risk as some manufacturers find that certain information is made restricted if access to information is given.

We all appreciate that the public must be made aware of what is going on. The work of the Select Committee at the moment is on the effects of pesticides on human health. The hon. Member for Brightside is on that Committee as well, and will understand that we must try to allay public anxiety. If the regulations restrict research and development by manufacturers because too much information is to be made available, so that others can take that information and use it to their advantage it may restrict development in this sector.

In general, Conservative Members will support the regulations. We are a little surprised that the Opposition have chosen to vote against them, but I appreciate the strong feelings and the large amount of work that they, and in particular the hon. Member for Pontypridd, have done. Neither the industry nor the farming community are afraid of regulation of their activities. This may be an early step, with more to come. However, it allays fears and gives the lie to those who say that the Government are not interested in the effect of chemicals on human health. For that reason, I shall support the Government, and wish my hon. Friend well in the implementation of the regulations.

11.44 pm

Dr. David Clark (South Shields): The Committee on the Food and Environment Protection Act 1985 was one of the most constructive and thoughtful Committees on which I have served. Constructive points were put forward from all sides and we thought that the Minister had taken note of them. Time after time we were told that the Department would try to accommodate the points in the regulations. Therefore, I am bitterly disappointed to see the form of the regulations. They are most inadequate, as my hon. Friend the Member for Pontypridd (Mr. John) has spelt out in a devastating fashion. I hope that the Minister has listened to the tone of her hon. Friends' speeches. Although they may join her in the Division Lobby, I detected their deep concern. Almost all hon. Members who have spoken feel that the regulations are not up to par.

In the short time at my disposal I want to touch on three matters. The hon. Member for Harborough (Sir J. Farr) made a pertinent point which needs clarifying. Are these the only regulations that the Government foresee bringing before us arising out of the Food and Environment Protection Act, or is the hon. Gentleman correct in assuming that other regulations will follow in the near future? We need a definitive statement on that point tonight. The hon. Member for Harborough will no doubt be listening for that answer.

Several hon. Members turned to enforcement. If the regulations are to be effective in protecting human health, agricultural workers and the environment, we need proper enforcement. I hope the Minister has heard the word from both sides of the House and the deep disappointment about the way in which she has reneged on her promise at the Report stage in this House in June to appoint 12 additional inspectors.

May I draw to the Minister's attention the evidence of the Health and Safety Executive to the Select Committee on Agriculture:

"It has not proved possible to allocate extra resources to HSE for the fresh tasks imposed by the regulations, under the FEP Act, within the constraints applying generally to civil service manpower. There are also limits to the speed with which inspectors can be recruited fully trained and experienced."

How, therefore, can the Minister assure the House that the work of enforcement under the regulations can be done effectively when already the Health and Safety Executive says that it has insufficient staff to do the job?

On the environment, as the Minister knows, the system of sites of special scientific interest covers only a small proportion of our environment. As the hon. Member for Bury St. Edmunds (Sir E. Griffiths) and I know, those areas are very restricted. Restrictions have been imposed because of the high scientific quality and rarity of the areas. Under the present regulations, before these come into operation, every one of the SSSIs is protected from aerial spraying. It is not good enough for the Minister to say to the House tonight, "We have made a mistake. Only 15 of the 4,500 are now protected. But do not worry. We will put it right by an advertisement in the *Edinburgh Gazette* and the *London Gazette*." The experience of the Government under the Wildlife and Countryside Act 1981 has been that enforcement notices have been inadequate. The problem was only rectified by the Wildlife and Countryside (Amendment) Act 1985, which I introduced as a private Member's Bill in the last Parliament. Therefore, how can we have confidence that the Government can protect the 4,500 SSSIs simply by means of an advertisement in the two capital gazettes?

I hope we have shown that the regulations are a great disappointment. They represent a breach of faith amongst those hon. Members who spent many hours constructively in Committee. The Minister has admitted that the regulations are inadequate and contain great gaps. They are not good enough to be brought before the House. Furthermore, in some instances they weaken the protection from the use of pesticides that is provided for the general public and the environment. I hope that the Minister will reconsider the regulations.

11.50 pm

Mrs. Fenner: The hon. Member for Pontypridd (Mr. John) suggested that the Government had not paid enough heed. We paid enough heed by introducing these regulations. It has been pointed out by several of my hon. Friends that previous Governments did not do so. It was a travesty for the hon. Gentleman to say what he did.

The hon. Gentleman questioned the form that the regulations take. The regulations are more detailed than the Act. They contain a list of the pesticides that will be covered by the regulations. They also deal with the treatment of anti-fouling paints and aerial spraying and control over the sale, supply, storage, advertising and use of pesticides.

The hon. Gentleman must accept that in principle Ministers should be able to add other controls as circumstances change. In law, those changes must follow the intentions of the enabling legislation. He does not have to wait for the consents to see what they contain. The schedules contain all the conditions that will be included in the consents, apart from the one exception to which I referred. I say again that we intend to take powers under section 28 to ensure that it applies to all sites of special scientific interest. That is in addition to the consent. I have already fully explained what will be added. All the conditions that are contained in the schedules will be included in the consents.

A number of hon. Members have referred to enforcement. Apart from the agricultural inspectorate, trading standards officers will look after the sale of pesticides, environmental health officers will enforce conditions relating to use on premises not visited by the Health and Safety Executive, the agricultural departments will investigate wildlife incidents and crop damage, and the railways inspectorate, among others, will also be involved. Enforcement will be shared between them.

Recruitment to the agricultural inspectorate is in progress. My right hon. Friend the Secretary of State for Employment has been unable to divert the envisaged additional resources, because of other demands. However, the Health and Safety Commission has assured the Government that the inspectorate will be able to meet its responsibilities.

Mr. John: The hon. Lady must have had the same pap served up to her as a brief when she gave her promise on Report. Why did she promise to recruit 12 additional inspectors to carry out a wide range of extra duties if she had no intention of fulfilling that promise?

Mrs. Fenner: Again that is a travesty. That was the number of additional inspectors that the inspectorate assured us would be necessary. Recruitment for that number will continue, but the Health and Safety Executive has assured us that it has sufficient inspectors with which to enforce its responsibilities.

A number of hon. Members referred in particular to adjuvants. I take seriously the charge that the Government have been slipshod over their treatment of adjuvants. They are not pesticides. Therefore, they do not feature in the regulations. I accept the point that was made about the wording. There will be a reference to a list. I have explained that we have been testing adjuvants as though they were pesticides. We will continue to test them and produce a list of acceptable adjuvants, but I cannot give the exact wording that will be involved. However, we will state that a particular pesticide may be used with adjuvant from the list.

My hon. Friend the Member for Harborough (Sir J. Farr) questioned the stability of formulation. I can assure him that that will be one of the properties evaluated before a product is approved. We would not approve a product which deteriorated too rapidly. We also require labels to contain guidance on the storage conditions appropriate to maintain the qualities of a pesticide. The code of practice for distributors and users will contain guidance on stock controls.

I was sorry that the hon. Member for Southwark and Bermondsey (Mr. Hughes) needed to comment on the temporary absence from the Chamber of my hon. Friend

[Mrs. Fenner]

the Parliamentary Under-Secretary of State for the Environment. He will see that she has returned. It was especially ungracious of the hon. Member to comment in that way as we all know that hon. Members move in and out of the Chamber during debates. My hon. Friend listened with great care to the opening speeches.

I can tell the hon. Member for Southwark and Bermondsey that the regulations cover the sale, supply, storage, use and advertisements of all pesticides even when used for non-agricultural purposes. He made a general point that he believed that consultations were inadequate. The document was issued in November and we issued almost 1,500 copies of the consultation document. We received about 125 written submissions and we held 25 detailed discussions with representative organisations. I do not think that the hon. Gentleman can assert that that constitutes inadequate consultation. We have not had responses to that effect.

The hon. Member for Sheffield, Brightside (Miss Maynard) made several points. Reference to the safe, efficient and humane control of pests is not contained in the regulations because that is already written into the enabling Act. Hon. Members have mentioned many of the points covered in the consultative document which do not appear in the regulations. The reason is that the consultative document described the legislative and administrative arrangements which will operate.

The hon. Member for Brightside referred to the five-year reviews detailed in the consultative document. However, it is not appropriate to review every five years, because during that time many pesticides are still in active development and therefore constantly being re-evaluated. One of the important reasons for farmers to keep records is that they might show that there needed to be an additional review. The review system is set up to review every pesticide every 10 years and it can take ad hoc decisions to review pesticides for a specific reason. I hope that the hon. Member for Brightside will be reassured.

Question put:—

The House divided: Ayes 219, Noes 128.

Division No. 254] **[11.58 pm**

AYES

Alexander, Richard
Amess, David
Ancram, Michael
Ashby, David
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Batiste, Spencer
Bendall, Vivian
Best, Keith
Biffen, Rt Hon John
Blackburn, John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'to'n)*
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brinton, Tim
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Buchanan-Smith, Rt Hon A.
Burt, Alistair
Butcher, John
Butterfill, John
Carlile, Alexander *(Montg'y)*
Carlisle, John *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carttiss, Michael
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Cranborne, Viscount
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Dover, Den
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Eyre, Sir Reginald
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Anthony
Fenner, Mrs Peggy
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Garel-Jones, Tristan
Gow, Ian
Greenway, Harry
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Hamilton, Neil *(Tatton)*
Hampson, Dr Keith
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Havers, Rt Hon Sir Michael
Hawkins, Sir Paul *(N'folk SW)*
Hayes, J.
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hickmet, Richard
Hind, Kenneth
Hirst, Michael
Hogg, Hon Douglas *(Gr'th'm)*
Holland, Sir Philip *(Gedling)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Howells, Geraint
Hurd, Rt Hon Douglas
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Key, Robert
King, Rt Hon Tom
Knight, Greg *(Derby N)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Lawler, Geoffrey
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
Madel, David
Major, John
Malone, Gerald
Marlow, Antony
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Merchant, Piers
Meyer, Sir Anthony
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(Hants NW)*
Moore, Rt Hon John
Morrison, Hon C. *(Devizes)*
Morrison, Hon P. *(Chester)*
Neale, Gerrard
Needham, Richard
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pollock, Alexander
Porter, Barry
Portillo, Michael
Powell, William *(Corby)*
Rhodes James, Robert
Roberts, Wyn *(Conwy)*
Robinson, P. *(Belfast E)*
Roe, Mrs Marion
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sayeed, Jonathan
Shaw, Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Soames, Hon Nicholas
Speed, Keith
Spencer, Derek
Spicer, Jim *(Dorset W)*
Stanbrook, Ivor
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Andrew *(Sherwood)*
Stokes, John
Sumberg, David
Taylor, John *(Solihull)*
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Thompson, Patrick *(N'ich N)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Tracey, Richard
Trippier, David
Twinn, Dr Ian
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Waller, Gary
Wardle, C. *(Bexhill)*
Warren, Kenneth
Wells, Bowen *(Hertford)*
Wheeler, John
Whitfield, John
Whitney, Raymond
Wiggin, Jerry
Wilkinson, John
Winterton, Mrs Ann
Winterton, Nicholas

Wolfson, Mark
Wood, Timothy
Woodcock, Michael
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Michael Neubert and
Mr. Tim Sainsbury.

NOES

Archer, Rt Hon Peter
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bermingham, Gerald
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, R. *(N'c'tle-u-Tyne N)*
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Conlan, Bernard
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Deakins, Eric
Dewar, Donald
Dormand, Jack
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Ewing, Harry
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
George, Bruce
Godman, Dr Norman
Hamilton, James *(M'well N)*
Hardy, Peter
Harman, Ms Harriet
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Home Robertson, John
Hoyle, Douglas
Hughes, Sean *(Knowsley S)*
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Lamond, James
Leadbitter, Ted
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
Madden, Max
Marek, Dr John
Martin, Michael
Maxton, John
Maynard, Miss Joan
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Raynsford, Nick
Redmond, Martin
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Robinson, G. *(Coventry NW)*
Rogers, Allan
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Skinner, Dennis
Smith, Rt Hon J. *(M'ds E)*
Soley, Clive
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Wardell, Gareth *(Gower)*
Welsh, Michael
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David

Tellers for the Noes:
Mr. Don Dixon and
Mr. Chris Smith.

Question accordingly agreed to.

Resolved,

That the draft Control of Pesticides Regulations 1986, which were laid before this House on 3rd July, be approved.

Members' Office, Secretarial and Research Allowance

12.12 am

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): I beg to move,

That, in the opinion of this House, the first Resolution of 20th July 1984 (limit on office, secretarial and research allowance) should have effect as if—

(a) the limit for the year ending with 31st March 1986 had remained at £13,211, and

(b) the relevant percentage for the year ending with 31st March 1987 were 6 per cent.

Mr. Speaker: I have selected both the amendments on the Order Paper: that in the name of the hon. Member for Islington, South and Finsbury (Mr. Smith) — in paragraph *(a)*, to leave out "remained at £13,211" and insert "been £19,000.". — and that in the name of the hon. Member for Cynon Valley (Mrs. Clwyd) — in paragraph *(b)*, leave out "6" and insert "18".

It may be for the convenience of the House if the amendments are debated with the motion, and I ask the respective hon. Members to move them formally at the end of the debate. Is that for the convenience of the House?

Hon. Members: Yes.

Mr. Biffen: The House will have seen the answer which I gave last Thursday to a question from my hon. Friend, the Member for Bexhill and Battle (Mr. Wardle) about the secretarial, office and research allowance, which, for convenience, I shall now refer to as the secretarial allowance.

The answer had two elements to it. The first, and wider, element was the announcement that I had written to the chairman of the Top Salaries Review Body, inviting it to carry out the four-yearly review of the level and structure of the secretarial allowance as I had previously undertaken to do.

The second, and narrower, point dealt with the uprating of the allowance for this year. That is the point which concerns us tonight. It is the reason why that I have put this motion before the House. I intend, therefore, to confine my remarks to the annual uprating, although I will of course ensure that our proceedings tonight are also referred to the TSRB for consideration.

Mr. Nicholas Winterton (Macclesfield): Will my right hon. Friend say why he writes to the Top Salaries Review Body when, whenever it reports, the Government consistently ignore its recommendations?

Mr. Biffen: I have communicated with the TSRB because I was asked to do so by many right hon. and hon. Members.

I should say a few words about the two amendments, both of which have been selected. The amendment in the names of the hon. Members for Islington, South and Finsbury (Mr. Smith) and for Battersea (Mr. Dubs) accepts the proposed percentage increase in the current year of 6 per cent., but they would set aside the size of the allowance determined by the arrangements which the House confirmed in 1984, and replace it with a substantially higher figure.

This deals with an issue which I know is of concern, and legitimately so, to a number of Members. However, it invites debate not about the interim uprating figure but about the size of the allowance itself. I feel that this should

[Mr. Biffen]

really be a matter for the Top Salaries Review Body, and I very much hope that the hon. Member for Islington, South and Finsbury will submit to it the evidence which he believes sustains such a figure. I do not feel that this should be part of this evening's decision.

The amendment in the names of the hon. Member for Cynon Valley (Mrs. Clwyd) and the hon. Member for Battersea deals more directly with the interim uprating before us today. It would provide for an increase of 18 per cent. in the allowance for the current year. In the course of my remarks on the resolution, I shall indicate why I believe that a 6 per cent. increase is preferable to the larger increase proposed in this amendment.

I turn now to the resolution itself. At present, the arrangements for the secretarial allowance are as agreed by the House on 20 July 1984. That resolution followed the TSRB recommendation that the annual percentage increase in the secretarial allowance should be the same percentage increase as for the salary plus inner London weighting for a civil servant at the maximum point of the senior personal secretary scale. The advantages of automatic uprating are manifest. It enables the House to devise a formula by which the level of the allowance should be determined, and then allows that to be put into practice without the need for a further debate each year. There has been general support for that view.

However, the most careful linkage plans are nonetheless capable of producing unintended perversities. The House has to react in a spirit of equity and common sense. Members will recall, indeed, that this occurred relatively recently in relation to the motor mileage allowance, which was also set by a mechanism of linkage.

Dr. Oonagh McDonald (Thurrock): As the Leader of the House is no doubt aware, press reports have suggested that the secretarial research allowance could form part of a Member's salary. In his reply, will he say that it does not form part of our salary and that it is administered in such a way by the Fees Office that that is, in fact, impossible?

Mr. Biffen: It is absolutely clear that the secretarial allowance does not form part of a Member's salary and any press comment suggesting that it does was misconceived. The rates payable to Members in respect of the motor mileage allowance were tied to those applicable in the Civil Service. Then, in July 1983, considerable disquiet was expressed by Members about the changes implicit in continuing that link, because of the way in which the Civil Service rates had been restructured. It was felt this inflicted an unintended disadvantage upon Members. As a consequence——

Mr. Richard Holt (Langbaurgh): Is not the debate about the secretarial allowance and not Members' car allowances, which is irrelevant?

Mr. Biffen: I can understand that my hon. Friend may not appreciate the line of argument, which is that linkage is very valuable. If linkage produces perverse consequences which have been detrimental to Members, there has been no shortage of voices saying that the linkage should be set aside. As I was saying, as a consequence the linkage formula was set aside and eventually the House confirmed an alternative system mainly based upon the recommendations of Lord Peyton and his aides.

In the case of the secretarial allowance, again it is the restructuring within the Civil Service which would produce a distortion of the intended arrangements.

Mr. Jack Straw (Birkenhead): Will the Leader of the House accept that the perversity arises from the Government's proposal and not from the system? When Lord Plowden wrote to the right hon. Gentleman on 16 May 1984, he said that the allowance should be linked to the salaries of senior personal secretaries

"whose work we consider to be broadly analogous in terms of quality to the type of secretarial support generally required by MPs."

The restructuring to which the right hon. Gentleman has referred has been required as a result of negotiations because it has been accepted that those secretaries need a significant increase in their salaries. If they need a significant increase in their salaries, why do our secretaries not?

Mr. Biffen: If the hon. Gentleman will bear with me, I shall cover that point, A rise is not going to Civil Service grades in actual pay as would be suggested merely by the alteration in scale.

Mr. Clive Soley (Hammersmith): There is a linkage to senior personal secretaries, and they have not been regarded in their structure. Their proficiency has been included in their grading as a recognition of work change as a result of word processors and other technology. There has been no restructuring of the grade, and there is a clear understanding of that within the Civil Service.

Mr. Biffen: I take that point.

Early this year, there was a restructuring of the pay of secretarial grades within the Civil Service. Part of this restructuring involved the withdrawal of proficiency allowances and their consolidation into pay scales for senior personal secretaries. It had the effect of increasing the maximum point of the senior personal secretary scale by about 12 per cent., including inner London weighting. In fact, however, scarcely any senior personal secretaries gained an increase of this size as most of them had been receiving proficiency allowances. Many received no increase.

The difficulty with the secretarial allowance link arises from the terms of the 1984 resolution. This based the uprating solely on the increase in the salary scale as such, and took no account of allowances. Indeed, allowances and overtime were excluded from the calculation as they tend to vary between individuals and years, and complicated what was intended to be a relatively simple pay link. Thus we have the perversity that the increase in the relevant Civil Service pay scale affects the proposed percentage increase in the secretarial allowance whereas the offsetting impact of consolidating certain Civil Service allowances on net pay is disregarded.

Taking into account the 6 per cent. increase in salary scales provided for in this year's Civil Service pay award and whatever adjustment is agreed in respect of London weighting, the automatic uprating would produce an increase of about 18 per cent. in the secretarial allowance in the year beginning of 1 April 1986 compared with the previous year.

Nor would the effects of proceeding——

Mr. Tony Marlow (Northampton, North): May I ask my right hon. Friend a somewhat academic and vulgar

question, the answer to which might be of interest to some hon. Members? The Government feel that it is now appropriate to break the linkage with regard to secretarial allowances, and a certain linkage has been agreed with regard to Members' allowances and pay. What will be the Government's view on that linkage?

Mr. Biffen: The reconsideration of linkage goes no further than the secretarial allowance, and in respect of this year only. Any attempt to suggest or imply that it goes wider than that is mistaken.

Nor would the effects of proceeding with this disproportionate increase be confined to the secretarial allowance for this financial year. Because the increase in the main pay scale for senior personal secretaries took effect from 1 March 1986, there would be an increase in the allowance of £139 for the last financial year.

The resolution therefore seeks to make provision on both these points. First, it would set aside the unanticipated increase in the allowance of £139 for the year ending on 31 March 1986. The secretarial allowance would thus remain at £13,211 for that year, as we expected it to do. Secondly, it suspends the operation of the automatic uprating formula provided in the original resolution for the current financial year. Instead it provides for the secretarial allowance to be increased by 6 per cent. in this year. The allowance would thus rise to just over £14,000 in this year.

The passage of this resolution would in no way prevent the interim uprating from reverting to the formula arrangements provided for in the 1984 resolution in future. Indeed, that is the intention, pending a decision by the House about what the TSRB recommends.

I accept at once that departing from the formula this year involves nominating a percentage increase which must, to some extent, be arbitrary. But the figure of 6 per cent. represents the general pay increase in the Civil Service, and, I believe, is valid on that basis. As I have already said, I will, however, draw the specific attention of the TSRB to the arrangements we have made this year, so that it can be considered as one of its immediate priorities and it can report accordingly.

I have brought forward this motion in a spirit of equity and realism. *[Laughter.]* It is a view in which I am reinforced, knowing how the House reacted when the motor mileage allowance moved adversely.

Perversities in a linkage formula should not provide substantial hardship or windfall benefit. The operation of the link must be tempered by common sense. I have, also, felt it right that the matter should be settled before we rise for the summer recess. I believe the House would wish for an equitable increase in the secretarial allowance to be made available and capable of being backdated before the House rises. The resolution in my name would allow an increase in the secretarial allowance for this year of 6 per cent.—broadly in line with the overall increase in pay awarded to the grade with which the link was made in 1984. It is a reasonable response to an irksome problem. I commend the resolution to the House.

12.26 am

Mr. Peter Shore (Bethnal Green and Stepney): This is not the finest hour of the Leader of the House and nor could it be when, stripped of all the verbage, he is inviting the House, not to increase the secretarial allowance by 18 per cent. which would be the automatic consequence of his not introducing the order, but to reduce any increase to 6 per cent. That is the essence of the debate.

Nevertheless, this is a welcome opportunity for the House not only to debate its grossly inadequate secretarial allowance, but to do something in the Lobbies tonight to achieve a long overdue, though modest, increase. The opportunity is all the more welcome because for the first time we are dealing with the issue separately and it is in no way related to the inherently embarrassing question of hon. Members' pay or travel allowance. Whichever way the vote goes tonight—I pick up the points made by my hon. Friend the Member for Thurrock (Dr. McDonald) and Conservative Members—Members of Parliament will not receive a penny more in their hands.

We are debating the level of increase in the so-called secretarial allowance which covers, not only the pay of hon. Members' secretaries, but their office expenses and research assistants. The proper start of the debate is the report of the Top Salaries Review Body under the chairmanship of Lord Plowden which reported in May 1983. He went to some pains to assess what he thought was the proper level of support for Members of Parliament, helped in their task by professional consultants. In his conclusion, Lord Plowden recommended that at June 1983 the appropriate maximum for the allowance available to Members of Parliament for secretarial and research assistance was £13,000 a year. Additionally, the report recommended the introduction of an allowance to meet general office expenses, including necessary capital expenditure on equipment, and that the appropriate maximum for the allowance at June 1983 was £1,000 a year. In total, therefore, the TSRB recommended a £14,000 per annum secretarial allowance for Members of Parliament covering secretarial, research and office expenses from June 1983.

Subsequently, the Lord Privy Seal invited the TSRB to consider how parliamentary allowances might be uprated automatically from year to year to avoid the need for annual parliamentary resolutions. In response, on 16 May 1984, Lord Plowden wrote:

> "Although this allowance is of a composite nature, we think it reasonable to assume that the major part of it will normally be devoted to meeting secretarial costs and so provide for its uprating on this basis. In making our recommendations on the appropriate levels of secretarial support for last year, we took particular account of the salaries of senior personal secretaries in the Civil Service whose work we consider to be broadly analogous in terms of quality to the type of secretarial support generally required by MPs."

The Plowden committee recommended, therefore, that the composite secretarial allowance be linked with the percentage increase in salary, plus London weighting, of the named Civil Service secretarial scale, and that automatic increase occurred during the past two years.

The reason why we have this debate tonight and why the increase proposed is not to be automatic, as the House had previously decided, is that, following the abolition of proficiency payments, the pay of the relevant Civil Service secretarial grade to which the secretarial allowance is linked is this year to rise by 18 per cent. What the Government cannot bear is the prospect that the secretarial allowance of Members of Parliament, covering as it does secretarial, research and office expenses, should rise by that amount. They want to renege on the automatic

[Mr. Peter Shore]

uprating commitment into which they entered in July 1984. That is why they want to reduce the 18 per cent. to 6 per cent.

The House might have some sympathy with the Government if they had carried out the TSRB report in other respects, but they have not and they did not. As Members of Parliament know very well, having received the TSRB recommendations for a total allowance of £14,000 per annum in 1983, and having received a recommendation for a £19,000 per annum parliamentary salary at the same time, the Government rejected the latter part of the report and thus threw the whole TSRB settlement into the melting pot.

There emerged from that, after much effort by the right hon. Member for Taunton (Mr. du Cann), the then chairman of the 1922 Committee, a compromise which fell substantially short of the TSRB's 1983 recommendation. As a result, the total secretarial allowance was reduced from the £14,000 that was recommended to £12,000 per annum. All the annual upratings of that allowance have proceeded from a base not of £14,000, but of £12,000.

If the Lord Privy Seal's order is carried tonight, the total secretarial and research allowance will reach £14,004 per annum—£4 more than the TSRB thought it right to be paid in June 1983, three years ago. The salary of a senior personal secretary in the Civil Service is now £10,870 per annum. That would leave of the parliamentary allowance a mere £3,134, out of which hon. Members are expected to pay for research assistants and office expenses. It is a ridiculously inadequate sum, and I intend to show why.

It can well be argued that the main component—the pay of secretaries—is itself inadequate, especially when we take into account the inevitably long and capricious hours that Members, by the nature of their work, are obliged to undertake. As for the conditions in which many secretaries have to work, they can be described only as disgraceful. The £3,134 difference between the full parliamentary allowance and the Civil Service secretarial grade becomes a negative figure when we analyse the cost components of Members' other expenses.

Mr. Bowen Wells (Hertford and Stortford): Is the right hon. Gentleman aware that the top rate paid to secretaries in Whitehall is £10,230? Whitehall finds it extremely difficult to recruit suitably qualified candidates. What does that say about what we pay our secretaries?

Mr. Shore: The hon. Gentleman makes a most powerful and telling point.

I want to show why we have a negative figure for the residual part of the parliamentary allowance once the secretarial salary has been taken care of. First—I pick up the point made by the hon. Gentleman—Members must find their own contributions, as employers, towards their secretaries' national insurance. On a salary of £10,870 per annum, that would amount to £1,136 in employer's national insurance payments. That reduces the £3,134 allowance difference to £1,998.

Secondly, there are the inevitable office expenses. They were calculated by the TSRB at £1,000 in June 1983. If we applied the retail price index, that would amount to £1,150 today. That reduces the remaining £1,998 to £848. Thirdly, if Members paid their secretaries at the Civil Service comparable level, and financed their office expenses at the Plowden report level, they would have the princely sum of £848 left over to purchase research assistance. That is the main reason why my hon. Friends the Members for Islington, South and Finsbury (Mr. Smith) and for Battersea (Mr. Dubs) tabled their amendment. I shall support them, just as I supported the similar amendments that they moved two years ago.

The TSRB, in its report, never understood the importance of research assistants. As long ago as February 1980, in its 13th report, the TSRB recommended a payment of £1,250 per annum. That meagre sum, updated over the past six years, would now be £2,190, leaving Members with a minus secretarial allowance of about £1,350 per annum. It is against that background that the automatic 18 per cent. increase that the Government seek to reduce should be judged. An 18 per cent. increase would mean a parliamentary allowance of £15,670. If the TSBR's 1983 report had been adopted, and increases in line with the RPI had been approved, that sum would be £16,140. Therefore, the proposed £15,670 can hardly be thought to be excessive. The Government are not in a position to quibble, for they tabled amendments to accept that part of the TSRB report dealing with secretarial allowance for the debate on 19 July 1983.

We are debating a small and inadequate real increase in the secretarial allowance, but it would allow some minor improvements in what Members are able to pay for secretarial services research and office equipment. I have no inhibition in recommending that we do so. There is no proposal for improving our own rewards, our own standard of living. What is before us is small improvement in the resources we need to do our job more effectively.

We are the most ill-equipped and under-supported democracy in the Western world. The needs of our constituents continue to grow, and the problems of our nation constantly increase. The need for better information to improve Members' vigilance over Government actions and policies is obvious, all the more so when we recall the immense back-up of professional bureaucratic and other expertise that is available to Ministers.

Despite chronic understaffing, our Parliament works effectively and Members of Parliament provide a valuable service to their constituents. but the needs are growing and there is no doubt that we could improve all our activities if we had available to us more adequate secretarial, research and office services. The 18 per cent. is only a pointer in the right direction. Nevertheless, I very much hope that the House will defeat the Government's proposal for a 6 per cent. increase and that it will take the bolder step of supporting the amendment in the name of my hon. Friend the Member for Islington, South and Finsbury.

12.40 am

Mr. John Stokes (Halesowen and Stourbridge): I intervene briefly because, since the last war, I have been concerned in one way or another with salaries and salary administration. I should like to consider the history of this matter.

The need for Members of Parliament to have secretaries is due to the vast increase in correspondence over the past 25 years. There has been also a sharp increase in lobbying by sending hon. Members circulars on all kinds of topics. Many of these letters are typewritten, as are Members' replies. I often think that the typewriter is a curse, as is television. In the days when all communications were

written by hand and had to be copied by hand, as in the time of Lord Palmerston and after, people were careful in writing only what was strictly necessary and avoiding the ceaseless verbiage from which we all suffer. [HON. MEMBERS: "Hear, hear."] This applies to the Civil Service as well. Members of Parliament are subjected also to all kinds of questions about welfare problems which add greatly to correspondence and which are more properly the concern of local councillors.

Nevertheless, a mass of correspondence must be dealt with, and a competent secretary is a necessity for hon. Members. The allowance is designed to cover the cost of a research assistant and office expenses. But, on this matter, I shall displease some hon. Members. I wonder whether all these assistants are strictly necessary. They have led to an absurd increase in the number of written questions, which cost the taxpayer a lot of money and which are seldom read in *Hansard* or elsewhere.

Of course, we Members of Parliament must scrutinise the actions of the Executive, but we have, after all, an excellent Library in the House of Commons to help us with many of our inquiries. The main job of a Member of Parliament is not constantly to grub about in detail but to make a broad judgment of the facts.

I do not believe that, if all research assistants were to be done away with, the work of the House as a whole would suffer. Some of our most brilliant luminaries—some of whom are not here tonight—have no research assistants and write most of their correspondence in longhand, as I do.

I come to the precise point of the debate. In the past, I have frequently criticised Governments of both parties for their dealings in these matters. Of course, I realise that the job of a secretary here is not the glamorous one that the public think. Secretaries work for long hours, doing hard work and often working for very dull chaps; so it is not quite the exciting job that some people think.

I realise also that the salaries paid here are not as high as those paid in the City and in some parts of industry. Nevertheless, people wish to work here as secretaries. If we omitted from our calculations the cost of those research assistants, the new money proposed of roughly £14,000 a year would cover the cost of a competent secretary, plus the cost of office expenses. Therefore, I believe that, on the whole, the Government deserve our support today.

12.45 am

Sir Russell Johnston (Inverness, Nairn and Lochaber): I shall not be long. I have never spoken in one of these debates before. Amused as we may well have been by the Victorian comedy turn that we have just heard, the fact is that this is a disgraceful motion which has been put before us by the Leader of the House.

I have always been told that this is a matter for the House, not a matter for the Government. I have always favoured — many other hon. Members on both sides have—some external judgment, if possible an objective judgment, of those matters, so that they could be implemented and operated automatically. The Top Salaries Review Body pay review, which the Leader of the House invites us to bring into operation yet again, produced exactly that two years ago and was summarily dismissed by the same person. I remember that night well. It is also pretty disgraceful that those matters, which are important, are discussed so late with so little opportunity for hon. Members to take part. I know that I am privileged, in a sense, in having the chance to take part in the debate tonight. Many other hon. Members never will. That is wrong.

On that night two years ago, I remember that the payroll vote and the well-off vote voted down the less well-off vote. Those who could afford research assistants and secretarial support from private funds voted to deny finance from public funds to those who could not afford it. That is what happened. It had nothing to do with the House. It had nothing to do with any assessment of the needs of hon. Members. It had nothing to do with any constitutional concept — the right hon. Member for Bethnal Green and Stepney (Mr. Shore) talked about the need for a proper check on the Executive. It had nothing to do with proper salaries.

The House should not accept that approach. The House should reject that approach. I call upon hon. Members to do so.

12.47 am

Mr. Conal Gregory (York): I noticed that my right hon. Friend the Leader of the House referred in his closing remarks to a spirit of realism. I have rarely heard from the Front Bench words that were so unrealistic as those he used tonight. For example, I refer to a place where he may seek a secretary for the future—*The Times*. I refer him to "La Crème de la Crème", on page 29 of Wednesday's edition. There he will see that secretaries are being offered £15,000 plus. That is the world of realism, not the unrealistic world that he put before us.

If we look, furthermore, at the international comparisons, which have not been alluded to by my right hon. Friend, we see that when the allowance was £8,752 in October 1982, the Canadian House of Commons was allowing over £41,000, the Federal German Republic over £15,000, the French National Assembly over £14,000 and the European Assembly over £16,000. I could go on. The United States Senate was allowing £365,000. If we are to refer to both a secretarial allowance and an office allowance in terms of depreciation of typewriters, national insurance, the 10 per cent. extra for the pension——

Mr. Richard Holt (Littleborough and Saddleworth): We are talking not only about the salaries that are paid to these good secretaries, but about their physical working conditions. Those in our Parliament must be compared with those in other Parliaments.

Mr. Gregory: That is a relevant point, and I hope that we shall have an opportunity to debate it soon after the recess.

I conclude by urging my right hon. Friend to withdraw the resolution, or at least to abstain on it. It will be in the best interests of the House if he does so.

12.49 am

Mr. Chris Smith (Islington, South and Finsbury): I shall speak briefly because I do not wish to detain the House while more of the payroll vote is summoned in. I commend my amendment. It will enable us to pay decent wages and employ two workers, rather than one, or one and a bit if we can scrape the money together, and it will enable us to provide a decent service to our constituents.

Mr. Tony Banks *rose in his place and claimed to move,* That the Question be now put, *but* MR. SPEAKER *withheld his assent and declined then to put that Question.*

12.50 am

Mr. Biffen: The debate would not be entirely traditional unless the Leader of the House had had a chance to say a few last words. The right hon. Member for Bethnal Green and Stepney (Mr. Shore) said that he did not think that this was my finest hour. I do not believe that any Leader of the House inviting the House to consider such matters is ever likely to find the House in the most calm, detatched and charitable of moods.

Many more weighty decisions will be taken by the House during this and the next week, but the public, reasonably, will be monitoring what we do now. The debate, and our decision on the motion, are about the techniques of interim uprating of the secretarial allowance between the four-yearly reviews. This is a difficult occasion. I believe in what I have argued, that this is not the occasion to try to rewrite the scale of the secretarial allowance. That is why we are having an inquiry, and those who are seeking to rewrite the scale of the allowance are perverting the intentions of the debate. Ultimately, they will be judged by how they handle public spending, which is how they will be judged in this instance.

Amendment proposed to the Question, in paragraph *(a),* leave out 'remained at £13,211' and insert 'been £19,000.' —*[Mr. Chris Smith.]*

Question put, That the amendment be made:—

The House divided: Ayes 172, Noes 128.

Division No. 285] **[12.52 am**

AYES

Archer, Rt Hon Peter
Ashby, David
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Bellingham, Henry
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Best, Keith
Blackburn, John
Blair, Anthony
Bowden, A. *(Brighton K'to'n)*
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, M. *(Brigg & Cl'thpes)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Bruinvels, Peter
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Conlan, Bernard
Conway, Derek
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Dewar, Donald
Dixon, Donald
Dormand, Jack
Dover, Den
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forman, Nigel
Foster, Derek
Foulkes, George
Franks, Cecil
Fraser, J. *(Norwood)*
George, Bruce
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Hamilton, Neil *(Tatton)*
Hardy, Peter
Hargreaves, Kenneth
Harman, Ms Harriet
Hayes, J.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Holt, Richard
Home Robertson, John
Howarth, Gerald *(Cannock)*
Howells, Geraint
Hoyle, Douglas
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
John, Brynmor
Johnston, Sir Russell
Kennedy, Charles
Kirkwood, Archy
Knight, Greg *(Derby N)*
Knox, David
Lamond, James
Lawler, Geoffrey
Leadbitter, Ted
Leigh, Edward *(Gainsbor'gh)*
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
McLoughlin, Patrick
Madden, Max
Marek, Dr John
Martin, Michael
Maxton, John
Maynard, Miss Joan
Merchant, Piers
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon J. *(Aberavon)*
Nellist, David
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Rathbone, Tim
Raynsford, Nick
Redmond, Martin
Rhodes James, Robert
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Shersby, Michael
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Sims, Roger
Skinner, Dennis
Smith, C.*(Isl'ton S & F'bury)*
Soley, Clive
Spencer, Derek
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thurnham, Peter
Wallace, James
Waller, Gary
Wardell, Gareth *(Gower)*
Wareing, Robert
Wiggin, Jerry
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. Michael Meadowcroft and
Mr. Allan Rogers.

NOES

Alison, Rt Hon Michael
Ancram, Michael
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baldry, Tony
Batiste, Spencer
Biffen, Rt Hon John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Brandon-Bravo, Martin
Bright, Graham
Brooke, Hon Peter
Buchanan-Smith, Rt Hon A.
Burt, Alistair
Butcher, John
Carlisle, Kenneth *(Lincoln)*
Chalker, Mrs Lynda
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Dorrell, Stephen
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Fairbairn, Nicholas
Fallon, Michael
Fenner, Mrs Peggy
Fowler, Rt Hon Norman
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Garel-Jones, Tristan
Goodlad, Alastair
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Harris, David
Havers, Rt Hon Sir Michael
Hayhoe, Rt Hon Barney
Heathcoat-Amory, David
Henderson, Barry
Hind, Kenneth
Hirst, Michael
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Hurd, Rt Hon Douglas
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Key, Robert
King, Rt Hon Tom
Knowles, Michael
Lamont, Rt Hon Norman
Lang, Ian
Lee, John *(Pendle)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Peter *(Fareham)*

Lord, Michael
Lyell, Nicholas
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
Major, John
Malone, Gerald
Marlow, Antony
Mather, Carol
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(Hants NW)*
Moore, Rt Hon John
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Ottaway, Richard
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Sainsbury, Hon Timothy
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Spicer, Michael *(S Worcs)*
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Ian *(Hertf'dshire N)*
Stokes, John
Sumberg, David
Terlezki, Stefan
Tracey, Richard
Trippier, David
Twinn, Dr Ian
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Wardle, C. *(Bexhill)*
Wheeler, John
Whitney, Raymond
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Donald Thompson and
Mr. Francis Maude.

Question accordingly agreed to.
Main Question, as amended, put:—
The House divided: Ayes 170, Noes 131.

Division No. 266] **[1.04 am**

AYES

Archer, Rt Hon Peter
Ashby, David
Ashdown, Paddy
Ashton, Joe
Atkinson, N. *(Tottenham)*
Banks, Tony *(Newham NW)*
Barnett, Guy
Barron, Kevin
Beckett, Mrs Margaret
Bell, Stuart
Bellingham, Henry
Benn, Rt Hon Tony
Bennett, A. *(Dent'n & Red'sh)*
Bermingham, Gerald
Best, Keith
Blair, Anthony
Boyes, Roland
Bray, Dr Jeremy
Brown, Gordon *(D'f'rmline E)*
Brown, Hugh D. *(Provan)*
Brown, M. *(Brigg & Cl'thpes)*
Brown, N. *(N'c'tle-u-Tyne E)*
Brown, Ron *(E'burgh, Leith)*
Bruce, Malcolm
Bruinvels, Peter
Buchan, Norman
Caborn, Richard
Callaghan, Jim *(Heyw'd & M)*
Campbell-Savours, Dale
Carlile, Alexander *(Montg'y)*
Clark, Dr David *(S Shields)*
Clarke, Thomas
Clay, Robert
Clelland, David Gordon
Clwyd, Mrs Ann
Cocks, Rt Hon M. *(Bristol S)*
Cohen, Harry
Conlan, Bernard
Conway, Derek
Cook, Frank *(Stockton North)*
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Craigen, J. M.
Crowther, Stan
Cunliffe, Lawrence
Dalyell, Tam
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Dewar, Donald
Dixon, Donald
Dormand, Jack
Dover, Den
Dubs, Alfred
Dunwoody, Hon Mrs G.
Eadie, Alex
Eastham, Ken
Evans, John *(St. Helens N)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, T. *(L'pool Broad Gn)*
Fisher, Mark
Flannery, Martin
Foot, Rt Hon Michael
Forman, Nigel
Forsyth, Michael *(Stirling)*
Foster, Derek
Foulkes, George
Franks, Cecil
Fraser, J. *(Norwood)*
George, Bruce
Gregory, Conal
Griffiths, Peter *(Portsm'th N)*
Hamilton, Neil *(Tatton)*
Hardy, Peter
Hargreaves, Kenneth
Harman, Ms Harriet
Hayes, J.
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart *(Vauxhall)*
Holt, Richard
Home Robertson, John
Howarth, Gerald *(Cannock)*
Howells, Geraint
Hoyle, Douglas
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
John, Brynmor
Johnston, Sir Russell
Kennedy, Charles
Kirkwood, Archy
Knight, Greg *(Derby N)*
Knox, David
Lamond, James
Lawler, Geoffrey
Leadbitter, Ted
Leigh, Edward *(Gainsbor'gh)*
Leighton, Ronald
Lewis, Ron *(Carlisle)*
Lewis, Terence *(Worsley)*
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Edward
McDonald, Dr Oonagh
McGuire, Michael
McKay, Allen *(Penistone)*
McKelvey, William
McLoughlin, Patrick
Madden, Max
Marek, Dr John
Martin, Michael
Maxton, John
Maynard, Miss Joan
Merchant, Piers
Michie, William
Mikardo, Ian
Millan, Rt Hon Bruce
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon J. *(Aberavon)*
Neillist, David
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Penhaligon, David
Pike, Peter
Powell, Raymond *(Ogmore)*
Prescott, John
Randall, Stuart
Rathbone, Tim
Raynsford, Nick
Redmond, Martin
Rhodes James, Robert
Richardson, Ms Jo
Roberts, Allan *(Bootle)*
Roberts, Ernest *(Hackney N)*
Robertson, George
Rooker, J. W.
Ross, Ernest *(Dundee W)*
Shore, Rt Hon Peter
Short, Ms Clare *(Ladywood)*
Silkin, Rt Hon J.
Sims, Roger
Skinner, Dennis
Smith, C. *(Isl'ton S & F'bury)*
Soley, Clive
Spencer, Derek
Steel, Rt Hon David
Stewart, Rt Hon D. *(W Isles)*
Straw, Jack
Thomas, Dr R. *(Carmarthen)*
Thurnham, Peter
Wallace, James
Waller, Gary
Wardell, Gareth *(Gower)*
Wareing, Robert
Wiggin, Jerry
Wigley, Dafydd
Williams, Rt Hon A.
Wilson, Gordon
Winnick, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wrigglesworth, Ian

Tellers for the Ayes:
Mr. Michael Meadowcroft and
Mr. Allan Rogers.

NOES

Alison, Rt Hon Michael
Ancram, Michael
Atkins, Robert *(South Ribble)*
Atkinson, David *(B'm'th E)*
Baker, Rt Hon K. *(Mole Vall'y)*
Baldry, Tony
Batiste, Spencer
Biffen, Rt Hon John
Boscawen, Hon Robert
Bottomley, Peter
Brandon-Bravo, Martin
Bright, Graham
Brooke, Hon Peter
Buchanan-Smith, Rt Hon A.
Burt, Alistair
Butcher, John
Carlisle, Kenneth *(Lincoln)*
Chalker, Mrs Lynda
Chope, Christopher
Clark, Hon A. *(Plym'th S'n)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Coombs, Simon
Cope, John
Couchman, James
Dorrell, Stephen
Dunn, Robert
Durant, Tony
Edwards, Rt Hon N. *(P'broke)*
Eggar, Tim
Fairbairn, Nicholas
Fenner, Mrs Peggy
Fowler, Rt Hon Norman
Fox, Sir Marcus
Fraser, Peter *(Angus East)*
Freeman, Roger
Galley, Roy
Garel-Jones, Tristan
Goodlad, Alastair
Ground, Patrick
Gummer, Rt Hon John S
Hamilton, Hon A. *(Epsom)*
Harris, David
Havers, Rt Hon Sir Michael
Hayhoe, Rt Hon Barney
Hayward, Robert
Heathcoat-Amory, David
Henderson, Barry
Hind, Kenneth
Hirst, Michael
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Hurd, Rt Hon Douglas
Jessel, Toby
Jones, Gwilym *(Cardiff N)*
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Key, Robert
King, Rt Hon Tom
Knowles, Michael
Lamont, Rt Hon Norman
Lang, Ian

Lee, John *(Pendle)*
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Nicholas
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
Major, John
Malone, Gerald
Marlow, Antony
Mather, Carol
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Mellor, David
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mitchell, David *(Hants NW)*
Moore, Rt Hon John
Morrison, Hon P. *(Chester)*
Moynihan, Hon C.
Neale, Gerrard
Needham, Richard
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Ottaway, Richard
Page, Richard *(Herts SW)*
Patten, Christopher *(Bath)*
Patten, J. *(Oxf W & Abgdn)*
Pattie, Geoffrey
Pollock, Alexander
Portillo, Michael
Powell, William *(Corby)*
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Robinson, Mark *(N'port W)*
Roe, Mrs Marion
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Thomas
Scott, Nicholas
Shaw, Giles *(Pudsey)*
Spicer, Michael *(S Worcs)*
Stanley, Rt Hon John
Stern, Michael
Stevens, Lewis *(Nuneaton)*
Stewart, Allan *(Eastwood)*
Stewart, Ian *(Hertf'dshire N)*
Stokes, John
Sumberg, David
Terlezki, Stefan
Thompson, Donald *(Calder V)*
Tracey, Richard
Trippier, David
Twinn, Dr Ian
Viggers, Peter
Waddington, David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Wardle, C. *(Bexhill)*
Wells, Bowen *(Hertford)*
Wheeler, John
Whitney, Raymond
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Noes:
Mr. Mark Lennox-Boyd and
Mr. Tim Sainsbury.

Main Question, as amended, accordingly agreed to.

Resolved,

That, in the opinion of this House, the first Resolution of 20th July 1984 (limit on office, secretarial and research allowance) should have effect as if—

(a) the limit for the year ending with 31st March 1986 had been £19,000, and

(b) the relevant percentage for the year ending with 31st March 1987 were 6 per cent.

British Council and Commonwealth Institute Superannuation Bill

Considered in Committee; reported, without amendment.

Motion made and Question proposed, That the Bill be now read the Third time.

1.19 am

Mr. Stuart Holland (Vauxhall): We trust that this scheme will work well, and we wish all of those concerned the happiest of retirements.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I endorse everything that the hon. Member for Vauxhall (Mr. Holland) has just said.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): I join in the general spirit of harmony.

Question put and agreed to.

Bill read the Third time, and passed.

STATUTORY INSTRUMENTS, &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committees on Statutory Instruments, &c.)

Overseas Development and Co-operation

That the draft International Finance Corporation (1985 General Capital Increase) Order 1986, which was laid before this House on 30th June, be approved.—*[Mr. Neubert.]*

Question agreed to.

EUROPEAN COMMUNITY DOCUMENTS

Motion made, and Question put forthwith pursuant to Standing Order No. 80(5) (Standing Committees on European Community documents.)

Protection of Workers from Benzene Exposure

That this House takes note of European Community Document No. 4044/86, a proposal for a Council directive on the protection of workers from the risks related to exposure to benzene at work; and supports the directive in principle as a step towards harmonised standards of control of a toxic substance and endorses the Government's intention of seeking modifications in negotiation.

Sugar from French Overseas Departments and ACP States

That this House takes note of the draft proposals by the Commission of the European Communities for a Council Regulation laying down measures for the marketing of raw cane sugar produced in the French Overseas Departments and for the equalisation of the price conditions with preferential sugar, and for a Council Regulation on the conclusion of Agreements in the form of exchanges of letters on the guaranteed prices for cane sugar from certain African, Caribbean and Pacific (ACP) States and the Republic of India, as described in the Ministry of Agriculture, Fisheries and Food's unnumbered Explanatory Memoranda dated 24th June 1986 and 14th May 1986; and supports the Government's objective to secure outcomes which provide for reasonable conditions for the sugar refining industry in the United Kingdom.—*[Mr. Neubert.]*

Question agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, in respect of the Insolvency Bill *[Lords]* and the Company Directors Disqualification Bill *[Lords]*, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time. — *[Mr. Neubert.]*

PETITION

Irina Ratushinskaya

1.21 am

Mr. Gwilym Jones (Cardiff, North): I beg to ask leave to present two petitions, the first signed by 56 petitioners from the members of St. Michael's church of the parish of Tingwynlais in my constituency, and the second, signed by 85 petitioners, from the Zion Methodist church, Tonypandy.

The two petitions are almost identically worded and refer to Irina Ratushinskaya, who is the subject of two early-day motions—No. 420, in the name of my hon. Friend the Member for Macclesfield (Mr. Winterton) and No. 611 in the name of my hon. Friend the Member for Richmond and Barnes (Mr. Hanley).

The poetess is confined in a Soviet labour camp for writing poetry. She is in poor health and, in the view of her husband and fellow prisoners, her life is in danger. The petition concludes:

Wherefore your petitioners pray that your Honourable House will encourage the Foreign Secretary and his colleagues in their representations to the Soviet Government for the purpose of obtaining both the release of Mrs. Ratushinskaya from the labour camp and her urgently needed medical assessment and treatment.

I am sure that the petitions have the support of many right hon. and hon. Members. I add my full support to them.

Mentally Handicapped and Mentally Ill Prisoners

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Neubert.]*

1.22 am

Mr. Tom Clarke (Monklands, West): I wish to raise a matter which I think is of considerable importance and which, as far as I know, has not been debated for some time. It might be of special interest this week as I understand that tomorrow an important Committee report on these matters is to be published. I therefore look forward to the Minister's response.

I recently visited Barlinnie prison in Glasgow. I know that some of the circumstances of the prison, if not of the visit, are known to my hon. Friend the Member for Glasgow, Provan (Mr. Brown), who I am delighted to see in his place. While I was there, I met and spoke to mentally handicapped and mentally ill persons who had been sent to that prison.

I should like to make it clear that the governor, Mr. Gallagher, the medical staff and all of the personnel at the prison seemed to be doing their utmost to help the persons concerned and I would not wish to reflect on their dedication. I have not recently met anyone, whether the families of the persons concerned or those responsible for running prisons and those who have a general interest in these matters, who takes the view that that sort of person should be in Her Majesty's prisons.

Society punishes law breakers, but we ought not to punish sick people; we ought to try to heal them. I know that the House will note the concern of such organisations as the National Prisoners' movement, PROP, the Prison Officers Association and the Scottish Prison Officers Association. I was interested to read in *The Scotsman* this morning the words of Mr. John Renton, the spokesman for the Scottish Prison Officers Association, who said that Scotland's prisons are not geared up to treating disturbed or mentally handicapped prisoners, although they do their best with the resources available. He continued:

"Prisons do what they can to provide treatment, but they don't have the medical and nursing staff geared to the problem."

I most certainly agree with that. This problem has United Kingdom implications and its dimensions go well beyond Scotland. It is not a new problem. Her Majesty's chief inspector of prisons has raised these matters on many occasions.

The report of 1984 said:

"In previous reports we have expressed our concern about the detention of mentally disordered offenders in prison, when what they need is treatment in an appropriate psychiatric institution. Prison medical officers have frequently told us that managing mentally ill offenders was the hardest part of their duties. Many governors expressed similar views. There may be room for argument over the number of those offenders who could be better cared for in a mental hospital, but there can be no doubt that many are inappropriately confined to prison."

One of the difficulties we have in trying to establish the extent of the problems is to find out precisely how many people who are mentally handicapped or mentally ill are spending their time in prison. I do not necessarily criticise the present Government on this point, but I do believe that Governments should be much more forthcoming than they are in trying to make assessments and endeavouring to provide information to the House and the country as

[Mr. Tom Clarke]

to how many people are in prisons when they are mentally handicapped or mentally ill and manifestly should be elsewhere in their own interest and in the interest of society.

I have seen great variations in the estimates. On 25 October 1985 the *New Statesman* suggested that about 23,000 of the prison population had some kind of mental problem. It said that from 14 per cent. to 45 per cent. of the prison population are said to be in those categories.

I was astonished to discover that the Scottish Home and Health Department says that no statistics of any sort on mentally handicapped or mentally ill prisoners are collected in Scotland. I hope that in due course that can be put right. In this respect, I welcome the presence of the hon. Member for Argyll and Bute (Mr. MacKay).

The BBC, in its "Newsnight" programme — I congratulate it most warmly—on 7 July presented what I thought was an excellent analysis of some of the problems in this area. The programme dealt mainly with the tragic case, which is probably well known to the Minister, of Russell Ramsdon who, before the completion of the video which was trying to cover and assess his problems, unfortunately committed suicide. Clearly, Russell Ramsdon should not have found himself in prison. I agree entirely with the BBC in its assertion.

In drawing the Minister's attention to the programme — I thank the BBC for giving me the transcript — I would like to say that there are at least three points about which I think the Minister may be interested in what "Newsnight" had to say, if only because it is relevant to the wider problems which I invite the House to consider. Incidentally, I had asked for an Adjournment debate for many weeks before the programme took place.

The "Newsnight" programme was introduced by Donald MacCormack, who said:

"This autumn an emergency working party, set up by the Home Office, will report on a mounting crisis in Britain's jails, where now more than fifteen hundred mentally ill offenders are serving sentences, some psychiatrists put this figure as high as fifteen thousand, a third of Britain's prison population. Twelve years ago the Butler Committee recommended that two thousand places in special hospitals called Regional Secure Units should be provided for these offenders, but today there are barely more than four hundred of them."

Elsewhere in the programme there were comments which I think are worthy of the Minister's attention. Mr. Julian O'Halloran said:

"Since the 1950s the number of beds has halved in psychiatric hospitals, because of a policy of getting patients to live back in the community. But where have these mentally ill people really gone?

"Over the same period, the prison population has been rising remorselessly, it's now about double what it was thirty years ago. And suspicious doctors have noted an almost exact correlation between the two figures."

Immediately that was said, Dr. Malcolm Weller said:

"It's almost a one to one relationship, that is for every patient who is discharged from hospital, there is a corresponding increase in the prison population."

During the programme my hon. Friend the Member for Knowsley, North (Mr. Kilroy-Silk) — I think that the House recognises the excellent work which he has done in these matters—made an intervention which I consider to be worthy of repetition. He said:

"Successive governments have given something like £80 million to the 14 Regional Health Authorities, tied specifically to the provision of units providing services for mentally disabled patients. Today, over 12 years later, we have got 10 units with less than 400 beds, another two units to come into being in the next two years and a further two Regional Health Authorities, both of whom, Oxford and the South West Thames Regional Health Authority, have received millions of pounds of public money to provide the facility for some of the most disadvantaged, vulnerable and deprived of our fellow citizens, and neither of them have actually got a single brick built or established to build those units."

It seems clear that somewhere along the way we are failing in the objectives that I think the House would want to set in seeking a solution to these problems.

When there was a debate in another place on these matters it was established clearly that there are departmental grey areas. I ask the Minister to address himself to these matters and to tell the House — if not tonight, I hope that he will do so in the not-too-distant future—the number of offenders that come within these categories and how many are occupying places in prison.

The Butler report on abnormal offenders recommended as far back as 1975 that 2,000 places should be made available at appropriate and special institutions in the regional secure units. All the evidence suggests — this was said recently in another place — that we have no more than 120 places along those lines. If that figure is not accurate, I am sure that the Minister will bring the House up to date. We are nowhere near the objective set by the Butler report in its recommendations.

I pay tribute to organisations such as MIND which have done so much work on these issues. In my opinion, MIND gave excellent evidence to the committee which considered these matters and which is, I understand, to report tomorrow. MIND takes the view—it is one that I share — that it would be a mistake not to grasp the nettle of integrating the prison medical service with the NHS in a meaningful manner. We are a long way from achieving any effective co-ordination of that sort. Without that, or something like it, nothing will really change for the mentally ill who are in prison.

Like MIND, I favour all attempts to divert mentally ill offenders from prison, but I cannot see that anything short of additional resources for the NHS to provide secure places and a new power for the courts to direct regional health authorities to provide treatment for mentally ill offenders will achieve the objective.

There is a need to review the law on mentally ill offenders. In the meantime, I ask the Minister what the Government are doing to try to cope with the problems and to anticipate additional problems which the prison authorities might have to face. There is a clear need within the prison service for more psychiatric facilities. Clearly, attitudes must also change dramatically before we can talk of ourselves as being a caring society in respect of the mentally disadvantaged. Not much has been achieved since the Butler report and even the May report when a chief inspector takes the view, as one did recently, that many mentally ill offenders are at present inappropriately confined to prison, when the director of the prison medical services has expressed his strong concern about these problems, and when the director general of the prison service describes overcrowding in prisons as an affront to any civilised society.

Obviously, prison is depressing enough for any person. To suffer mental illness is also a dreadful experience. But to ask people to endure both prison and mental illness or handicap is something which all hon. Members would deplore.

I invite the Minister to address himself to those problems and to give the House some assurance about resources and new progressive thinking, and, in particular, to tell us what the Government have in mind for providing the regional secure units which society feels is long overdue if we are to deal with those problems compassionately, reasonably, and urgently.

1.35 am

The Parliamentary Under-Secretary of State for the Home Department (Mr. David Mellor): I am grateful to the hon. Member for Monklands, West (Mr. Clarke) for raising this issue. He has demonstrated through his private Member's Bill, which has now received the Royal Assent and become an Act, a deep regard for the rights and circumstances of disabled people, including those who may be mentally ill or mentally handicapped. His was a carefully prepared and considered speech and I wish to respond to it as thoroughly and helpfully as I can. I hope that the information that I have prepared will meet some of the points he raised. I assure him that I shall go through the debate later and if there are matters which I do not have a chance to deal with tonight, I shall write to him. I have also had the opportunity of talking to my hon. Friend the Member for Argyll and Bute (Mr. MacKay), who came to listen to the hon. Gentleman's speech, and he will write to the hon. Gentleman about the purely Scottish points, on which I am not competent to offer him advice.

Inevitably, serious issues arise when one considers whether mentally disordered people should under any circumstances be within the prison system. Even if it is accepted that they should, there will always be anxiety about the type of provision made for them. The hon. Gentleman made all those points in his speech.

We must start from the basic fact that some people who are mentally disordered commit criminal offences, and if they are brought to court, it is a matter for the court to weigh the relevant points at issue. That may include the protection of the public and the state of mind of the offender. The court must judge the most appropriate disposal. The courts will have cognisance of the provisions of the Mental Health Act 1983, which consolidated the law relating to mentally disordered people and made some significant changes.

There are two main issues. The first is the extent to which the operation of the Mental Health Act enables mentally disordered offenders to be directed away from prison. The second is whether mentally disordered people who are in prison, most of whom are not detainable under the Mental Health Act and cannot therefore be transferred to hospital solely on account of their mental state, receive adequate medical attention and support through the prison regime. Let me set out the Department's policies on these issues.

First, it is our policy to transfer out of prison into hospital as many mentally disordered offenders as possible who are detainable under the Mental Health Act 1983, while monitoring the extent to which various sections of the Act may be regarded as effective. Secondly, it is our policy to maintain a close liaison with the DHSS, the special hospitals and the psychiatric services, regarding the provision of sufficient hospital places. Thirdly, it is our policy to provide an appropriate regime for mentally disordered people who have to stay in the prison system.

It might be helpful to the House if I pointed to the most relevant parts of the Mental Health Act 1983. A substantial element in the prison population comprises defendants, both convicted and unconvicted, who are remanded in custody, often for medical reports. Many of those are mentally disordered. The best hope of making a significant impact on their number is by means of the alternative of remand to hospital under sections 35 and 36 of the Mental Health Act, which were innovations and were brought into force on 1 October 1984. Those sections give courts the power to remand to hospital for a report on the prisoner's mental condition or for treatment. Their use is governed by the requirement that the court should first have medical reports and the offer of a bed from a suitable hospital.

Section 47 of the Mental Health Act empowers the Home Secretary to transfer from prison to hospital any sentenced prisoner who is so mentally disordered that he could be compulsorily detained in a mental hospital if he were in the community. Such transfer can be made only when a hospital bed is available for the prisoner that offers an adequate degree of security and treatment appropriate to his medical condition. Prison sentences for offenders who are mentally disordered at the time of their appearance in court can be avoided altogether if the court so decides, and the offender can be made the subject of a hospital order under section 37 of the Act, provided that the court is satisfied on the evidence of two doctors that the offender is suffering from mental disorder of a nature or degree that makes it appropriate for him to be detained in a hospital for medical treatment—that is to say, he would be detainable, even if not an offender, in order to be transferred.

Mr. Tom Clarke: The Minister may intend to deal with this point later, but is he aware that often the courts simply do not know where to send an offender because there is not adequate accommodation or facilities that they believe to be in the best interests of the offender? Have not views along those lines been expressed to the Minister?

Mr. Mellor: Yes, and we have been pressing hard and providing resources to ensure that every area has a regional secure unit to relieve the burden. There was some delay earlier in providing those, which was the subject of representations by the Home Secretary. We hope that the framework has now been established so that courts can be properly advised by those who are there to help them make these difficult decisions and to ensure that facilities are available. We can never wholly guarantee that courts will have the facilities that they want; from time to time cases arise that show that courts do not feel that they have those facilities. However, with the network of regional secure units coming into place provision is certainly better than it was, although it falls short of what anyone would consider ideal. I think that that is the hon. Gentleman's point.

Under section 41 of the Act, a Crown court may also make a restriction order, if it considers it necessary for the protection of the public from serious harm. Again, such an order can be made only if a suitable hospital bed is available.

Every effort is made to ensure that any prisoner who is detainably mentally disordered is transferred to hospital for psychiatric treatment, in accordance with the policy of reducing the prison population by the removal of certain categories of offender who ought not to be in prison. In accordance with that policy, the hon. Gentleman will be

[Mr. Mellor]

pleased to hear that the number of prisoners transferred to hospital has been rising rapidly and the success rate in dealing with recommendations for such transfers is high. On 31 March 1986, the number of sentenced prisoners who were considered to be mentally disordered within the terms of the Mental Health Act 1983 stood at 124, the same as at March 1985. That was 23 higher than at September 1985, but significantly lower than the 347 of June 1979.

Before I refer to existing facilities within the prison system, I should like to make two points which, while I am sure the hon. Gentleman is aware of them, might be overlooked by others. The first is that the prison system is not an island, a kind of self-sufficient microcosm of the general community. There is a substantial degree of functional integration with the NHS and prison medical officers making ready use of NHS facilities, including the advice available from consultant psychiatrists.

Secondly, with a very few exceptional cases, for those people who commit criminal offences and get sent to prison, the system is most accurately seen in context as an interlude—albeit that for some this may be measurable in years—between their more substantive periods in the community. We are therefore debating the care and management of mentally disordered people who, because of the offences they have committed, are in prison transit. There is an important corollary to that view, which I shall touch on in a moment.

What of existing facilities within the prison system? They are highlighted by the regime at Grendon prison. There are also facilities in the hospital annexe at Wormwood Scrubs and at Glen Parva and Feltham youth custody centres. It is open to prison medical officers to refer suitable prisoners to those establishments. As the House will know, the entire activities at Grendon are directed to the treatment and personal development of prisoners with personality or psychopathic disorders. The regime is carefully monitored by a standing committee under the chairmanship of the director of the prison medical service.

A current development at Glen Parva is that two wards in the centre's hospital are being opened shortly to enable 20 youth custody trainees who are intellectually or socially handicapped to be given specialised care and support. These wards will be staffed jointly by discipline and hospital officers, under the supervision of the senior medical officer. The therapeutic unit at Parkhurst C wing, which was closed in 1979 following disturbances in a neighbouring part of the prison, reopened last December. That is further good news.

I should like to refer to the part played by staff who are of course the prime and indispensable facility. The doctor-patient relationship in prison is professionally analogous to that outside, and the medical treatment offered a prisoner is determined in each case by the clinical judgment of the individual doctor concerned. Unlike patients detained under the Mental Health Act, the prisoner is not obliged to accept that treatment, except in very special circumstances. Happily some 30 per cent. of full-time prison medical officers have psychiatric qualifications. They are assisted as necessary, as I have said, by visiting consultant psychiatrists. There are nearly 1,000 hospital officers, some 11 per cent. of whom have nursing qualifications, half of those psychiatric. Additionally, there are about 140 trained nurses. It is planned to increase that number over the coming years and to raise further the proportion with psychiatric qualifications.

Training provision is under continual review. In 1984, the Department increased from 13 to 24 weeks the length of training for hospital officers, using the whole of the additional time on instruction in nursing mentally disturbed prisoners. A talk by the president of MENCAP featured in a development seminar earlier this year for all principal and senior medical officers.

No reliable information has existed on the number of prisoners who cannot be transferred to hospital under the 1983 Act but who in varying degrees seem mentally disordered. I know that the hon. Gentleman is concerned about that. We are tackling this deficiency with a snapshot census taken by prison medical officers on the position as at 4 December 1985, and again on the position during October this year. Preliminary indications are that, of some 24,000 adult males serving six months and over, about 1,430 — or 6 per cent. — require specialised therapeutic facilities by reason of mental disorder or abnormality. Of course, about 230 are regarded as being mentally ill and 860 as having a personality disorder.

In the initial view of prison medical officers, about half of the 1,430 prisoners are regarded as being appropriately managed now. The same census suggests that of some 7,200 young males serving six months and over, about 320 require specialised therapeutic facilities, 17 are regarded as being mentally ill, and 242 are regarded as having a personality disorder. Again, prison doctors judged that about half were being appropriately managed at that time. Those two snapshots are intended for immediate management purposes. They will enable the director of prison medical services the better to assess the adequacy of current provision and to give consideration to the size, type and number of such further facilities as may be indicated, and to what additional resources might be involved.

Arrangements are also in hand for an academic research study to be undertaken by the Institute of Psychiatry. It is envisaged that this study, which is expected to start in the autumn and to take three years to complete, will objectively describe existing arrangements for the management of mentally disordered inmates, evaluate the effectiveness of those arrangements and identify where needs are not currently being met and the means by which they might be met.

I return to the important point of liaison with the Department of Health and Social Security. My noble Friend Lord Glenarthur, who is the Minister responsible for prisons, has in discussion with Lady Trumpington, his counterpart in that Department, jointly set up an interdepartmental working group to look into the problems associated with mentally disordered offenders in the prison system. That group, which is being chaired by the director of prison medical services, will have in mind the desirability of minimising the numbers of such prisoners in the system and facilitating their management and treatment in the most appropriate circumstances, both while in custody and after. This working group will consider also the preparation for release and inmates' planned acceptance back into the community. I hope that I am putting across to the hon. Gentleman that much progress is being made.

The motivation and experience of many members of the prison service of all disciplines enable a good deal to be

contributed to the compassionate care of the mentally disordered in their charge. I stress again that we make no assertion of satisfaction in respect of current provision and arrangements, but I hope that the positive stance of the Government is clearly signalled by the initiatives which we have taken to get a better measure of the task and to assess what improved arrangements are desirable, while not losing sight of the general pressures in the penal system and the inevitable constraints on resources.

Question put and agreed to.

Adjourned accordingly at ten minutes to Two o'clock.

House of Commons

Thursday 17 July 1986

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

FELIXSTOWE DOCK AND RAILWAY BILL. *(By Order)*
Order for further consideration, as amended, read.
To be further considered upon Thursday 24 July.

TEIGNMOUTH QUAY COMPANY BILL. *(By Order)*

SHOREHAM PORT AUTHORITY BILL. *(By Order)*

PLYMOUTH CITY COUNCIL BILL [*LORDS*] *(BY ORDER)*

BEXLEY LONDON BOROUGH COUNCIL BILL *(By Order)*
Orders for Second reading read.
To be read a Second time upon Thursday 24 July.

WESTERN ISLES ISLANDS COUNCIL (BERNERAY HARBOUR) ORDER CONFIRMATION BILL
Read the Third time, and passed.

Oral Answers to Questions

NATIONAL FINANCE

Unemployment Costs

1. **Mr. Boyes** asked the Chancellor of the Exchequer what is his latest estimate of the annual cost to the Exchequer of the present level of unemployment.

The Chief Secretary to the Treasury (Mr. John MacGregor): The overall cost to the Exchequer of unemployment and supplementary benefit paid to the unemployed is estimated to be £5·6 billion in 1986-87. In addition, it is estimated that £1·15 billion will be paid in housing benefit, a benefit which can continue to be paid if the claimant finds employment.

Mr. Boyes: Will the Minister accept that my constituency will find that figure shocking, outrageous and wholly abhorrent because it has a large number of people unemployed, including skilled building workers, when we desperately need a new hospital in Washington, new council houses in the borough of Sunderland and new factories in Hetton and Houghton? Is this not just another example of the fact that the Government simply do not care?

Mr. MacGregor: Not at all. The hon. Gentleman referred to new hospitals.

Mr. Boyes: Not in my constituency.

Mr. Speaker: Order.

Mr. MacGregor: The hon. Gentleman will know that the Government have a record on hospital building that is far better than under the previous Government and that expenditure on the Health Service is well up in real terms. He will also know that if we followed a prescription of very high public expenditure programmes, well beyond the ones that we are pursuing at the moment, the effect on real jobs in the economy, given the precarious situation we are in now with the massive fall in oil prices——

Mr. Hoyle: Precarious?

Mr. MacGregor: Let me explain. There is a precarious situation in the world economy where, with a fall in oil prices, if one does not pursue prudent economic policies, we could easily have higher levels of unemployment. That is what is precarious. If the hon. Member for Houghton and Washington (Mr. Boyes) pursued very high public spending policies, such as the Labour Opposition are suggesting, it would undoubtedly lead to a much bigger increase in unemployment and a loss of real jobs.

Mr. Neil Hamilton: Is it not infantile for hon. Members, such as the hon. Member for Houghton and Washington (Mr. Boyes), to imply that unemployment can be reduced overall by expanding public spending, because public spending has to be paid for by increases in taxes, by interest rates, or by inflation? Every one of those will increase unemployment, not reduce it.

Mr. MacGregor: My hon. Friend is quite right. In a world in which conditions can fluctuate very quickly, it has been our prudent economic policies which have enabled us to come through the massive fall in oil prices unscathed and which have also enabled over 1 million new jobs to be created in this country since the last election.

Mr. Meadowcroft: Will the Minister give us the full figures, not just the three he has given for unemployment, which include the loss of taxation, the loss of national insurance and increased health costs? Does he agree with the House of Lords Select Committee figure, confirmed by Professor Adrian Sinfield and others, that the true cost of unemployment is at least double what he says, and that it costs about £6,000 per year for each adult?

Mr. MacGregor: I do not agree at all. It is difficult to make any calculations of that sort. It depends on what levels of earnings are assumed for those who come off the unemployment register to take jobs. It depends on a number of other factors, including the effect that increased public expenditure, and therefore increased taxation or increased borrowing, have on real jobs in the economy. It depends on a whole range of things.

Mr. Nicholls: Is not the basis of this question even dafter than my hon. Friend the Member for Tatton (Mr. Hamilton) suspected? If the hon. Member for Houghton and Washington (Mr. Boyes) had his way, either the people working on job creation schemes would have to be paid realistic wages, in which case there would be a truly massive increase in public expenditure, or the same amount of money would have to go round, and that would mean that some people would wind up without unemployment benefit.

Mr. MacGregor: Far too many simple assumptions are made about the relationship between unemployment benefits and how one can get people off the unemployment register. The prudent economic policies that we have been

pursuing, which include £2·4 billion of expenditure on employment and training measures this year, is the right way to ensure steady progress and steady economic growth, and therefore an increase in real jobs.

Mr. Blair: Will the Chief Secretary comment on the latest unemployment statistics today, which show, on his own Government's figures, an underlying rise of 10,000 to 15,000 people every month on the unemployment register? Why does he not admit that after seven years in government his party has nothing to offer the unemployed except pious hopes and fiddled figures?

Mr. MacGregor: The hon. Gentleman will know that unemployment has been rising in nearly every country—certainly, every advanced industrial country. He will also know that the levels of youth unemployment here are well below the average in Europe, and that 1 million extra new jobs have been created in this country since the election. We are all extremely concerned about the level of unemployment, but it is necessary to get the right policies to ensure that it comes down.

Taxation and Unemployment

2. **Mr. Straw** asked the Chancellor of the Exchequer what comparative information is available to him on the relationship in Organisation for Economic Co-operation and Development countries, between the burden of taxation and unemployment.

Mr. MacGregor: High taxation inhibits job creation in other OECD countries, just as in the United Kingdom.

Mr. Straw: Why does the Chief Secretary continue to mislead the House and the country about the relationship between unemployment and taxation? Has he not worked out yet that Britain's unemployment record is the worst of any of the major OECD countries, but that a number of major OECD countries have higher tax burdens and lower unemployment?

Mr. MacGregor: I am not misleading the country or the House on the first point that the hon. Gentleman made. With regard to other OECD countries, the hon. Gentleman will know that in making those comparisons one also has to look at comparative economies. When one looks at advanced economies, it is not without significance that Japan and the United States, countries with the highest growth records, also have the lowest levels of taxation. If the hon. Gentleman wants to refer to the OECD, let me refer him to the recent communiqué of OECD Ministers, which stated:

"the control of public expenditures and budget deficits is essential to establish a stable domestic financial environment and to promote a durable reduction in real interest rates which will help private investment to expand and thus promote sustained growth worldwide."

And that means jobs.

Mr. Forman: In view of the many different and complicated causes of unemployment in the OECD countries, does my right hon. Friend accept that one of the characteristics of both the Japanese and the American economies is that, through prudent policies, they have managed to maintain a relatively low burden of taxation and borrowing, which has contributed to low inflation rates, which has been good for jobs?

Mr. MacGregor: I am sure that my hon. Friend is right. Some of the studies that I have seen, which examine those matters, fail to take into account the effect on the supply side of a policy of lower taxation, which encourages enterprise and, in the long run, undoubtedly produces the jobs which a high expenditure policy would not.

Economic Policy

3. **Mr. Andrew F. Bennett** asked the Chancellor of the Exchequer when he next plans to meet his Group 5 colleagues to discuss the co-ordination of economic policies.

The Economic Secretary to the Treasury (Mr. Ian Stewart): The Finance Ministers of the Group of Five nations meet from time to time to discuss their economic policies and prospects.

Mr. Bennett: Does the Minister accept that one of the major problems facing the world is that of Third world countries' debt repayment? What have the Government done to help with that problem in the past few years? Is there anything that the Government can claim that they have achieved in that area? What is the hon. Gentleman pressing the other five countries to do to ease the problems of the debt of Third world countries? Does he accept that until we find a solution, things such as Sport Aid and all the other assistance from the Western world are as naught compared to those debt problems?

Mr. Stewart: As the hon. Gentleman will know, these problems are more generally discussed through the forum of the International Monetary Fund and the World Bank rather than within the Group of Five. I am happy to respond to his question about the United Kingdom's contribution. Not only do we have a substantial overseas aid budget, but we have, in the case of several African countries, converted loans into outright grants. We have also taken part in discussions through international organisations which have led to the fulfilment of one of the aspects of the Baker plan, which has not perhaps received as much attention as it might, which is that the World Bank is now concentrating more of its resources, not on project lending, but on structural adjustment loans. Since the IMF meeting last year, $2·7 billion has been provided by that means in 10 loans to eight different countries.

Mr. Merchant: Is it not of greater significance that since the last G5 meeting the British economy has weathered the oil crisis elsewhere without any serious crisis, just as it weathered the miners' strike? Is this not a tribute to the underlying strength of the British economy and should that not be brought to the attention of the G5 nations?

Mr. Stewart: My hon. Friend is absolutly correct in that analysis. I am equally sure that other members of G5 recognise the importance of my right hon. Friend the Chancellor of the Exchequer following such sound and successful financial policies.

Mr. Campbell-Savours: Does the Minister think that one day perhaps the Western taxpayer will pick up the bill and pay for the Third world debt?

Mr. Stewart: The Western taxpayer already makes extensive contributions through national Government programmes. I have no doubt that it is right that international institutions should be the route whereby the international debt problem is resolved. The right approach is to continue to consider these matters on a case-by-case basis, which has served us well so far.

Charities

4. **Mr. Alan Howarth** asked the Chancellor of the Exchequer how much extra charitable giving he now expects to result from his Budget measures.

The Financial Secretary to the Treasury (Mr. Norman Lamont): Depending on the public response to the Budget proposals, it could be £120 million or even more.

Mr. Howarth: I thank my right hon. Friend for giving that dramatically encouraging figure. Will he confirm that the Government's tax concessions are geared, in that they materialise when private donations worth twice as much are made? Does he agree that enlisting charitable donations in partnership with direct public provision is a thoroughly useful and practical way of mobilising additional resources of money and dedicated people to help tackle the problems of social need?

Mr. Lamont: I agree with my hon. Friend. It is the Government's policy to encourage private giving. The figure that I gave is merely an estimate. It could be more. It is up to us as politicians to encourage people to take advantage of the unprecedented generous reliefs.

Mr. Ashton: Do the Government regard the giving of free school dinners to the children of the unemployed as charity? If so, why are they stopping local councils from having the discretion to do that? Why is there one rule for those charities in which the Government believe and another rule for the charities in which local councils believe?

Mr. Lamont: The hon. Gentleman's point has nothing to do with this question. The main question is about tax relief for private charities. I am only sorry that the hon. Gentleman does not see fit to welcome a provision that is welcomed by voluntary organisations in this country.

Mr. Thurnham: Does my right hon. Friend agree that it is now up to businesses and charities to develop closer links to take full advantage of the new scheme?

Mr. Lamont: I agree completely with my hon. Friend. Charities have very much welcomed this development. It was widely agreed that the last Budget was the best Budget ever for charities.

Income Tax and National Insurance

5. **Mr. Chapman** asked the Chancellor of the Exchequer what percentage of his gross wage a single person earning £100 per week pays in income tax and national insurance contributions.

Mr. Norman Lamont: Twenty five per cent.

Mr. Chapman: Although I appreciate that there has been a significant reduction in the tax liability of the low-paid under this Government, will my right hon. Friend confirm that it must continue to be a top priority of the Government further to reduce these tax levels, bearing in mind that a person on only half average earnings must pay a quarter of his gross salary in tax? Is that not another reason why we must control public expenditure?

Mr. Lamont: My hon. Friend is correct. He will recall that my right hon. Friend the Prime Minister said in the House on 10 July that it was the Government's objective to reduce the burden of tax for those on average earnings or the lower paid. Anyone reflecting on these matters would realise that, given certain events on the other side of the Atlantic, lower-paid workers in this country might pay a higher marginal rate than American multi-millionaires. Tax cuts matter to the lower-paid. It is rather surprising that the Opposition do not give them a higher priority.

Mr. Penhaligon: Will the Minister confirm that the Government have changed the position so that less tax is now paid on an unearned £100 than on an earned £100? Can he explain the logic of that?

Mr. Lamont: We have rightly got rid of the investment income surcharge, because it was a tax on savings. The hon. Gentleman implies that there should be national insurance contributions on unearned income. That would mean that there would be no national insurance contributions, as such, but rather a social security tax. Why does he not put it that way?

Mr. Dorrell: Is it not a fact that, in addition to taxing national insurance, incentives for many people on £100 a week are also directly affected by the tapers of means-tested social security benefits? Can my right hon. Friend assure the House that in deciding those tapers, the incentive effect, when coupled with tax and national insurance, is taken into account?

Mr. Lamont: My hon. Friend is absolutely right. This is an extremely serious matter and it is one of the problems that my right hon. Friend the Secretary of State for Social Services has been addressing. We have taken some steps to meet this problem, but of course we have not solved it. We regard it as an important matter.

Mr. Hattersley: If the Government are so concerned about reducing taxes for the lower paid, why is it that over the past seven years taxes have increased for virtually everybody earning less than £500 a week and decreased for literally everybody earning more than £500 a week, as was revealed in the Minister's predecessor's answer on 20 April?

Mr. Lamont: Compared with the 1978-79 indexed regime, the proportion of incomes taken in tax and national insurance contributions is lower for every group except those on half average earnings. That one group is the exception. Below that level the proportion compares favourably with the 1978-79 indexed regime.

Profit-related Pay Schemes

6. **Mr. Forth** asked the Chancellor of the Exchequer what progress he is making with his discussions about profit-related pay schemes.

The Chancellor of the Exchequer (Mr. Nigel Lawson): A Green Paper on profit-related pay was published on Tuesday and has been widely welcomed.

Mr. Forth: I thank my right hon. Friend for that reply. Will he confirm that profit-related pay forms a substantial element of remuneration in Japan? Does he not regard that as a most encouraging precedent for his scheme and this country? Is he, therefore, able to proceed with speed and confidence towards the fulfilment of a similar position in this country?

Mr. Lawson: My hon. Friend makes an important point. It is customary in Japanese industry for the average Japanese employee to have a sizeable part of his total

remuneration in performance bonuses, which are linked to the profitability of the company. I have little doubt that that has a positive effect on industrial relations in Japan, on the identification of employees with their companies, and on the low unemployment rate that Japan enjoys.

Mr. Skinner: How will a nurse working in the National Health Service benefit from one of these schemes?

Mr. Lawson: A nurse working in the NHS will benefit from the better performance of the national economy, and that is what the scheme is about.

Mr. Penhaligon: Is the Chancellor's main attraction to this scheme the idea of getting people involved in the profitability of their company, with which I would certainly concur, or is it the possibility that it might keep down pay claims?

Mr. Lawson: There are two objectives. One is certainly to improve identification and motivation among employees, and I am glad that the hon. Gentleman, on behalf of the Liberal party, supports that. Secondly, the scheme has a beneficial effect on pay flexibility. One of the difficulties in the United Kingdom is the excessive rigidity of our pay bargaining system. The introduction of greater flexibility in this way will be beneficial, not least to those who are at present out of work.

Share Ownership

7. **Mr. Leigh** asked the Chancellor of the Exchequer what representations he has received seeking additions to his proposals to extend direct ownership of equity shares.

Mr. Norman Lamont: Some modifications to the personal equity plan have been suggested, but most have warmly welcomed the scheme as it stands.

Mr. Leigh: Does my right hon. Friend agree that, following the achievement of a property owning democracy, our central aim as Conservatives should be to achieve a share-owning society in which the majority, not just a small minority, of British people are given a real stake in the ownership of British industry? In that light, has he reached a decision on the limits which will apply to investments in unit trusts, investment trusts and the personal equity plan, and will he be as generous as possible?

Mr. Lamont: My hon. Friend should know that I am answering a written question today whereby the limit on investment in authorised unit trusts and approved investment trust companies under the scheme will be £420 a year or 25 per cent. of the investor's annual——

Mr. Campbell-Savours: Order. That is a written answer.

Mr. Speaker: Yes. Unusual. Mr. Nellist.

Mr. Nellist: As for the question from the hon. Member for Gainsborough and Horncastle (Mr. Leigh) regarding a share-owning democracy, is the Minister aware that 467 shareholders own more than two-thirds of the shares of Cable and Wireless? Any other investigation of privatisation in the past seven years under this Tory Government would show that rather than creating a share owning democracy — the public as a whole had previously owned these industries — a smaller and smaller number of larger, private shareholders are raking in the benefits of privatisation.

Mr. Lamont: The purpose of the personal equity plan is to increase direct ownership of shares by individuals and to reduce the proportion owned by institutions as such. If that is what the hon. Gentleman is criticising, I very much welcome his conversion to supporting the scheme. The Government very much want to see the widest possible ownership of shares. That is why we have introduced this special relief,, which will be of particular benefit to small shareholders and people on modest incomes.

Mr. Holt: Does my right hon. Friend agree that most people would like to go into share owning but at the moment are frightened by the tactics of the Labour Opposition who suggest that they will steal back British Telecom shares at a price below their market value?

Mr. Lamont: We have all noticed that the Labour party has put forward a proposal for re-nationalisation of private companies, but it does not seem to have the guts to give it its true name. We all know that it simply amounts to the confiscation of people's shares.

Mr. Donald Stewart: Does the Minister expect the scheme to have any credibility with investors, let alone new investors, when, if they wish to dispose of their shares in a falling market, they will lose the benefits of the Exchequer arrangements? How does that have any credibility?

Mr. Lamont: I am not sure what point the right hon. Gentleman is making when he refers to a falling market. Obviously if there are no profits to be made there will be no tax relief. This scheme gives small investors the opportunity to build up, over a period of time, significant profits on which there will be tax relief. The relief given on dividends is especially important to small investors.

Mr. Sumberg: Is my right hon. Friend aware that a recent stock exchange survey has shown that share ownership has doubled under this Government? One in seven adults now have a direct stake in British industry. Is this not a good base on which the Government can build?

Mr. Lamont: I believe that it is a thoroughly desirable development. There are different estimates of the proportion of the population that own shares, but it does seem to be universally agreed, even if there are different estimates of what the position is today, that it has doubled from whatever the situation was before.

Job Creation

8. **Mr. Dixon** asked the Chancellor of the Exchequer what estimate he has made of the comparable cost per job of jobs created as a result of *(a)* tax cuts and *(b)* public spending.

Mr. Lawson: The hon. Gentleman's question is based upon a fallacy. Lasting jobs cannot be bought. What matters is the performance of the economy, and in general this is more likely to be improved by reducing the burden of taxation than by increasing Government spending.

Mr. Dixon: The right hon. Gentleman must be aware that every objective study has suggested that public expenditure is far more effective than tax cuts in creating jobs. Evidence given to the Employment Select Committee said that infrastructure investment was cheaper and quicker than tax cuts in creating jobs. This investment

would also provide much needed roads, sewers, schools, hospitals and house refurbishment. When will the right hon. Gentleman concern himself with the 4 million people who are unemployed and less about putting a couple of pennies in the pockets of those who are employed?

Mr. Lawson: I recall an opinion poll recently which showed that the overwhelming majority of Labour voters wanted a reduction in the basic rate of income tax, even though Labour Members of Parliament did not. The studies to which the hon. Gentleman referred do not look at the supply side effects of either public expenditure or the reduced burden of taxation. The supply side effects are absolutely crucial in determining the performance of the economy and, therefore, the level of employment.

Mr. Dickens: Is it not right that if we take the grasping hand of the national Government and the grasping hand of local government out of people's pockets, that will benefit individuals and their families, industry and charities, which we were talking about earlier?

Mr. Lawson: My hon. Friend characteristically puts it very well indeed.

Mr. Hoyle: Will the Chancellor and other Ministers stop sounding like a record on which the needle is stuck? Is it not true that they keep repeating the same old fallacies without there being any effect on the economy? Has the Chancellor taken account of the fact that tax relief will probably suck in imports, whereas the same money used in public spending would benefit all?

Mr. Lawson: I have to disappoint the hon. Gentleman by informing him that the facts of life and the laws of arithmetic do not change from week to week or from year to year.

Mr. Gow: If the consequence of high public expenditure is a diminution in unemployment, how is it that, under the Labour Government, when public expenditure rose massively, unemployment also doubled? Is my right hon. Friend aware that it is only by reducing the levels of taxation that we shall encourage greater activity in the economy?

Mr. Lawson: My hon. Friend is right. He was an especially close, astute and penetrating observer of the follies and misfortunes of the last Labour Government. He makes an important point. It was during the early period of the Labour Government—what one might call their red period, the pre-IMF period, when they were boosting public expenditure extravagantly—that unemployment doubled. My hon. Friend is absolutely right. There is no solution to the problem of unemployment by increasing public expenditure, whether by the £24 billion which the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) wants, or by an even larger figure.

Mr. Terry Davis: The Chancellor referred to what a majority of Labour voters want. Is he aware that a majority of all voters want a reduction in unemployment? Everybody—the National Institute for Economic and Social Research, the Henley Centre for Forecasting, the London Business School, Cambridge Econometrics, the Select Committee on Employment and the House of Commons Library, using the Treasury's economic model—agrees that sensible increases in public expenditure provide more jobs than do tax cuts. Why will the Chancellor not change his economic policy and base it on the facts instead of on his personal prejudice?

Mr. Lawson: My policies are based on facts and not on artificial calculations by computer models or any other models.

Mr. Davis: This is the right hon. Gentleman's model.

Mr. Lawson: These are models which do not capture the supply side of the economy, which is critical to the performance of the economy and, therefore, the creation of jobs. That is what matters. It is no accident, as my hon. Friend the Member for Amber Valley (Mr. Oppenheim) said earlier, that the two most successful economies in the world—Japan and the United States—have the lowest proportion of gross national product taken in taxation.

Premium Bonds

9. **Mr. Amess** asked the Chancellor of the Exchequer how many individuals have purchased premium bonds in each of the last five years; and what was the total prize money paid out in each of those years.

Mr. Ian Stewart: The number of premium bonds purchased in 1985-86 was approximately 2¼ million, and total prize money in that year was £135 million. I will arrange for the figures for earlier years to be published in the *Official Report*.

Mr. Amess: Is my hon. Friend satisfied with those figures, or does he agree with those who feel that premium bonds are rather old hat, with unexciting prizes and disappointing returns for the Treasury? Does he agree with those who would like a new form of national lottery?

Mr. Stewart: I do not accept what my hon. Friend says about premium bonds being unattractive or unsuccessful. Whether they are old hat is a matter of judgment. They have been going for 30 years, during which time they have accumulated very large sums of money—the current figure is about £1·8 billion—and about 24 million of our fellow citizens hold them. That can hardly be described as an unsuccessful exercise. As to lotteries, we had a debate a few years ago, and there was little support for the idea. What I think has been suggested when that idea has been put forward is that it might have a substantial effect on other forms of betting and gaming, and one cannot necessarily expect it to be a very substantial exercise in this country.

Following are the figures:

	Number of Purchases Million	*Value of Prizes £ million*
1981-82	3·58	101·1
1982-83	3·36	104·3
1983-84	3·44	110·2
1984-85	3·25	121·7

Privatisation

10. **Mrs. Clwyd** asked the Chancellor of the Exchequer what are his latest projections for receipts from asset sales for 1986-87.

Mr. Lawson: I expect privatisation proceeds this year to be around £4¾ billion, in line with the projections in the public expenditure White Paper.

Mrs. Clwyd: Does the Chancellor recall that when British Telecom was sold off share prices rose by £1·3

billion on the first day after privatisation? What guarantee can he give that the same thing will not happen when he sells off British Gas, or is his first priority to provide further windfalls for his friends in the City?

Mr. Lawson: So far from those profits going to friends or otherwise in the City, they went to a wide range of ordinary shareholders. Very nearly 2 million people subscribed to the highly successful privatisation of British Telecom and got shares, and 1·5 million shareholders are now told by the Labour party that if by any mischance a Labour Government are returned they would be grabbed back at 130p a share, well below the market value. That is expropriation and confiscation, and the public should know that.

Mr. Yeo: Bearing in mind the substantial proceeds received not only in the current year but in previous years from privatisation and the large increases in the price of these investments which employees and other shareholders have enjoyed, has my right hon. Friend been able to estimate the public expenditure cost of repurchasing all these shares? Does he agree that, if such a repurchase was to take place, it would be one form of public expenditure that would create not a single additional job?

Mr. Lawson: My hon. Friend is right, but it would also plunge the companies that are now doing very much better than they have ever done before back into the dead hand of the state, which would be bad for the companies, bad for their employees and bad for the economy. One of the reasons why nearly every one of the companies has been privatised and stands at a higher price in the market than when it was first privatised is that, almost without exception, they have improved their profitability, their sales and their performance generally now that they are in the private sector. Therefore, we shall continue, undisturbed by these criticisms, with the privatisation of British Gas later this year and a number of other privatisations.

Mr. Hattersley: Having talked about the market value of British Telecom shares, will the Chancellor tell us why he chose to sell them below the market value, and will he give an absolute assurance that he will not waste public money in the same way with the flotation of British Gas?

Mr. Lawson: The right hon. Gentleman clearly knows very little about market values, because there was no market value until they were first offered to the market. They were offered to the market at a price that the most expert advisers advised was the appropriate price at which to offer them. Since then, I am glad to say, they have appreciated. What is more, I recall the Labour party and, indeed, the right hon. Gentleman, predicting confidently that the privatisation would be a flop. In fact, it was an outstanding success, and that is what he does not like.

Competitiveness

11. **Mr. Pike** asked the Chancellor of the Exchequer what assessment he has made of the change in competitiveness of British exports owing to changes in the sterling exchange rate over the past 10 years.

Mr. Ian Stewart: Experience has shown that competitiveness is determined by many factors other than the exchange rate. The excessive growth of our unit labour costs currently poses the greatest threat to our future competitiveness.

Mr. Pike: Is it not a fact that interest rates in this country are still too high, which, in exchange rate terms, is putting the pound at an artificially high level, and this is putting our exports and manufacturing industries at a disadvantage compared with our competitors abroad? In view of the Conservative Government's seven years of abysmal failure in reducing unemployment, when will they take some action to get the output of our manufacturing industries above the 1979 figure and manufacturing exports in surplus compared with our imports?

Mr. Ian Stewart: The hon. Member may not have observed that since the Budget interest rates in the country have already fallen by 2½ per cent. I would also remark that manufacturing output and investment have been rising well in recent years.

Mr. Philip Oppenheim: Is it not true that those countries that have the best record in manufacturing output are those that have had Governments who have followed consistently pro-enterprise, pro-business, pro-profit, lower taxation policies, unlike this country, which has been intermittently burdened by Left-wing Socialist Governments?

Mr. Stewart: My hon. Friend is absolutely right. Clearly the success of the British economy in the past few years has owed a great deal to the way in which this Government have been able to liberalise the economy and take off the shackles of the state and of excessive public expenditure. There is only one way in which that progress could be put at risk, and I hope that there is no chance of that. It would be if the Government were not given the chance to have not only one but many more terms ahead, so that years and generations of damage can be put right.

Manufacturing Output

12. **Mr. Nellist** asked the Chancellor of the Exchequer when he next intends to meet the Trades Union Congress general council to discuss manufacturing output; and if he will make a statement.

Mr. MacGregor: My right hon. Friend has no plans as such to meet the Trades Union Congress general council but, of course, he regularly meets the Trades Union Congress general secretary and other members of the general council at the National Economic Development Council.

Mr. Nellist: If the Chancellor were to meet the TUC general council, would he explain how, if this is the sixth successive year of successful economic growth, the Central Statistical Office in the past few days can admit that manufacturing production has fallen again by a further 1 per cent. over the past 12 months? Is it not the case that private ownership under the Government is manifestly incapable of providing decent living standards or full employment for the majority of the population?

Mr. MacGregor: That is pretty rich coming from the hon. Gentleman. It was those of a militant nature who think and act as he does who did more harm to large parts of British manufacturing industry, and hence jobs, in the 1970s than anything else. The hon. Gentleman clearly has not noticed that, since June 1983, manufacturing output is up 8½ per cent., manufacturing investment is up 31 per cent., manufacturing exports are up in volume terms by 22½ per cent., and manufacturing productivity is up by 3½

per cent. What is more, the biggest threat to jobs and the competitiveness of industry is the way in which our unit labour costs are rising faster than those of many of our competitors. The hon. Gentleman's contribution to that problem, given his philosophy, would be nothing short of disastrous.

Mrs. Currie: If my right hon. Friend meets the TUC, will he ask it to take note of the recent numerous votes against strikes in manufacturing industry, such as the vote in British Rail Engineering Ltd., for which many of my constituents work? Is it not time that the TUC ruled out strikes, as they are the most negative, destructive and pointless way in which to negotiate in an industrial dispute?

Mr. MacGregor: The climate is different now, and not one that those such as the hon. Member for Coventry, South-East (Mr. Nellist) could exploit, as was done in the 1970s, with such harmful results to the British economy. My hon. Friend is right. The record on strikes is one of the most successful aspects of the British economy.

Dr. McDonald: If the British economy is so good, given the litany of statistics that the Chief Secretary has just cited, why did he say earlier that the British economy was in a precarious state due to falling oil prices?

Mr. MacGregor: I am grateful to the hon. Lady for giving me the opportunity to make clear what I said. The problem is that we now live in a precarious world where there are substantial fluctuations in economic conditions. One clear sign of the strength of the British economy is the fact that we have managed to come through a 12-month-long coal strike and a period of fast falling oil prices. We have been able to do so because we have an increasingly strong economy and the world can see that. If the policies advocated by the hon. Lady's party were pursued, with an expenditure of £24,000 million, we would move into a precarious state.

North Sea Oil Revenue

13. **Mr. Dubs** asked the Chancellor of the Exchequer what is his estimate of the revenue from North sea oil in 1986-87.

Mr. Norman Lamont: I refer the hon. Member to the forecast my right hon. Friend published at Budget time.

Mr. Dubs: Given the Government's commitment to a market economy, does the Minister agree that a falling oil price should almost automatically lead to falling exchange rates? Why, then, do the Government persist in keeping interest rates higher than they would otherwise be merely to keep up the exchange rate of the pound?

Mr. Lamont: As I am sure the hon. Gentleman knows, interest rates are determined not by oil prices but by the market and also by monetary conditions in the economy at the time.

Mr. Sumberg: Does my right hon. Friend agree that the real strength of the economy is shown by the fact that, with falling oil prices, we have not had a cash crisis or a sterling crisis and we have not had recourse to the International Monetary Fund, as we would have had under a Labour Government?

Mr. Lamont: My hon. Friend is right. If we had pursued the policy advocated by the Opposition of spend, spend, spend, we would undoubtedly have had an enormous crisis at various times when the oil price has been under pressure.

PRIME MINISTER

Engagements

Q1. **Mr. Dubs** asked the Prime Minister if she will list her official engagements for Thursday 17 July.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today, including one with President Mubarak of Egypt.

Mr. Dubs: Given today's hint of an impending change in Government policy on sanctions against South Africa, does the Prime Minister agree that the only just solution for that country is the eradication of apartheid and the establishment of majority rule in a united and non-fragmented South Africa, a statement to which she signed her name at the Commonwealth Heads of Governments conference in New Delhi in 1983?

The Prime Minister: Both the Nassau accord and the European Council meeting at The Hague envisaged discussion on further measures that might be needed. As I said in the House on 1 July, contingency arrangements are being made. With regard to the latter part of the question, if the hon. Gentleman reads the Commonwealth accord at Nassau he will find this sentence about getting rid of apartheid:

"We believe that we must do all we can to assist that process,"—

this is the critical part—

"while recognising that the forms of political settlement in South Africa are for the people of that country—all the people—to determine."

Mr. Whitfield: Does my right hon. Friend agree that the insistence of Mr. Colin Sampson, the chief constable of West Yorkshire, on the suspension of Mr. John Stalker as the deputy chief constable of Manchester pending the outcome of his inquiries into the activities of Mr. Stalker in Manchester, and his insistence on the suspension of two senior police officers in Northern Ireland pending the outcome of the inquiries into certain activities of the Royal Ulster Constabulary, demonstrate that Mr. Sampson is carrying out a proper and robust inquiry into both matters? Further, does my right hon. Friend agree that suggestions in the media to the contrary are at best mischievous and at worst the result of an orchestrated campaign by those who have the worst to fear from the outcome of those two most important inquiries?

The Prime Minister: As my hon. Friend is aware, police matters in Northern Ireland are for the Chief Constable of the RUC and matters concerning Mr. Stalker are for the police complaints procedure. It would be totally wrong of me to comment on either while the procedures are in process.

Dr. Owen: On the contingency measures that the Prime Minister has just announced, which could well be the important signal that the Commonwealth needs to rescue the Commonwealth Games, will the Prime Minister make

it clear that those measures are neither "immoral" nor "repugnant", and will she withdraw those very offensive remarks?

The Prime Minister: I have answered faithfully accusations made against me and about various things concerned with sanctions. Like every hon. Member, I wish to see apartheid ended at the earliest opportunity. I believe passionately that it will best be ended by negotiations. We are doing everything we can to bring those negotiations about, as the right hon. Gentleman knows. The further contingency measures were in the communiqué of the EEC. Those are not automatic. They never were automatic. They are there to be considered. I have described them as contingency measures, but they are not automatic.

Mr. Harris: Has my right hon. Friend considered what some of us regard as the disgraceful decision of this House last night in voting for a large increase of over £7,000 for secretarial allowances? If the decision is irreversible, can my right hon. Friend think of any other section of public expenditure that has increased by over 50 per cent. this year?

The Prime Minister: As my hon. Friend knows, the level of the allowance is a matter for the House, which voted last night for a 52 per cent. increase in the office, secretarial and research allowance. The decision was taken against the advice of my right hon. Friend the Leader of the House, who argued that it was wholly inappropriate to vote for such a substantial increase at the very moment when the level and structure of the secretarial allowance had been referred to the Top Salaries Review Body for general review. No doubt last night's decision will be taken into account in that review. I remind the House that the cost of Parliament, which is determined by Parliament and not by the Government, has risen from £26 million in 1978-79 to £72 million last year. The increase to which my hon. Friend has referred must be found out of the pockets of our constituents.

Q2. **Mr. Winnick** asked the Prime Minister if she will list her official engagements for Thursday 17 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Winnick: Would the Prime Minister like to comment in any way on the numerous press articles which have appeared in the past few days regarding the position of the Head of the Commonwealth and the future of that organisation? Does the right hon. Lady not agree that the Commonwealth faces its most severe crisis, largely because of her attitude? Only a few days ago she suggested that South Africa should not have been excluded from the Commonwealth in 1961. Does the right hon. Lady not realise how deeply offensive and grotesque those remarks were, coming from a British Prime Minister?

The Prime Minister: We try to influence the policies of nations with which we disagree. We seem to have taken a different view of South Africa — *[Interruption.]* — although we do wish to try to influence its policies to end apartheid. *[Interruption.]*

Mr. Speaker: Order. We often condemn lack of free speech elsewhere. We must not deny it to the Prime Minister.

The Prime Minister: I propose to follow the well-established practice of my predecessors and not answer questions on the Floor of the House, directly or indirectly, about the monarch.

Q3. **Mr. Best** asked the Prime Minister if she will list her official engagements for Thursday 17 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Best: Does my right hon. Friend accept that there are many black leaders in South Africa who have different and constructive views as to what should be the change after the dismantling of apartheid? Will she take those different views into account when formulating her own policy, so that we can move the debate on to the more fruitful ground of discussion of the substance of change rather than merely any change for change's sake, without having firm ideas about its actual nature, which so often appears to be the refuge of Opposition Members?

The Prime Minister: As my hon. Friend knows, the African National Congress has made its views well known. A representative of the ANC met my hon. Friend the Minister of State, Foreign Office, the hon. Member for Wallasey (Mrs. Chalker), some time ago, and we know its views. We also know, and read only this morning in the newspapers, of the testimony of Chief Buthelezi, in which he said that the imposition of negative, punitive measures against Pretoria can only impair the process by which black and white are finding common cause with each other to an ever-increasing extent. Our objective is the same. It is the end of apartheid. We wish to do everything that we can to bring it to an end by negotiations, and, ultimately, that will be the way that change will come about.

Mr. Kinnock: Record unemployment figures have again been published today, amounting to three and a quarter million. For the first time since March 1983 the numbers employed have gone down. In her current review of public expenditure for next year, what will the Prime Minister do to try to ensure that the jobs that desperately need to be done can be commissioned and paid for: jobs, for instance, in the building industry, where private building is now stagnant and council house building is 70 per cent.— 90,000 houses—lower than it was when she took office in 1979?

The Prime Minister: I believe — although I do not have the press release with me — that the numbers in employment have gone up, although the right hon. Gentleman is right in saying that the unemployment figures are deeply disappointing and that the seasonally adjusted unemployment figure has gone up by 15,000, so that it has risen to 3·2 million. As the right hon. Gentleman is aware, we have done a very great deal for the unemployed. *[Interruption.]* This is not a matter which affects only the United Kingdom. It affects the whole of the Western world. In the last five years we have spent over £8·5 billion on employment measures and the youth training scheme. The YTS has taken more than 1 million trainees and it has now expanded to a two-year scheme. On housing, as the right hon. Gentleman is aware, 1·3 million new homes have been built in Great Britain since 1979. If we take more money out of business and away from the taxpayer, what we have to take into account are the jobs that are lost and the investment that is lost by the

money we take away and the return that that would give, compared with any that it would give if it were put into the public sector.

Mr. Kinnock: Is not the critical fact that at the same time as the Prime Minister has been cutting public expenditure and losing jobs in the construction industry, 1·7 million manufacturing jobs have also gone? So the equation does not work at all. Is it not the case that there are more people in long-term unemployment than there were in total unemployment when the Prime Minister took over? Will she tell us what has happened to the 2 million full-time jobs that have been lost since she became Prime Minister? Why does she not stop dodging and start building?

The Prime Minister: We have tackled some of the problems from which the right hon. Gentleman's Government ran away. If the right hon. Gentleman is suggesting that we should put back into manufacturing industry all the overmanning that was taken away, he will ruin the whole lot of industry.

Q4. **Mr. Michael Brown** asked the Prime Minister if she will list her official engagements for Thursday 17 July 1986.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Brown: Turning to the future of education, does my right hon. Friend agree that what we have to do in the coming months is to offer the prospect of choice within the state system of education to parents, and that this can best be done by ensuring that state funds for the state education system are based upon cash following the pupil? Is my right hon. Friend aware that on Thursday 24 July a group of her colleagues on this side of the House, who have produced a pamphlet called "No Turning Back", will be producing a pamphlet to be published by the Conservative Political Centre entitled, "Save our Schools"? Will she undertake to set that pamphlet as homework for the Secretary of State for Education and Science?

The Prime Minister: Yes, my hon. Friend is right. It is our purpose to give more choice to parents whose children go through the state system, which is 95 per cent. of our children. We wish to give to those parents more choice of schools, particularly as some children in some city centres have to resist political indoctrination and do not get the teaching that they deserve. My hon. Friend has illustrated one way in which it will be possible to do that. I shall certainly add the pamphlet to my own homework and that of the Secretary of State for Education and Science.

Q5. **Mr. Ernie Ross** asked the Prime Minister if she will list her official engagements for Thursday 17 July.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Ross: Will the Prime Minister take time today to send a clear statement to the Heads of Government of the front-line states, who will meet tomorrow in Harare, that she is absolutely totally committed to the statement issued by the recent EEC summit, in order not only to preserve and save the Commonwealth, but to save the Commonwealth Games?

The Prime Minister: The Commonwealth Games are a matter for the Commonwealth Federation. They are not a matter for me. We have faithfully carried out the Commonwealth accord and we shall also faithfully carry out the EEC statement. It is important, as we have made clear all along, that any action which is taken should be considered not only by the Commonwealth and the EEC but by all the Western industrialised countries. The hon. Gentleman will be aware that my right hon. and learned Friend the Foreign Secretary left to discuss matters further in Washington today.

Q6. **Mr. Batiste** asked the Prime Minister if she will list her official engagements for Thursday 17 July.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Batiste: Has my right hon. Friend had the opportunity of looking at the pamphlets about the miners' strike and the Falklands war which I sent to her office recently? Is she aware that those pamphlets, circulating in schools in my constituency and elsewhere in Yorkshire, were collected by concerned trade unionists, who were appalled at the level of political propaganda that they represented? Does she share their concern, and what is to be done about the offensive remarks made about her and about the British interest? What will she do about the continuing attack upon freedom of education in our country by the Left?

The Prime Minister: I and a number of my colleagues saw those two pamphlets, which were utterly disgraceful. They were nothing to do with education and I am amazed that they properly came within anyone's education budget. My hon. Friend will be aware that the other place has been trying to do something to exclude political indoctrination from schools. The matter will shortly come before the House and we shall express our view upon that clause, I hope forcefully, and keep it in the Bill.

Mr. Jim Spicer: On a point of order, Mr. Speaker.

Mr. Speaker: Does it arise directly out of these questions?

Mr. Spicer: Yes. You may recollect, Mr. Speaker, that on Tuesday I attempted——

Mr. Speaker: Today or Tuesday?

Mr. Spicer: Tuesday.

Mr. Speaker: I shall take it later.

Business of the House

3.31 pm

Mr. Neil Kinnock (Islwyn): May I ask the Leader of the House whether he will state the business for next week?

The Lord Privy Seal and Leader of the House of Commons (Mr. John Biffen): Yes, Sir.

The business for next week will be as follows:

MONDAY 21 JULY—Opposition Day (15th Allotted Day, 2nd Part). Until seven o'clock there will be a debate on an opposition motion entitled "The Fight Against Crime—Putting People First". Consideration of any Lords amendments which may be received to the Gas Bill.

Remaining stages of the Rate Support Grants Bill.

Proceedings on the Insolvency Bill *[Lords]* and the Company Directors Disqualification Bill *[Lords]* which are both consolidation measures and were previously announced for Friday 18 July.

TUESDAY 22 JULY—Remaining stages of the Education Bill *[Lords]*.

WEDNESDAY 23 JULY—Consideration of any Lords amendments which may be received to the Social Security Bill, the Wages Bill and the Agriculture Bill.

THURSDAY 24 JULY—Proceedings on the Consolidated Fund (Appropriation) Bill.

Motion for the summer Adjournment.

Consideration of any Lords amendments which may be received to the Building Societies Bill.

FRIDAY 25 JULY—Debates on the motion for the Adjournment.

The House may also be asked to consider any other Lords amendments and messages which may be received.

The House will wish to know, Mr. Speaker, that subject to the progress of business it will be proposed that the House should rise for the summer adjournment on Friday 25 July until Tuesday 21 October.

Mr. Kinnock: I am grateful to the right hon. Gentleman.

Why is the Gas Bill being taken on Monday when the Bill, as amended by the Lords, will not be available until tomorrow at the earliest? They are important amendments and an inadequate opportunity is being given to the House to attend to those amendments before the Bill is debated.

Why have the Government not yet published the supplementary benefit single payments orders? That new legislation, as the right hon. Gentleman knows, will deny funds to the very poorest families who need help with buying essential household items. Is the delay due to the fact that the Government's own Social Security Advisory Committee has strongly criticised the Bill, or are the Government simply embarrassed about the idea of introducing such legislation when it will serve only to add further misery to the very poor?

Last week, I said that a few hours' debate on the Social Security Bill on royal wedding day would not do justice to the millions of poor and elderly people whom the Bill affects. The Leader of the House gave me a homily about the royal wedding day being an ordinary working day. Although that is obviously true, is it not also true that on that day the press will be completely preoccupied with the nuptials, and that that is why the Government have chosen to introduce this miserable legislation then? It is a dirty trick that is quite unworthy of the Leader of the House. I must ask him, even now, to consider moving that debate to another day.

May I ask the Leader of the House again to guarantee that there will be a full statement on the future of the Leyland Bus and Truck Division before the House rises for the summer? The matter is under serious consideration, and it is obviously necessary for the workers and for their representatives of all parties in the House to have before the recess a clear idea of the Government's view.

The Defence Committee's report on the Westland affair is due to be published at 11 am next Thursday. Reports so far indicate that the Committee has come to conclusions that are highly critical of the duplicity and dubious conduct of the Government and of some of their servants. Will the right hon. Gentleman give an absolute assurance that we shall have a chance to debate that report in the current Session?

In relation to this week's business, do the Government intend to proceed with the debate tomorrow on the Dockyard Services Bill, or is it further evidence of the Government's shambles that they are going to drop the Bill?

Mr. Biffen: I shall respond to those six points in the order in which they were presented. I take note of what the right hon. Gentleman has said about the consideration of Lords amendments to the Gas Bill. I recognise that there is a constriction on time, but I am sure that he also realises that if the House is to rise by next Friday—I felt that there was general approval of that proposition—there are clearly difficulties in spacing the programme in an ideal way.

I have not announced a debate on the single payments orders next week. If it is decided to proceed, an announcement will be made in due course.

Of course, the date chosen for debating the Social Security Bill could give rise to difficulties for the right hon. Gentleman, and I quite understand that he would prefer it not to be discussed then. But I assure him that the last consideration was the impact that that might have on press coverage of it. However, if he would like to have the matter considered through the usual channels, he knows that I am always courteous, if not always accommodating.

The right hon. Gentleman asked for a statement on the Leyland Bus and Truck Division. I note his request, and I shall consult my right hon. Friend the Secretary of State for Trade and Industry. The right hon. Gentleman will understand that the publication of the Select Committee's report on Westland helicopters is the responsibility of that Committee. I note that he would like a debate on that report in the current Session. That is a reasonable request, but perhaps we can look at it through the usual channels.

Following discussions, it has been decided not to proceed with the Dockyard Services Bill tomorrow, contrary to the previous announcement, but to consider Lords amendments at another time, probably during the course of next week. That indicates not a shambles but reasonable flexibility.

Sir Dudley Smith (Warwick and Leamington): The Peacock report poses important questions on public service broadcasting which need to be answered. Will there be a debate on that report in the spill-over period when we return after the recess rather than leaving it to the vagaries of the new Session?

Mr. Biffen: My hon. Friend raises a question which was put to me last week. This shows the continuing interest in having reasonably soon a debate on the Peacock report.

I would not wish to commit myself irrevocably to saying that such a debate will be held in the spill-over period, but I shall bear in mind my hon. Friend's preference.

Dr. David Owen (Plymouth, Devonport): Even allowing for the disarray in the Government's programme, surely the right hon. Gentleman's statement is without precedent. He has effectively changed the business of the House without making a business statement. It is all very well for the right hon. Gentleman, in answering the Leader of the Opposition, to say that the House is no longer proceeding tomorrow with the Dockyards Services Bill, but why did he not make that clear in his initial statement? I shall pursue this matter at a further date, Mr. Speaker, unless the Leader of the House will explain why he acted in this extraordinary manner.

Mr. Biffen: There is nothing unusual, extraordinary or offensive about making the point in the way I did. I realise that the right hon. Gentleman has a constituency interest in this matter. I should be happy to keep him fully involved on the timing of the consideration of the Lords amendments.

Sir Fergus Montgomery (Altrincham and Sale): Did I hear my right hon. Friend aright. I believe that he said that on Thursday we shall first debate the Consolidated Fund (Appropriation) Bill and then debate the motion for the summer Adjournment. When shall we start debating the motion for the Adjournment for the summer recess?

Mr. Biffen: The proceedings on the Consolidated Fund are purely formal. The motion for the summer Adjournment will then be debated. The timing will depend on what time is given to statements, private notice questions, or whatever. On any reasonable basis, my hon. Friend may expect the debate on the Adjournment for the summer recess to start no later than 5 pm. At the conclusion of the three-hour debate on the summer Adjournment motion, the House will consider Lords amendments to the Building Societies Bill.

Mr. D. N. Campbell-Savours (Workington): Has the Leader of the House seen my early-day motion on compensation for Mr. Jim Smith of Aish and Company, the whistle blower?

[That this House positively supports paragraphs 36, 37, 38, 39 and 40 of the Twenty-third Report of the Public Accounts Committee entitled Production Costs of Defence Equipment, on the subject of Post Costing of Contracts with Aish and Company; supports in particular paragraphs (x) and (xi) in the Report's recommendations which state:

'(x) We note that MoD officials responsible for contracts with Aish and Company did not begin to appreciate the possible extent of excess profits until the meeting with the company in March 1982. We conclude that the information provided to MoD by the two former employees probably did have a material effect on the MoD's post costing activities at this firm (paragraph 39).

(xi) We note that Treasury and MoD do not rule out the possibility of compensation to individuals who have helped MoD to identify possible excess profits but that the value and propriety of any compensation proposals would need to be considered very carefully (paragraph 40)';

and believes that compensation should be paid for loss of income and professional opportunity arising from whistleblowing in the case of Aish and Company.'.]

The motion was signed by 231 hon. Members within two days and I confidently expect 300 signatories by next week. Will the right hon. Gentleman raise the issue with his colleagues in Cabinet and impress upon them the fact that the House of Commons has spoken on this matter?

Mr. Biffen: The hon. Gentleman is a greatly experienced parliamentarian and constitutionalist. He knows perfectly well that it would be improper for me to reveal what I may or may not say in Cabinet. I assure him that I have taken account of his early-day motion. This is within the purview of the Public Accounts Committee. The Treasury's comments on that will be made in due course.I hope that the matter can be further considered within that framework.

Mr. Michael Latham (Rutland and Melton): Following my right hon. Friend's generally sympathetic response to me last week, has he come any nearer to persuading my right hon. Friend the Secretary of State for Trade and Industry to make a statement to the House next week on what he will do to keep out Greek cement imports, which are a threat to our cement industry?

Mr. Biffen: At this time of the year, sympathy is about the only commodity I have left. I understand and admire the way in which my hon. Friend pursues this problem which affects his constituency. I shall be in touch with my right hon. Friend the Secretary of State for Trade and Industry, but I would not wish to hold out an easy promise of a statement next week.

Mr. Peter Shore (Bethnal Green and Stepney): Last night, after a debate and two votes, a clear decision was made by the House on the motions dealing with Members' secretarial allowance. Despite the rather odd remarks by the hon. Member for St. Ives (Mr. Harris) and the Prime Minister, will the Leader of the House take this opportunity to confirm the Government's acceptance of the will and decision of the House? Will he confirm that Government authority has been given, or will soon be given, to the Accountant to make the necessary payments?

Mr. Biffen: I am grateful to the right hon. Gentleman for raising this matter. I am sure that he will confirm that it is totally without collusion. Last night I said that I thought it unwise of the House to act in the way that it did —on reflection, I think that that was a masterpiece of understatement. However, the decision of the House, having been clearly indicated, will be put into effect.

Mr. James Hill (Southampton, Test): My right hon. Friend may have read the debate on the Felixstowe Dock and Railway Bill which lasted almost two days. Many anomalies were quoted by hon. Members from both sides of the House. The main problem was that there was an understanding that the Government do not have a ports policy. That lie should be put to rest by the Government using half a day to discuss a ports policy for the United Kingdom and stopping the investment of capital in various ports, where there is no hope of getting any further trade.

Mr. Biffen: I take the point made by my hon. Friend. With his constituency interest, he addresses himself to it with authority. I will pass his comment on to my right hon. Friend the Secretary of State for Transport. I am sure that my hon. Friend will appreciate that we cannot seriously consider the prospect of a debate before the spill-over at the earliest.

Mr. Michael Foot (Blaenau Gwent): As the right hon. Gentleman is apparently showing considerable skill in

[Mr. Michael Foot]

shedding various embarrassing pieces of Government legislation next week, and getting the House away at a reasonably early date, may we have an absolute guarantee that, if at the Commonwealth conference there is the danger of a crisis in which any member of the Commonwealth wishes to leave the Commonwealth, the House of Commons will be recalled at once?

Mr. Biffen: I will not speculate as to the spirit in which the House would return given the circumstances outlined by the right hon. Gentleman. He knows perfectly well that Standing Order No. 143 prescribes the circumstances for the recall of Parliament, and that is what would be observed.

Mr. Ivor Stanbrook (Orpington): Has the attention of my right hon. Friend been drawn to early-day motion 254 which relates to a group of public service pensioners who are not allowed to count their war service to the credit of their pension because the public service was carried out abroad?

[That this House believes that overseas Civil Service pensioners should be allowed to count war service towards their pension entitlement in the same way as every other branch of the public service; and calls upon Her Majesty's Government to do justice towards a small number of mostly elderly people whose working lives were spent abroad in the service of the Crown.]

Will he arrange for a Minister to make a statement on that matter next week and thus remedy an injustice done to a small group of mostly elderly persons whose working lives were spent abroad, often in adverse conditions, in the service of this nation?

Mr. Biffen: I am aware of the point that my hon. Friend makes because I suspect that I heard it from his own lips a few weeks ago. I shall look into the matter and will be in touch.

Mr. Archy Kirkwood (Roxburgh and Berwickshire): Reverting to the subject raised by the Leader of the Opposition relating to social security regulations dealing with single payments, will the Leader of the House confirm that last week the Prime Minister guaranteed a debate on that subject before the summer recess? Will he confirm that, since these regulations are subject to negative procedure, it would be unacceptable to have them laid on that table and then implemented during the summer recess and not to have the debate on the attendant Social Security Advisory Committee report until the autumn? Does he not think that that would be totally unreasonable?

Mr. Biffen: I have before me the exchanges between the hon. Gentleman and my right hon. Friend the Prime Minister. I took account of them in the remarks I made to the Leader of the Opposition.

Mr. Nicholas Winterton (Macclesfield): May I prefix my question to the Leader of the House by congratulating you, Mr. Speaker, the Leader of the House and my hon. Friend the Member for Lewisham, East (Mr. Moynihan) on the outstanding success of your regatta? It was quite magnificent. Although the team for which I rowed was robbed because of a decision of the Leader of the House, although I got my own back later yesterday evening, may I say that it was magnificent occasion which I hope will be repeated?

Will my right hon. Friend find time for a debate on the multi-fibre arrangement? The European mandate on the multi-fibre arrangement, which could effect the jobs of 500,000 people in this country and many major industries in important regions of this country, is to be decided by the end of this month. Will he try to find time next week, which will be very busy, so that the people who represent textile and clothing areas can ensure that the Government are aware of the views of those who elected them and of the industries which are important to their constituencies?

Mr. Biffen: On this occasion, my hon. Friend has once again established himself as an aquatic optimist. If my facilities as a starter are somewhat suspect, I understand that they were surpassed in that respect by the Archbishop of Canterbury.

Looking at the programme for next week and the Government business that it contains, I cannot easily promise my hon. Friend that which he seeks, but I suggest that he tries his luck in the debate on Friday 25 July.

Mr. Robert Parry (Liverpool, Riverside): Further to yesterday's private notice question, will the Secretary of State for Northern Ireland give an assurance to the House that during the long summer recess Catholic areas will be protected by the security forces from those bigoted, cowardly Orange thugs?

Mr. Biffen: I appreciate the hon. Gentleman's interest in the affairs of the Province. He will understand that yesterday's private notice question enabled the House to consider the more immediate difficulties. I shall pass on his comments to my right hon. Friend the Secretary of State for Northern Ireland.

Mr. Toby Jessel (Twickenham): Will my right hon. Friend please say when he can find time for us to debate the excellent early-day motion 1134, in the name of my right hon. and learned Friend the Member for Hexham (Mr. Rippon), four other hon. Members and myself?

[That this House urges Her Majesty's Government to divert aid presently intended for Ghana, Kenya, Nigeria, Tanzania and Uganda to the provision of education and other assistance for the black population of South Africa.]

Mr. Biffen: I am sure that the aid programme is under continuous review by the Foreign Office. I suggest that my hon. Friend might also like to try to secure a debate on 25 July when he can make his points further; otherwise he might consider the motion for the summer Adjournment itself.

Mr. John Home Robertson: (East Lothian): I understand that there may be some congestion on the streets of Westminster on Wednesday. May I draw the attention of the Leader of the House to the fact that the House resolved on 6 November

"That the Commissioner of Police of the Metropolis do take care that during the Session of Parliament the passages through the streets leading to the House be kept free and open and that no obstruction be permitted to hinder the passage of Members to and from this House".—[*Official Report*, 6 November 1985; Vol. 86, c. 2.]

Will the Leader of the House remind the Commissioner of Police of the Metropolis of that fact in view of the important business that the right hon. Gentleman says we have to transact on that day?

Mr. Biffen: The hon. Gentleman views the monarchy with all the enthusiasm of John Knox. I shall consider the point he has made.

Mr. David Sumberg (Bury, South): May I welcome my right hon. Friend's statement about tomorrow's business, because we can all get back to our constituencies much earlier? However, can he guide me as to what we shall be debating in the light of the fact that the Dockyard Services Bill has gone, and the two consolidation measures have gone? What will be discussed? Is he open to any suggestions?

Mr. Biffen: As it is a festive time of the year, it is a surprise day.

Mr. Max Madden (Bradford, West): Will the Leader of the House ask the Home Secretary to conduct an urgent inquiry into the conditions at Heathrow to which many visitors to this country are subjected? Does the right hon. Gentleman realise that scores of visitors every week, who are required to have interviews with immigration officers, are compelled to stay, often for more than 24 hours, in cramped facilities without the opportunity of sleeping or eating, and that recently the number included a 14-year-old boy? Does the right hon. Gentleman understand that immigration officers, who are grotesquely understaffed, are extremely concerned at the indignities and discomfort to which many visitors are put by those outrageous arrangements? Will he ask the Home Secretary to conduct an urgent inquiry to ensure that those indignities and inconveniencies are removed as quickly as possible?

Mr. Biffen: I could not accept the hon. Gentleman's remarks as a premise to any action that I would undertake. However, I appreciate that the matter is causing great concern, and I shall refer it to my right hon. Friend the Home Secretary.

Mr. Peter Bruinvels (Leicester, East): Does my right hon. Friend share my concern at the high divorce rate, the falling standards in family life and the lack of morals? Does he not agree that religious education is failing in many of our schools and that the allegations and leaks coming out of one of our committees on education that morning assembly may be done away with would be the thin end of the wedge? Will my right hon. Friend find time either next week or when we return after the recess to debate the important need for all children in Leicester and elsewhere to benefit from the collective act of worship and to learn the good and human decency of a Christian denomination?

Mr. Biffen: My hon. Friend outlines a view which will be widely shared in the House and in Leicester. I understand that his specific point relates to the findings of a departmental Select Committee. Perhaps we should wait for its report to be published.

Mr. Dennis Skinner (Bolsover): Will the Leader of the House make a few inquiries about the attitude of some Departments and Ministers who are not replying to Labour Members' letters? Does he know, for instance, that I wrote on 21 May to the Home Secretary about the plight of Terry French, a miner put in gaol for five years for doing little or nothing during the strike? He is likely to remain there until 1987 unless parole is allowed. The Home Secretary has not even had the decency to reply to my request of 21 May for parole for Terry French to be reviewed. I wrote to the Home Secretary again on 12 June, but I did not get very far. I have written again.

It is time that the Government had the decency to deal with these matters. I know that the Home Secretary is supposed to be a novelist, but I do not expect a novel in reply. I expect a simple answer. Will the Leader of the House do something about it?

Mr. Biffen: The hon. Gentleman never writes to me.

Mr. Skinner: The right hon. Gentleman is wrong. I wrote 25 days ago.

Mr. Biffen: I must be a good correspondent. I will look into the matter and bring the hon. Gentleman's point to the attention of my right hon. Friend the Home Secretary.

Mr. Patrick Thompson (Norwich, North): Bearing in mind the result of the vote taken last night about support for Members of Parliament and the brevity of that debate, will my right hon. Friend consider allowing an early debate, possibly in October, on the role of the Member of Parliament, the role of Parliament and the balance of power between Parliament and the Executive? That is the issue to which we should have addressed ourselves in yesterday's debate.

Mr. Biffen: My hon. Friend has made an extremely valid point about the need for a wide-ranging assessment of the effectiveness and the role of the hon. Member and this House, and the extent to which public funds are used to support that function. Initially, that issue might be appropriate for a private Member's day.

Several Hon. Members *rose*——

Mr. Speaker: Order. I am always reluctant to curtail business questions. I will call those hon. Members who have been standing. However, I ask for brief questions as we have a heavy day's business today.

Mr. Tam Dalyell (Linlithgow): Is the Leader of the House aware that many of us have spent many hours on the Salmon Bill and that many constructive suggestions were put forward, not least by the hon. Member for Wealden (Sir G. Johnson Smith) and others? In the meantime, during the summer, will he prevail upon his ministerial colleagues to take account of the real changes that we have urged? There is no chance of the Bill being dropped, is there?

Mr. Biffen: I will bear the hon. Gentleman's point in mind and will bring it to the notice of my ministerial colleagues.

Dr. Norman A. Godman (Greenock and Port Glasgow): Does the Leader of the House agree that the time has come for the House to debate the present circumstances and the future of the British fishing industry in the light of the proposed structural changes in Europe?

Mr. Biffen: That is certainly one of the many potential subjects for debate which compete for a rapidly diminishing amount of parliamentary time. However, I will bear it in mind.

Mr. Dave Nellist (Coventry, South-East): Has the Leader of the House considered that next Wednesday's business is an exercise in hypocrisy and clearly shows the divided nature of Britain under the Tory Government? Viscount Althorp, the brother of Princess Di, will receive a reported £10,000 for a few hours of television commentary, while the Government will say that more than 500,000 young workers, all within a year or two of his age, earning £40 to £50 are pricing themselves out of work, and that the single needs payments for the 4 million

[Mr. Dave Nellist]

elderly and unemployed people on supplementary benefit are to be removed. Does the right hon. Gentleman agree that Wednesday will be the most shameful day in my three years as a Member of this House under his tutelage as Leader of the House?

Mr. Biffen: I am flattered that all that happened under my tutelage. I thought that I had a rather more passive role —at least, that is what I thought last night. I take note of what the hon. Gentleman says, but his anger should be directed more to television companies than to hon. Members.

Mr. Robert N. Wareing (Liverpool, West Derby): May I echo the appeal of my right hon. Friend the Member for Islwyn (Mr. Kinnock) about the choice of Wednesday for the consideration of the Social Security Bill? Given the congestion in central London that day, what facilities will be provided to the many disabled people who will wish to use the dial-a-ride service to get to the House to lobby their Member of Parliament? Is it not wholly immoral and obscene to consider a Bill intended to hammer the poor on the day of the much publicised wedding of a rich man?

Mr. Biffen: No; I do not accept that analysis. The Bill stands to be considered and it is a major Bill in its own right. These remarks about the royal wedding are extraneous and invidious.

Mr. Roland Boyes (Houghton and Washington): Has the Leader of the House had an opportunity today to read the article in the *Financial Times* by Richard Evans entitled "Higher charges buoy up water profits"? He shows the massive profits made by water companies. The Northumbrian water authority increased its profits seven times and Thames water authority, on an increased turnover of £46 million, has made profits of £45 million. That has caused the chairman of Thames Water, Mr. Roy Watts, to say: "the Treasury takes too much." Does that not demonstrate that the water authorities are being used as covert tax collectors for the Treasury, which forces them to make unacceptable, unwanted and unnecessary price increases?

Mr. Biffen: I am intrigued that articles in the *Financial Times* have now become source material for the Labour party. I cannot comment on their accuracy or otherwise, but the Secretary of State for the Environment will be top for questions on 23 July and I suggest that the hon. Gentleman takes up the matter with him then.

Mr. Tom Clarke (Monklands, West): Did the Leader of the House take the opportunity today to read the joint report issued by the Office of Health Economics and MENCAP which shows a clear correlation between poverty and instances of mental handicap? Will he use his influence to ensure that legislation passed by the House in this Session is implemented with the greatest possible speed?

Mr. Biffen: I have not seen the report, but I shall make it my business to be acquainted with it. The hon. Gentleman will know the circumstances in which legislation receives the Royal Assent. So far as its being brought into effect is concerned, I can add nothing to that.

Mr. Greville Janner (Leicester, West): Is there any prospect of a debate on the grave and growing shortage of hospital beds which has led to complaints from my constituents both about the danger of dying because they are in need of heart surgery which they cannot get, and about remaining in constant pain because they cannot get surgery for hip replacements and other painful illness? The relatives of two people died because they were not admitted to hospital in time. Is there any hope of a debate about the need for more resources for the National Health Service? Can it please not be delayed until we return in the autumn, because too many people will be dead by then as a result of these shortages?

Mr. Biffen: As the hon. and learned Gentleman says that there is an imperative about the timing of such a debate, the best I can do is to draw his attention to the opportunities available to him on both 24 and 25 July.

Mr. Alfred Dubs (Battersea): Is the Leader of the House aware that, despite the recent optimistic noises about a comprehensive test ban treaty, the United States Government intend tomorrow morning, at 4 o'clock our time, to carry out a nuclear test in the Nevada desert? In those circumstances, should there not be a debate about a possible comprehensive test ban treaty before we rise for the summer recess?

Mr. Biffen: I doubt whether a debate would do much about the putting into effect of the intended American test, so I suggest that we might consider the debate at a more leisurely time.

Mr. Tony Banks (Newham, North-West): Is the Leader of the House aware that it is more than seven months since Rupert Murdoch engineered a strike at News International, and that that dispute has cost London ratepayers about £1·5 million for the extra policing? Is he aware of the serious disruption it has caused to people living in the east end? Is he further aware that Rupert Murdoch is entirely responsible for that dispute, and that it is about time we had a proper opportunity in the House to discuss the dispute—or does he not care about it?

Mr. Biffen: I am aware that seven months of aggressive intimidation have failed, and I am aware of the despair that that causes to the far Left.

Mr. Charles Kennedy (Ross, Cromarty and Skye): Is the Leader of the House aware of the abuse which the Scottish Office perpetrated on the Scottish Grand Committee by using the occasion of a debate on Scottish industry to make a statement which should have been delivered from the Dispatch Box this afternoon, given that the implications of the issue extend north and south of the border? There were strong feelings in the Committee that it was a disgraceful performance by the Government— *[Laughter.]* The Secretary of State for Scotland need not laugh, because he was not even present. Will the Leader of the House investigate the matter and find out whether an apology would be in order?

Mr. Biffen: I have always comforted myself by believing that the proceedings of the Scottish Grand Committee were no responsibility of mine. But, in the spirit of good natured concern for the kingdom of the north, I shall look into that matter.

Mr. Willie W. Hamilton (Fife, Central): Obviously, I am being victimised for not wearing a tie.

Does not the Leader of the House agree that it is in particularly bad taste to debate the clobbering of the poor

on Wednesday at the very time when there is to be the most vulgar display of wealth and extravagance, largely at public expense, within a mile of this building? Does that not show that the Government's policies are completely successful in dividing the nation?

Mr. Biffen: Vulgarity exists in the eye of the beholder.

Mr. Jeremy Corbyn (Islington, North): When the Leader of the House speaks to the Home Secretary about the plight of Terry French who is unjustly being held in Maidstone prison as a result of the miners' strike, will he remind the Home Secretary that many hon. Members and I have already written to him about that case and are still waiting for a response?

Will the Leader of the House find time before Thursday 24 July to allow the House to debate the future of the school meals service in Buckinghamshire where the Conservative-controlled county council is proposing to abolish that service, thus preventing children from getting a decent lunch, forcing their parents to spend more money on feeding them and forcing school meal workers on the dole, the day after the most disgusting display of conspicuous wealth that the country has seen in a decade?

Mr. Biffen: The hon. Gentleman used the word "unjustly", and in so doing he prejudges one's view of the processes of law. I cannot accept that, and I do not think that he enhances his case by making those observations. If the hon. Gentleman genuinely wishes to raise on the Floor of the House the matter of the affairs in Buckinghamshire, he will have the opportunity to do so on 24 and 25 July.

Leader of the Opposition

4.8 pm

Mr. Jim Spicer (Dorset, West): On a point of order, Mr. Speaker. You may remember that immediately after Prime Minister's questions on Tuesday I attempted to raise a point of order which related directly to the conduct of the right hon. Member for Islwyn (Mr. Kinnock)? At one point during an exchange with my right hon. Friend the Prime Minister when Chief Minister Buthelezi was mentioned, the right hon. Gentleman gave a Fascist salute from a sedentary position, implying that Chief Minister Buthelezi was a Fascist. When he was questioned about Inkatha, again from a sedentary position he said that this, too, was a Fascist party. I wonder whether you could give him an opportunity to withdraw what is an obvious slur on a man who is respected throughout the world.

Mr. Speaker: Order. I did not hear those remarks. I must say to the House again that my microphones are tuned to whoever happens to be speaking. I do not hear a lot of what goes on in the Chamber; perhaps that is just as well. Nor did I see any salutes of that nature.

Mr. Nicholas Winterton (Macclesfield): Further to that point of order, Mr. Speaker. With respect to the views that you have just expressed, I can assure you that the Leader of the Opposition did give a Fascist salute from a sedentary position on Tuesday. It occurred during questions to the Prime Minister which are dealt with in column 849 of *Hansard*——

Mr. Speaker: Order. As it is not recorded in *Hansard*, how would anybody know? I must say to both hon. Gentlemen that this is old hat—[*Interruption.*] Order. This should have been raised on Tuesday.

Mr. Winterton: It was indeed raised on Tuesday by my hon. Friend the Member for Worcestershire, South (Mr. Spicer)——

Mr. Speaker: Order. No, it was not raised on Tuesday. I said to the hon. Member for Worcestershire, South (Mr. Spicer) that I would take his point of order at the usual time but he was not in the Chamber at the appropriate moment to raise it——

Mr. Winterton: He was.

Mr. Speaker: Well, if he was he did not raise that point of order. I cannot accept it now.

Mr. Winterton *rose*——

Mr. Speaker: Order. With the best will in the world, we cannot go back on what happened earlier in the week. I will allow the hon. Member for Macclesfield (Mr. Winterton) to finish his point of order and then that is the end of it.

Mr. Winterton: If you did not hear what went on, Mr. Speaker, many of my hon. Friends and certainly the Press Gallery did. An article appeared in *The Sun* newspaper the following day—*[Interruption.]*.

Mr. Speaker: Order. We have a very heavy day. Let the hon. Gentleman finish.

Mr. Winterton: —in which it is alleged—I did not interpret it in that way — that the Leader of the Opposition directed a Fascist salute at me and shouted

[Mr. Winterton]

"Fascist". I do not believe that that remark was directed in my direction. If it was, I believe the right hon. Gentleman would wish to apologise, because he has no grounds for making that remark. Irrespective of that, if he did direct that remark, inadvertently, in an uncontrolled moment, at the leader of the largest group of blacks in South Africa, Chief Gatsha Buthelezi of the Inkatha party, he should also seek an opportunity to apologise to that very distinguished leader of African opinion.

Mr. Speaker: Order. I have allowed the hon. Member to finish in order that we can get on. In this place we cannot rake over events that may have happened earlier in the week simply because of a report in a newspaper.

I have three short statements to make. In the light of the announcement made by the Leader of the House of the proposed dates of return from the recess, questions for oral answer on Tuesday 21 October, Wednesday 22 October and Thursday 23 October may be tabled forthwith. I have directed the Table Office that the shuffles for questions for oral answer on these days be held——

Mr. Winterton: On a point of order, Mr. Speaker——

Mr. Speaker: Order. I am on my feet.

I have directed the Table Office that shuffles for questions for oral answer on these days be held at 6 pm tonight.

I remind the House that on the motion for the Adjournment of the House on Friday 25 July up to eight Members may raise subjects of their own choice with Ministers. Applications should reach my office by 10 pm on Monday next. A ballot will be held on Tuesday morning and the results made known as soon as possible thereafter.

I have to make a further short statement about the arrangements for the debate on the motion for the Adjournment which will follow the passing of the Consolidated Fund Bill on 24 July. Members should submit their subjects to my office not later than 9 am on Wednesday 23 July. A list showing the subjects and times will be published later that day. Normally, the time allotted will not exceed 1½ hours but I propose to exercise discretion to allow one or two debates to continue for rather longer, up to a maximum of three hours. Where identical or similar subjects have been entered by different Members whose names are drawn in the ballot only the first name will appear on the list. As some debates may not last the full time allotted to them it is the responsibility of Members to keep in touch with developments if they are not to miss their turn.

Mr. Winterton: On a new point of order, Mr. Speaker. In the presence of many Members on this side of the House the Leader of the Opposition has just implied—I am convinced I will be supported by Members on the Tory Benches—that I have been in receipt of funds or money from South Africa or other organisations associated with South Africa. I deny that and I challenge the Leader of the Opposition to withdraw it. It is an unfounded slur which I very much regret and which I cannot believe he intends.

Mr. Speaker: Order. I did not hear anything of that kind——

Mr. Edward Leigh (Gainsborough and Horncastle) *rose——*

Mr. Speaker: I do not need any help. I have not finished. I think that if the Leader of the Opposition did happen to say anything of that kind he would wish to deny it.

Mr. Leigh: Further to that point of order, Mr. Speaker. I distinctly heard the Leader of the Opposition say "Boyo, you got paid."

Mr. Speaker: Order. Yesterday the hon. Member for Macclesfield (Mr. Winterton) quite correctly made some complimentary remarks about the good spirit of the regatta. Let us proceed today in that same good nature —*[Interruption.]* Order. It is not worth creating a great row about something that may have happened earlier in the week. Let us move on.

Mr. Winterton: On a point of order, Mr. Speaker. I have been accused——

Mr. Speaker: Order. I must ask the hon. Gentleman to contain himself. Statement, the Secretary of State for Scotland.

Mr. Winterton: On a point of order, Mr. Speaker.

Mr. Speaker: Order. I would be very reluctant at this stage in the Session to ask the hon. Member to withdraw but I must now ask him to resume his seat. I call the Secretary of State for Scotland.

Mr. Winterton: Disgraceful.

Tertiary Education (Scotland)

4.17 pm

The Secretary of State for Scotland (Mr. Malcolm Rifkind): With permission, Mr. Speaker, I wish to make a statement following consultations on the Scottish Tertiary Education Advisory Council's report on a future strategy for higher education in Scotland, which was published on 9 December 1985.

First, I wish to thank the council for its work. Its report has stimulated wide debate, and there has been particular interest in its proposals with regard to the number of colleges of education in Scotland and future arrangements for the planning and funding of higher education. In these two important areas my conclusions are as follows.

The council endorses the vocational character of the colleges of education and recommends that teacher training should continue to be provided in specialist institutions. I accept that recommendation in principle, while not ruling out entirely the possibility of some other arrangement if circumstances appeared to warrant it. I agree also with the council that there is a very real problem of over-capacity in the colleges, which militates against the best use of the available resources and which must be reduced. The present accommodation will substantially exceed expected demand even in the 1990s, when student numbers are expected to increase to some extent. I consider, however, that there would be merit in seeking to retain, if practicable, a fairly wide geographical spread of provision. I have accordingly decided against closure of any college of education and I intend to seek to achieve the necessary capacity reductions in other ways.

I have reached the following decisions. First, the training of physical education teachers, both men and women, will be centralised on the site of the present Dunfermline college of physical education, and accordingly the training of men PE teachers at Jordanhill college of education will cease. Dunfermline college will itself be merged with Moray House college of education under a single governing body.

Secondly, Aberdeen and Dundee colleges of education will be merged on their existing sites under a single governing body.

Thirdly, the detailed arrangements for bringing these organisational changes into effect will be a matter for discussion between my Department and the governing bodies concerned.

Fourthly, I shall expect all colleges of education, whether or not directly affected by the organisational changes, to take early and strenuous measures to dispose of surplus accommodation on any of their sites, whether for educational or for other use. This will require the co-operation of the colleges themselves, the local authorities and other interests.

Fifthly, my Department will undertake a further programme of course rationalisation designed to make the best possible use of manpower and facilities throughout the college of education sector as a whole, including those colleges — Craigie and St. Andrew's — which are not otherwise directly affected by the organisational changes. I shall review the position again next year in the light of progress made. I must make it clear that, if over-capacity remains a real problem, site closures will then become inevitable.

I believe that it would be appropriate also, as the council recommended, to review the continuation of teacher training at the University of Stirling. I shall be discussing the most suitable form of this review with my right hon. Friend the Secretary of State for Education and Science, involving the University Grants Committee as appropriate.

As for the planning and funding of higher education in Scotland, I accept the council's view that there is scope for improvement in the existing arrangements for the planning and co-ordination of provision across the university and non-university sectors. I agree that there is a gap in the planning process which could better be bridged.

I accept the council's rejection of a planning body for the public sector of higher education only, the bulk of which in Scotland is directly funded by central Government. The situation is different from that obtaining in England and Wales and a planning body for the public sector alone is not required in Scotland. I agree also that the Northern Ireland model would not be appropriate.

Nevertheless, it does not seem sensible to proceed immediately to the establishment of an overarching planning body in Scotland with responsibility for the planning and co-ordination of provision across both the university and the public sectors. Like the council, I regard it as important that planning mechanisms should be backed by appropriate systems for the delivery of results. I have therefore decided to defer a decision on the establishment of such a body until the Government can form a clear view of the future funding arrangements for the Scottish universities. This will require advice, which has already been sought, from the committee chaired by Lord Croham, which is reviewing the UGC, and also from the Advisory Board for the Research Councils. I am in touch with my right hon. Friend and he will be seeking the ABRC's views shortly. The Government will consider the advisory council's recommendations in respect of planning and funding arrangements for Scottish higher education in the light of the further advice received. I have today given the Government's response to the advisory council's many other detailed recommendations in a written answer to my hon. Friend the Member for Cunninghame, North (Mr. Corrie).

Finally, to allow time for decisions to be taken on planning and funding arrangements, I am asking the Members of the advisory council to serve for one further year until July 1987. This will also enable the council to complete its review of the Scottish Business School, which the chairman now expects will not be possible until late this year. I shall make a further statement to the House when decisions on the matters outstanding are reached.

Mr. Donald Dewar (Glasgow, Garscadden): Any welcome that I give the statement is largely based on what it does not contain. It is tentative and seems confused. The theme is, "I accept this and that, while not entirely ruling out the other." We welcome the fact that no college closures are being announced today and that the Government have accepted, even if half-heartedly, the arguments about the value of the present structure, which is spread geographically throughout Scotland.

Can the right hon. and learned Gentleman tell me what is meant by the sentence about site closures becoming inevitable if over-capacity remains a real problem? How will that be handled? It is still a threat hanging over every

[Mr. Donald Dewar]

college in Scotland. It cannot be a matter of student numbers, because we know what student numbers will be in a year's time. Will the right hon. and learned Gentleman give every college a target, or will he leave it to boards of governors to cut as they think fit and make an arbitrary judgment at the end? Will a benchmark be set? Is it a matter of cost savings or of building closures? That is a key part of the statement and the right hon. and learned Gentleman must tell us a little more about how it will be judged when the time comes in one short year.

Does the right hon. and learned Gentleman agree that there will be widespread regret at the decision to close the Scottish school of physical education at Jordanhill? It has an honourable place in Scottish education, high standards and an excellent record. Opposition Members recognise the need to integrate the teaching of physical education for men and women—I am not quarrelling with that—but there will be widespread disappointment at the loss of a site with the closure of physical education at Jordanhill.

Do the Government intend that all academic staff should transfer, or will there be job losses? Equally important, can the right hon. and learned Gentleman give any indication of what will happen to other staff who will be involved because of the closure? I understand that there are about 300 students at Dunfermline and about 180 in the physical education department at Jordanhill. What will be the expected student numbers in the combined college when it is established?

Will the right hon. and learned Gentleman publish in full the factors and considerations, and a summary of the advice that he received, on which the decision was taken so that the many people who regret what has happened can examine the possibilities of continuing to operate physical education units on both sites? We would have liked to receive such information. We do not know why it was ruled out. The Secretary of State should make that clear.

What about the decision to merge the management of the colleges at Dundee and Aberdeen, while retaining the two sites? The Secretary of State obviously knows that the two sites are more than 60 miles apart. It seems an odd decision. What savings does he expect which could not have been achieved by separate and independent organisations with their own boards of governors?

To avoid doubt such as lingers in many people's minds, can the right hon. and learned Gentleman rule out the suggestion that the announcement is a preliminary to closing one of the colleges by the back door? What changes in student numbers at the two colleges does he expect during the next year or two?

Will the Secretary of State note that we would have welcomed the decision in principle to set up an overarching body to plan and shape higher education in Scotland? I am aware that Lord Croham's committee is still sitting, but will the right hon. and learned Gentleman give an assurance that Lord Croham and his colleagues have had it drawn to their attention that there is the STEAC recommendation and a substantial body of opinion in Scotland which believes that higher education in Scotland must be seen as a unit so that student numbers and curriculums are planned in an integrated and sensible way?

The Secretary of State said something rather tentatively about one or two important and controversial parts of STEAC. Will he note that I am disappointed that he has not responded to the strong case made by the committee for linking educational opportunity with the level of student grants? He has not apparently learnt from its approach to student numbers to the end of the century, which contrasts sharply with the miserable and inadequate approach which is shown in the Government's Green Paper on higher education.

Mr. Rifkind: The hon. Gentleman said that he welcomed the Government's statement that there would be no closures of colleges of education and that he would like clarification of what is meant by my statement that if over-capacity remains a real problem site closures will become inevitable. What I mean is quite simple. Nobody disputes the fact that there is substantial over-capacity in the college of education system. In all the forecasts about likely student numbers in the foreseeable future, it is clear that substantial over-capacity will remain. There are two ways in which it can be dealt with. The first is to close colleges, and the second is to get rid of surplus accommodation, which is to be found in pretty well all colleges of education.

For the reasons that I have given, I believe that it is preferable to try to retain teacher training at each of the existing sites. That is why I have not announced any college closures, despite that being STEAC's recommendation. It is preferable to retain teacher training on each site, but that will be a responsible use of resources only if it is possible for colleges to dispose of the surplus accommodation which they do not need now and which they will not need in future.

If we have the co-operation of colleges, local authorities and others with an interest in these matters, there is a reasonable prospect of that end being achieved. If it is achieved, there need be no closure now or in the future on any of the sites. If it is not achieved, however, I must be frank with the House and say that college closures will become unavoidable.

The hon. Gentleman also referred to the decision about physical education at Jordanhill. I echo his observations about the fine contribution to physical education that that department has made. My announcement does not reflect in any way on the quality of the work done there. As the hon. Gentleman said, there is agreement that it is necessary to integrate male and female students on a single site.

Dunfermline college is purpose-built for physical education. I assure the hon. Gentleman that the educational arguments which were put to me, and which I have accepted, pointed overwhelmingly to Dunfermline being the site for physical education. By concentrating all physical education students on that site, it is possible substantially to reduce the present under-use of capacity at Dunfermline. As to the implications for the staff at Jordanhill college, we will be discussing this with governors to ensure that there is the minimum disruption in regard to its prospects.

On the question of the merger of Dundee and Aberdeen, I have said to the hon. Gentleman that there were educational reasons, to which STEAC referred, why the number at each of these colleges was approaching a level, or in some cases was at a level, where it was not possible to give the diversity of training and experience that was educationally preferable. For this reason primarily, it is thought desirable to merge the two colleges so that a rationalisation of courses can be attained.

The hon. Gentleman said that he was concerned that this could be closure by the back door. May I say what I

said a few moments ago: if we can get rid of the unnecessary surplus accommodation in the colleges of education of Scotland, it will not be the Government's intention to cease teacher training at any of the present sites, and that includes Dundee and Aberdeen.

Finally, the hon. Gentleman expressed his view that the Opposition were in principle in favour of an overarching body responsible for the planning of higher education in Scotland. In the Government's view, it is unwise to come to a conclusion on this matter until we are able to come to a conclusion on the question of resources. The question whether responsibility for resources should lie with one Department or another is crucial to whether an overarching planning body would be advisory or executive —or, indeed, desirable at all. It therefore seems sensible to decide on these matters when the related questions can also be resolved.

Sir Hector Monro (Dumfries): I give my right hon. and learned Friend a very warm welcome for his statement. Everyone in south-west Scotland, including my right hon. Friend the Member for Ayr (Mr. Younger), and particularly the staff of Craigie college, will be delighted that the college is to remain open and that the close relationship in teaching practice will continue in south-west Scotland.

Is my right hon. Friend aware that the amalgamation of PE teaching at Dunfermline will ensure an ideal centre of teaching excellence? May I expect that PE standards in Scotland, in both quality and facilities, will improve?

Mr. Rifkind: I thank my hon. Friend for his welcome to the proposals.

Craigie has been successful in finding alternative use for much of its surplus accommodation. There is still some surplus capacity, but much is utilised by Ayr technical college. As a consequence, Craigie now has the lowest unit costs of all the colleges in Scotland. One therefore very much hopes not only that Craigie will be able to dispose of any remaining surplus capacity, but that its achievements will be able to be emulated in this respect by other colleges with still greater amounts of surplus accommodation. I have to emphasise that there can be no guarantee for any individual college in Scotland if we are unable to get the overall reduction in surplus capacity that any Government, I believe, would conclude was necessary at present.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Is the Secretary of State aware that, like the hon. Member for Glasgow, Garscadden (Mr. Dewar), we very much welcome the decision to keep open the existing colleges? Is he aware that the merging of the organising of the colleges seems in contradiction to the concept of specialist institutions, which he himself warmly commended? In this regard, can he explain the remarkable sentence:

> "I accept that recommendation in principle, while not ruling out entirely the possibility of some other arrangement if circumstances appeared to warrant it."?

That seems to lack the smack of fervour.

Mr. Rifkind: I thank the hon. Gentleman for his welcome for the Government's decision. I understand that his view is not necessarily shared by all his Liberal colleagues. I understand that the hon. Member for Gordon (Mr. Bruce) indicated that he would wish to see the majority of the colleges retained, thereby implying that he wished to see others closed. I am not certain which view we should assume to be the official view of the Liberal party.

With regard to the hon. Gentleman's other question, we have accepted the conclusion of STEAC. It seems sensible to retain a separate college of education structure, but this matter deserves continuous consideration. We know that elsewhere in the United Kingdom teacher training occasionally has been attached to other education establishments. There are arguments for and against, which STEAC considered. Therefore, my comment was to indicate that I did not wish to rule out the possibility that at some future date consideration might be given to that matter. However, there is at present no proposal to go in that direction.

Mr. Michael Hirst (Strathkelvin and Bearsden): I accept the premise of the STEAC report that there needs to be rationalisation in teacher training, but is my right hon. Friend aware that there will be real regret in the west of Scotland at the closure of the Scottish school of physical education at Jordanhill college, which has a long and distinguished history? Can he confirm that he was obliged to make the decision to close the Scottish school of physical education because of the European directive that prohibited single sex physical education?

Mr. Rifkind: My hon. Friend is correct. The European directive indeed required this, although I am bound to say that the Government believe that there are also sound educational reasons why a development of this kind is highly desirable.

Mr. David Lambie (Cunninghame, South): I congratulate the right hon. and learned Gentleman on recognising the need to maintain a fairly wide geographical spread and to maintain Craigie college of education as a centre of higher education for south-west Scotland. This is the third successful campaign in which I have taken part with the right hon. Member for Ayr (Mr. Younger) to safeguard the future of Craigie college. In view of the right hon. and learned Gentleman's answer to the hon. Member for Dumfries (Sir H. Monro), will he now give a guarantee that the decision on Craigie will not be reviewed next year, and that the decision announced today by the Government will be the final one on Craigie, so giving the right hon. Gentleman and myself a rest for the remainder of our parliamentary lives?

Mr. Rifkind: I freely acknowledge that, when the hon. Gentleman and my right hon. Friend combine forces, that is a pretty formidable consideration that I have to bear in mind.

As to the hon. Gentleman's question, in all seriousness, I have to emphasise that I very much wish to retain teacher training at all the existing locations, including Craigie, but this will be possible only if it is shown in the next year that we can dispose of the surplus accommodation in the system. Everybody acknowledges that there is substantial surplus in the system. It has to be disposed of. I hope to be able to do that and avoid the closure of teacher training establishments in any location in Scotland, although I cannot guarantee that that will be possible. That depends not only on the action of the Government, but on the willing co-operation of local authorities, because in some cases change of use and planning permission may be

[Mr. Rifkind]

necessary. It depends on the co-operation of the colleges themselves and on finding acceptable uses for the surplus accommodation in each of the localities.

Mrs. Anna McCurley (Renfrew, West and Inverclyde): I congratulate my right hon. Friend on the retention of all the colleges of education in Scotland. With the elephantine memory that I have of this issue, may I say that I remember that we have a much better record than others for keeping colleges open?

One thing that has always bothered me is the long-term planning of numbers in colleges of education. I am pretty sure that a more efficient system could be used.

I notice that in his statement my right hon. and learned Friend said that he wished to see the colleges revert to their vocational character. Will he consider Jordanhill college particularly, which has a poor level of morale at present and has rather lost its way as a college? Will he pay special attention to reintroducing that vocational character to Jordanhill?

Mr. Rifkind: I thank my hon. Friend for her comments. STEAC emphasised that the vocational character of the college of education was an important characteristic that ought to be preserved. I am happy to endorse that.

Several Hon. Members *rose*——

Mr. Speaker: Order. I shall endeavour to call all those Members who wish to speak, but I remind the House that we have a heavy day in front of us, and I would be grateful for brief questions.

Dr. Norman A. Godman (Greenock and Port Glasgow): How long will the council continue in existence? The proposal to merge Moray House and Dunfermline college will be greeted with deep dismay at the college in Cramond. Can the Secretary of State give an assurance that the fine work carried out by the college in education and training for the tourist industry will not be harmed in any way by such a merger?

Mr. Rifkind: The STEAC will continue for at least a year, as I said. I believe that my statement about the merger of Dunfermline and Moray House will be warmly welcomed because it involves a substantial additional responsibility for Dunfermline, as it is to become the sole centre for physical education training in Scotland. In addition, the proposed merger with Moray House will have important educational benefits. It is important that teacher trainees in physical education should have greater contact with other teacher trainees and be able to use the facilities of Moray House. That greater link between the two colleges will be to the benefit of trainees and staff at both colleges.

Mr. Barry Henderson (Fife, North-East): Is my right hon. and learned Friend aware that many people regard this as a wise and imaginative statement which has something of what might be called "Malcolm's Magic"? In particular, is my right hon. and learned Friend aware that it will be regarded as better educationally, financially and geographically than what was first proposed? Given the opportunities that my right hon. and learned Friend has provided for these colleges to use available resources to do wider and different things within those establishments, can he establish a conference of the colleges concerned and other educational bodies, which together can think of useful schemes to bring this about successfully?

Mr. Rifkind: I thank my hon. Friend for that welcome. I emphasise that it is important for the colleges to appreciate that the alternative accommodation which they are seeking to dispose of need not be used only for educational purposes. If there are alternative educational purposes, there is no objection to that. The important thing is to ensure the disposal of that surplus accommodation. Whether it is used for educational, residential or other purposes is a matter to which the colleges can give equal consideration. The important thing is to ensure that we have a healthy use of the available resources. It cannot be healthy for half empty buildings to continue being financed from available resources. That is not in the educational interest, or in that of colleges.

Mr. Gordon Wilson (Dundee, East): I welcome the Secretary of State's announcement that he has recognised the geographical principle that we need a spread of education teaching opportunities. Will he also recognise that the statement is a continuation of 10 years of uncertainty for the colleges and amounts to a stay of execution until after the next general election? In the context of the Dundee and Aberdeen colleges, will the Secretary of State say what rationalisation will take place, what further reductions in student numbers there will be on each site, and what effect that will have on staff? I register my disappointment and that of my party at the Secretary of State's failure to grasp the opportunity given by STEAC for an overarching body.

Mr. Rifkind: I am surprised that the hon. Gentleman refers to my announcement as a stay of execution for Dundee. He appears to believe that it is impossible to dispose of surplus accommodation in Dundee. If that is possible, it is not a stay of execution, but a reprieve, because it means that teacher training will be able to continue on a permanent basis at Dundee.

The hon. Gentleman knows that Dundee college has about one fifth of the students that it needs to utilise its full capacity. The hon. Gentleman cannot be happy that Dundee college is about 80 per cent. unused. He knows the great difficulty that there has been in finding any alternative educational use for that building that would utilise the spare capacity. If the hon. Gentleman and others with an interest in this matter in Dundee, including the local authority and the college, got together and, in co-operation with the Scottish Office, ensured the disposal of the surplus accommodation, allowing teacher training to continue in Dundee with the accommodation that is really needed, teacher training would continue on a permanent basis.

Mr. John Corrie (Cunninghame, North): I support what the hon. Member for Cunninghame, South (Mr. Lambie) said. I congratulate my right hon. and learned Friend on the skilful way in which he has reached his decision. I thank him on behalf of the people of Ayrshire and the south-west of Scotland for keeping Craigie college going. Is it not frightfully important that students go from rural areas to a rural environment college and return to their areas so that there is good liaison between teachers and pupils?

Mr. Rifkind: Yes, that is a desirable objective, and I bore in mind the fact that in England and Wales there is

substantial geographical diversity, which is easier in those two countries because there are relatively few separate colleges of further education and teacher training tends to be linked to other educational training establishments. We have separate colleges of education, which were built larger than is needed in modern circumstances. That is why we have the problem that we are now seeking to resolve.

Mr. Ernie Ross (Dundee, West): The Opposition were not surprised that the Secretary of State came to this conclusion, as it is the argument that we have been making since the debate on the Education (Scotland) Act 1981. More recently, in March of this year, my hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) had an Adjournment debate on this subject. There is a need for a geographical spread of the colleges. There is a need to see what use can be made of spare capacity. For those reasons, we are not surprised that the Secretary of State has come to this conclusion.

It makes nonsense to have two colleges that are 64 miles apart sharing one governing body. Where will it meet? Will it be offshore, in Montrose, Johnshaven, or Stonehaven? It must lead to concern, and I am sure that if the hon. Member for Aberdeen, North (Mr. Hughes) catches your eye, Mr. Speaker, he will make the same point. There must be pressure on these colleges of education. We do not regard them as sites. They are colleges with people — teachers, staff and students. There must be some concern about the statement and its effect on Aberdeen and Dundee.

Mr. Rifkind: I hope that there will continue to be teachers, pupils and staff in both cities for the foreseeable future. While the hon. Gentleman is correct to say that he and his hon. Friends have continually said that they are against college closures, they have not demonstrated their commitment to seeking the disposal of surplus accommodation. That is a crucial part of the strategy.

I emphasise that it is not sufficient simply to say that we must not close colleges. At the moment there are 5,000 teacher trainees in Scotland. It is expected that there will be a maximum of 7,500 in years to come. The college capacity is about 10,000. Unless we can bridge the gap between what is needed and what is not, it is inevitable that some colleges will close. We all wish to avoid that, and we can do so if we have maximum co-operation.

Mr. Jim Craigen (Glasgow, Maryhill): The Secretary of State has been evasive about a number of key issues facing tertiary education in Scotland. Why did he take the political decision to smash the physical education facilities at Jordanhill, which must surely override some of the economic, social and geographical factors involved?

Mr. Rifkind: That is an extraordinary and absurd remark. Far from it being a political decision, I remind the hon. Gentleman that we are required by the European directive to eliminate single sex education in physical education. The numbers involved could not possibly justify having male and female students at both Jordanhill and Dunfermline, and in Dunfermline we have the only purpose-built college of physical education in Scotland. If the hon. Gentleman cannot see the logic in that, nothing that I say will convince him.

Mr. Charles Kennedy (Ross, Cromarty and Skye): I welcome the tribute that the Secretary of State has paid to Jordanhill. Can he be a little more explanatory? When he speaks about the minimal disruption that he hopes will follow consultation — [HON. MEMBERS: "Where is the right hon. Member for Glasgow, Hillhead (Mr. Jenkins)?"] My right hon. Friend is in hospital recovering from an operation. Has the Secretary of State any ideas on whether that minimal disruption following consultation with the governors will involve lay offs and transfers?

Mr. Rifkind: It would be wrong for me to speculate on that matter before we discuss it with the governors. Clearly the transfer of a significant number of students from Jordanhill to Dunfermline college will involve some opportunities for staff. However, the conclusion on that must await detailed discussions, and I do not want to give a misleading answer that might not be borne out by events.

Mr. Martin J. O'Neill (Clackmannan): Will the Secretary of State be more forthcoming about the inquiry that he hopes to institute in conjunction with the UGC about the education department at Stirling university, bearing in mind the need for a geographical spread of colleges and facilities in Scotland? Central region lost Callander Park after the college had done everything that the Secretary of State is now recommending to other colleges, namely, to rent out all available surplus accommodation within its campus. At the end of the day the college was still closed. Can the Secretary of State assure us, therefore, that there will be a full and fair review in conjunction with the UGC, unlike some of the reviews that have been carried out recently? Will he also make it clear that in the recent past other Ministers in his Department have closed colleges even though those colleges had done everything they could to rid the Scottish taxpayer of the burden of the cost of the surplus accommodation?

Mr. Rifkind: The hon. Gentleman will know that responsibility for universities lies not with me but with my right hon. Friend the Secretary of State for Education and Science. The Scottish Tertiary Education Advisory Council recommended a review of the position at Stirling university with regard to teacher training. In conjunction with my right hon. Friend, I have accepted that recommendation. We must await the outcome of that review.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): May I thank you, Mr. Speaker, for the honour that you keep bestowing on me of giving me the last word on these occasions?

I hope that I am in order in adding my thanks to the Secretary of State for Scotland for accepting the powerful educational, geographical and economic argument that was put on behalf of Craigie college, not just by my hon. Friend the Member for Cunninghame, South (Mr. Lambie) and by the right hon. Member for Ayr (Mr. Younger), but by all people in the south-west of Scotland. It is only marred a little by the year's review, which is perhaps piling up work for my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar).

Can the Secretary of State assure us, because worry arises from one or two things that he has repeated in his statement, that colleges like Craigie, which are getting rid of surplus accommodation or are making effective use of it, will not be penalised because big colleges like Moray House and Jordanhill do not over the next year get rid of

[Mr. George Foulkes]

surplus accommodation, as the Secretary of State recommends? Can he make it clear that he will put pressure on colleges that have surplus accommodation either to use it effectively or to dispose of it so that colleges that do as he asks will not suffer?

Mr. Rifkind: I am grateful to you, Mr. Speaker, for allowing me to have the last word. I am overwhelmed by the combined congratulations of the hon. Member for Cunninghame, South (Mr. Lambie) and the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes). It is an experience with which I am not familiar and I suspect that it will not often be repeated.

I accept their requirement to put maximum pressure on all colleges of education that have surplus capacity. I have given no assurances to any college as to its long-term future if surplus capacity is not removed. If it is possible to speak on behalf of both sides of the House, it is highly desirable for all colleges, including the larger ones, to get rid of surplus accommodation. They will do a service not only to themselves but to the interests of teacher training in Scotland as a whole.

Mr. Speaker: Perhaps I may have the last word on the last question. I say to the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) that if he cannot be first he might as well be last.

Mr. Foulkes: And the last shall be first.

Mr. Speaker: Even that.

Orders of the Day

Finance Bill

Not amended in the Committee and as amended (in the Standing Committee), further considered.

Ordered,

That the order [8 July] be amended and that the Bill, as amended, be further considered in the following order, namely, new clause No. 18, new schedule (Broadcasting: Additional Payments by Programme Contractors), new Clauses Nos. 26 to 30 and 32, Amendments relating to Clauses Nos. 64 to 94, other new Clauses, and Amendments relating to Clauses Nos. 1 to 3, Schedules Nos. 1 and 2, Clauses Nos. 4 and 5, Schedule No. 3, Clause No. 6, Schedule No. 4, Clauses Nos. 7 and 8, Schedule No. 5, Clause No. 9, Schedule No. 6, Clauses Nos. 10 to 31, Schedule No. 7, Clauses Nos. 32 to 38, Clause No. 40, Schedule No. 9, Clauses Nos. 41 and 42, Schedule No. 10, Clauses Nos. 43 and 44, Schedule No. 11, Clauses Nos. 45 and 46, Schedule No. 12, Clauses Nos. 47 to 55, Schedules Nos. 13 and 14, Clause No. 56, Schedule No. 15, Clause No. 57, Schedule No. 16, Clauses Nos. 58 to 62, Schedule No. 17, Clause No. 63, Schedule No. 18, Clauses Nos. 95 and 96, Schedule No. 19, Clause No. 97, Schedule No. 20, Clauses Nos. 98 to 104, Schedule No. 21, Clauses Nos. 105 to 108 and Schedule No. 22. — *[Mr. Norman Lamont.]*

Mr. Speaker: In addition to the amendments set out in my provisional selection, which has already been circulated, I am selecting amendment No. 19, standing in the name of the hon. Member for Leyton (Mr. Cohen). That amendment is to be found on page 2083 of the amendment paper and it will be taken immediately after Government amendment No. 102 and its related amendments.

New Clause 18

BROADCASTING: ADDITIONAL PAYMENTS BY PROGRAMME CONTRACTORS

.—(1) The Broadcasting Act 1981 shall have effect with respect to additional payments payable by programme contractors under that Act subject to the amendment made by Part I of Schedule *(Broadcasting: additional payments by programme contractors)* to this Act.

(2) The transitional provisions made by Part II of that Schedule shall have effect.

(3) This section shall be deemed to have come into force on 1st April 1986.—*[Mr. Giles Shaw.]*

Brought up, and read the First time.

Mr. Speaker: With this it will be convenient to take Government amendments Nos. 29 and 30.

4.54 pm

The Minister of State, Home Office (Mr. Giles Shaw): I beg to move, That the clause be read a Second time.

I feel somewhat honoured to move a new clause to the Finance Bill which relates directly to the affairs of the Home Department, but that is the position I am in today.

New clause 18 and amendments Nos. 29 and 30 seek to implement proposals relating to the scheme of additional payments in the Broadcasting Act 1981, commonly known as the ITV levy. The Government's proposals for changing the structure of the levy were announced earlier this year by my right hon. Friend the Home Secretary.

When the levy was first introduced in 1964, it was based on ITV contractors' revenue. The revenue-based levy proved, however, to be a rather blunt instrument and it was replaced in 1974 by a 66·7 per cent. levy on profits

from the provision of programmes within the United Kingdom. Subject to some minor modifications, the arrangements which were introduced then are those which now remain on the statute book. The problem with a profits levy with a rate as high as 66·7 per cent. is, however, that, taken together with corporation tax, it imposes a very high marginal tax rate on the ITV companies. While the Act contains safeguards against excessive expenditure, Ministers have for some time been concerned that the high marginal rate might act as a disincentive to cost efficiency, and this view has been reinforced more recently by the Peacock committee. Accordingly, a working group of officials from the Home Office, Treasury and IBA was set up in 1984 to look at the structure of the levy, and in particular at ways in which the marginal rate might be reduced.

The working group reported to Ministers in May 1985. Coincidentally, the Committee of Public Accounts also examined the levy in 1985. In the light of the Committee's report, which was published last autumn, and that of the working group, we decided that implementation of the working group's central recommendation would be a worthwhile exercise. Accordingly, the amendments to which I am speaking seek to reduce the standard rate of levy from 66·7 per cent. to 45 per cent., while removing the current exemption from levy of overseas profits and imposing on them a levy of 22·5 per cent. The reduction in the standard rate of levy will provide a worthwhile reduction in the marginal tax rate which should provide the companies with an increased incentive to efficiency.

We are well aware of the need to preserve an incentive for the companies to export programmes, and that is why we have set the second rate of levy at 22·5 per cent., exactly half the standard rate. There is no particular magic in this ratio between the two rates and we shall want to monitor the position carefully over the next year or so. Under the new provisions, as now, rates of levy can be changed by order subject to the approval of both Houses of Parliament, and if there are any unforeseen results we shall want to consider whether the balance between the two rates might be adjusted. The rates currently in the new schedule have been set so as to secure broadly that there is the same revenue to the Exchequer.

We have also made it clear that we intend to implement some of the working group's minor recommendations and —apart from the reduction of the ILR levy rate, the radio provision, to zero, which was achieved by a statutory instrument which took effect on 1 April—this too is done by the amendments before us. The cash value of the "free slice" of non-leviable profits is increased from £650,000 to £800,000, to take account of inflation since it was last altered in 1982. Any proportion of the free slice which remains after it has been set against profits in the main category may be transferred to the second category of leviable profits. There are provisions dealing with loss relief, and the working group's recommendations on the provisions of the existing legislation which deal with refunds from the Consolidated Fund of levy overpayments, and with excessive expenditure, are also implemented in these provisions.

It may be of assistance if I now give a brief explanation of the new provisions dealing with the levy. New clause 18 does no more than give effect to the new schedule, and provides for the arrangements to take effect from 1 April, as announced by my right hon. Friend the Home Secretary on 27 March. Paragraph 1 of the new schedule provides for leviable profits to be divided into "first category profits" which, broadly speaking, will be profits from the provision of programmes for broadcasting on ITV or the fourth channel, and "second category profits" which will be profits from the provision of programmes elsewhere in the United Kingdom and abroad. The new rates of levy and the new value of the free slice are set out in paragraph 1, which also makes a number of minor consequential amendments to section 32 of the 1981 Act.

Paragraph 2 implements the working group's recommendation that it should be possible for refunds of overpayments of levy to be made during the accounting period in which the overpayments were made. Paragraph 3 makes two sets of changes to section 35 of the 1981 Act, which contains the Home Secretary's power to prescribe —subject to the approval of Parliament—a company's minimum levy liability in the case of excessive expenditure.

The first change is to implement the working group's recommendation that it should be possible for an order under section 35 to be made for a limited period after the end of the accounting period to which it relates; the time limit is now to be six months from the date on which the contractor submits his audited accounts to the IBA.

The second set of changes is designed to deter second category levy avoidance by providing the Home Secretary with the power — subject again to the approval of Parliament — to make a section 35 order where a contractor's second category levy payments are deficient as a result of transfer pricing. I should stress that this is a weapon very much of last resort against levy avoidance of a kind which I hope will not occur. It is to be seen as a deterrent rather than a provision of normal use. I do not believe that it has been used to date.

Paragraph 4 contains the necessary detailed definitional changes consequent on the division of the levy into two parts. It also removes the current exemption for profits arising outside the United Kingdom, and implements— although these provisions are not backdated before 1 April —the working group's recommendations on loss relief. The definitions of first and second category profits are mutually exclusive, and the first category is defined rather more narrowly than the existing category of leviable profits since it will, in future, consist only of profits from the provision of programmes for broadcasting on ITV and the fourth channel.

Profits from the sale of publications such as the "TV Times" will, however, continue to come within first category profits. "Second category profits" are defined in such a way as to ensure profits from the sale of formats —the ideas behind a television programme, a kind of synopsis on which they are able to sell programmes abroad —are treated in the same way as profits from the sale of programmes. The profits of certain related companies will be relevant for the calculation of a company's second category levy liability. This is because programme sales are frequently handled not by the contractor himself but by a connected company.

Under the loss relief system in the new paragraph 2C of schedule 4 to the 1981 Act, companies may carry forward losses in either category provided they have first set them against any profits in the other category for the accounting period in question. Losses may not, however, be carried between one contract period and another.

Paragraphs 5, 6 and 7 make consequential amendments to provisions in the current legislation. Paragraph 8 redefines "subsidiary" for the purpose of the levy

[Mr. Giles Shaw]

provisions, and defines the connection which will be sufficient to bring a related company's profits into the calculation of second category profits. A subsidiary of a contractor is defined as a company in which the contractor has 10 per cent. of the shares or the voting power; and a "connected person" consists of a subsidiary of an ITV contractor; an investor who holds 10 per cent. of the contractor's shares or voting power; and a subsidiary of an investor of this kind. Companies engaged in programme distribution by wireless telegraphy or cable do not, however, fall within this definition. Paragraph 8 also contains an apportionment rule where a single person falls into more than one category of programme contractor.

Paragraphs 9 and 10 contain transitional provisions dealing with existing contracts between the IBA and programme contractors, and with profits or losses occurring in accounting periods which straddle the change in levy arrangements.

Finally, amendment No. 30 consists of consequential repeals to the existing legislation on the levy.

Mr. Michael Morris (Northampton, South): My hon. Friend referred to the report of the Public Accounts Committee. I have taken a particular interest in the subject since it originally came before the Committee. This is the second time that it has come before the Committee.

I welcome the new clause. I shall cite one figure from the report of the Comptroller and Auditor General entitled "Independent Broadcasting Authority: Additional Payments by Programme Contractors" dated 29 April 1985. Appendix 1 referred to the year 1982-83 and said that Thames, which is not a small station by any yardstick, managed to have a levy payment of absolutely nil. The report showed that Central, which serves a marginal part of my constituency—again, it is hardly a minor contractor — paid £211,000. That showed the Public Accounts Committee that the machinery available — there is nothing wrong with that necessarily — was used to ensure that the Revenue received little benefit from the levy.

I think that my hon. Friend is right to have a substantial differential between the export levy and the domestic levy. I am told that for the first five months of the current year revenue is up 22 per cent. The figure for June is extraordinary. Revenue is up 28 per cent. Given that the Peacock committee never addressed the problem of the inflationary increases in television advertising rates, compared with the retail price index, my hon. Friend must recognise that careful monitoring of work is required. It is a buoyant area of revenue. If my hon. Friend is prompted, as a result of the Peacock committee, to extend the life of the existing contractors, he must consider forecasts of revenue and watch them carefully. I shall be urging my colleagues on the Public Accounts Committee to review the position at a convenient date. If there is to be an extension of the existing licences, a further review will be necessary.

I have been concerned with the work of the British Overseas Trade Board. If my hon. Friend is to garner revenue from the export activities of our contractors—may they continue to be highly successful—I hope that a proportion of that revenue will go to the BOTB, because it has had a cutback. The board does major work in the interests of United Kingdom exports.

Mr. Robert Rhodes James (Cambridge): I congratulate my hon. Friend on keeping a straight face when he introduced the new clause. Paragraph 10(2), page 2050, of the extraordinary document entitled "Consideration of Bill" shows X over X plus Y. At that stage, X is obviously a good person. The subparagraph continues:

"the amount payable by him on the assumption that that section was in force throughout the accounting period and that both his first category profits for that period and his second category profits for that period were reduced by multiplying them by $\frac{Y}{X + Y}$ where (taking any odd four days or more as a week)".

My hon. Friend and I were at school together. How does one take any odd four days or more as a week? Enlightenment follows:

"X is the number of weeks in the accounting period falling before 1st April 1986"—

that is a significant date in the new clause—

"and Y is the number of weeks in the accounting period falling after 31st March . . . For the purposes of the application of paragraph 2C of Schedule 4 to the Act of 1981 in relation to losses incurred by the programme contractor during the accounting period, those losses shall be reduced by multiplying them by"—

wait for it—

"$\frac{Y}{X + Y}$ where X and Y have the same meaning as in sub-paragraph (2) above."

With all respect to my hon. Friend and the Chancellor of the Exchequer, words fail me. It is a seven-page new clause. How on earth is it possible to ask Parliament to pass a new clause that is absolute gibberish, and require the courts to enforce it? I suggest strongly to my hon. Friend, to whom I am devoted, that it is absolute nonsense and completely inexplicable.

Mr. Michael Morris *rose*——

Mr. Rhodes James: Does my hon. Friend wish to explain it? Does he know whether it is X or Y?

Mr. Morris: The Public Accounts Committee looked into this matter in considerable depth. I urge my hon. Friend to read the report; he might be enlightened.

Mr. Rhodes James: I shall be grateful for any enlightenment, but this is to be an Act of Parliament. I feel strongly that Acts of Parliament should be written in the English language. The new clause is not. If my hon. Friend knows what X or Y is, that is fine. However, Parliament should not willingly or silently allow new clauses like this to pass without comment.

Mr. Robin Corbett (Birmingham, Erdington): Like the Minister, I am a rare intruder into debates on the Finance Bill. I spend most of my time very much backstage in the quieter, calmer waters of home affairs. It is a rare treat to be able to look at this new clause and new schedule.

I deeply sympathise with the elegant remarks of the hon. Member for Cambridge (Mr. Rhodes James). The timing of the debate is interesting. It enables us, however briefly, to comb through the rubble of what is left of the Government's broadcasting policy after the botch-up over community radio and the nonsense of the Peacock committee report.

It is as well to remind ourselves of the purpose of the levy. It is, as Peacock noted in a rare, clarifying comment in paragraph 68,

"to provide the public with an appropriate share in the monopoly exploitation of a profitable public asset"—

and then, in case we had not got the point, the words

"(ie the airwaves)"

were added in brackets. We understand the arguments behind the changes in loss relief, overpayments and minimum levy liability. However, I ask the Minister to confirm—and to that extent to repeat and refresh—the Government's continued support for the idea of the levy, in the terms set out in the Peacock report. Will he assure the House that whatever the changes in the levels of levy and the mechanisms by which it is calculated, it remains the Government's policy to require commercial television companies to continue to give back to the public purse a share of the profits made from their monopoly position?

The levy is important on those grounds, helping—as I believe it does—to sustain our complementary rather than directly competitive system of public service broadcasting through the BBC and the commercial sector. It is not clear whether the levy charges—a cut of 21·7 per cent. in the main rate, a rise of £150,000 in the free slice and a rate of 22·5 per cent. on the second category of profits that are earned overseas—will mean more or less revenue for the public purse.

I believe that the Minister said that the revenue effects would be broadly the same as the present position and that his estimate was that the levy changes may mean that more money will be left to the contractors. I do not necessarily object to that. However, if that is the case, what assurances have the IBA and the programme contractors been able to offer about how much of that windfall, if it turns out to be a windfall, will find its way back into programmes? That is what it should all be about: trying to ensure that the range, variety and quality of programmes improve and expand.

That is especially important for our regional commercial television contractors. There is an increasing and, in my view, a proper demand within the regions for more bespoke, regionally made programmes which better reflect the diversity and difference of interests within our regions. I am a strong supporter of that demand and in my area I was glad that when the last franchise was awarded Central Independent Television was required to treat the east midlands as a centre in its own right rather than simply as a place at the end of the motorways from Birmingham.

Of course, regional programme makers also compete for networking, and perhaps the latest and most brilliantly successful example—which happens to be from Central Independent Television — is "Spitting Image", which lately swept the nation with its puzzling invitation to us all to hold a chicken in the air.

5.15 pm

May I ask the Minister whether decisions have yet been taken on the next round of franchises? There are anxieties among the franchise holders over reported Government plans to try to extend the present franchises for an extra two years, as the Government ponder the ponderous Peacock proposals. Is the Minister able to announce any decisions today, or is he able to give an undertaking about when a statement will be made? Will he assure the House that any such statement on franchises will be made on the Floor of the House? The Opposition would not be in favour of fiddling the franchises, although there are some changes in their allocation and perhaps in their duration which we would think sensible.

I welcome the inclusion in the new schedule of advertising receipts and income from direct broadcasting by satellite contractors. Again, this is on all fours with the principle of paying the public for the exploitation of public property.

Finally, I should like to express the hope that these levy changes will both enable and encourage programme makers and commercial contractors to develop and produce a range of programmes that can help us in the years ahead to sustain our claim to have one of the finest television services in the world. That position was hard won by the BBC and the commercial companies, and it will only be with care, dedication and innovation that that reputation will be sustained.

Mr. Giles Shaw: With the leave of the House, may I comment on the points raised by my hon. Friend the Member for Northampton, South (Mr. Morris). I thank him for the welcome that he gave these proposals. He is well versed in the mechanics of the levy system and also, through his assiduity as a member of the Public Accounts Committee, in the examination of the existing levy. I have to remind him that the vagaries of advertising revenue sometimes surprise all of us.

My hon. Friend will recall that only about nine or 12 months ago there was a major downturn in advertising receipts for the television companies. Now, as he rightly pointed out, they are fairly buoyant. It would be difficult for us to take into account a more flexible assessment of the levy system if we were to look merely at one year's performance compared with another. My hon. Friend will be aware that with this instrument, which is variable by order, there is a mechanism whereby adjustments can be made to suit what looks like a trend, if that trend requires changes to be made.

I noted my hon. Friend's welcome of the differential between the home levy base and the overseas levy base. When companies come to terms with the change, they will find that it is not inimical to development. We hope that it will contribute to the thrust of ensuring that cost pressures of one kind or another prevail within an industry which, at the moment, lacks competitive pressure. I shall turn to that point when I deal with the speech of the hon. Member for Birmingham, Erdington (Mr. Corbett).

I understand the anxiety of my hon. Friend the Member for Cambridge (Mr. Rhodes James) about the algebraic formula in the amendment. With his profundity he will recognise that this system lends itself to a form of expression which he and I find pretty miserable. However, we shall have to settle our differences by saying that this is merely corroborative detail and that it adds artistic verisimilitude to an otherwise bald and unconvincing narrative.

I am able to give the hon. Member for Erdington the assurance that he sought. No decision has been taken on franchises and no decision will be taken for some time. However, in my right hon. Friend's initial response to the Peacock recommendations he told the IBA that there must be room for franchises to be looked at, should the Government subsequently decide that changes are required.

Therefore, there will be discussions to see that the current round would not be started without some assessment being made of the position. I think that the hon. Gentleman will recognise also that significant

[Mr. Giles Shaw]

changes are likely to involve amendment to the current statutory framework which will probably not happen soon.

Monopoly characteristics lie behind the levy system which is designed to ensure, to some extent, on behalf of the consumer and the taxpayer, that where local monopolies granted for television advertising are in the hands of the programme contractors, there will be a mechanism to cream off surplus profit. How such profits are spent is a matter for the contracting companies only and it is not for the Government to determine whether they should all go into programme production, or into other forms of expenditure.

However, over the considerable period of time that the levy system has been operating, the quality of programming has improved, which shows that the companies are keen to compete on the basis of quality as well as upon audience numbers.

The House will be kept informed of any major changes in Government policy on ITV, much of which would relate to legislation which hon. Members would have an opportunity of shaping. This new clause appears to command reasonable support, and I therefore commend it to the House.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Schedule

"BROADCASTING: ADDITIONAL PAYMENTS BY PROGRAMME CONTRACTORS

PART I

Amendment of Broadcasting Act 1981

1.—(1) Section 32 of the Broadcasting Act 1981 (rental payments by programme contractors) shall be amended as follows.

(2) the following Table shall be substituted for the Table in subsection (4)—

"TABLE
RATES OF ADDITIONAL PAYMENTS

	Rate for determining amount of additional payments
First category profits	
For so much of the first category profits for the accounting period as does not exceed the free slice for those profits.	Nil.
For so much of the first category profits for the accounting period as exceeds the free slice for those profits.	The first category rate.
Second Category profits	
For so much of the second category profits for the accounting period as does not exceed the free slice for those profits	Nil.
For so much of the second category profits for the accounting period as exceeds the free slice for those profits	The second category rate."

(3) After subsection (4) there shall be inserted the following subsection—

"(4A) For the purposes of this section—

"first category profits" and "second category profits" shall be determined in accordance with the provisions of Schedule 4 to this Act;

"first category rate" means—

(a) in relation to additional payments payable by virtue of subsection (1)*(b)*—

(i) nil, in the case of persons who are DBS programme contractors of DBS teletext contractors; and

(ii) 45 per cent. in any other case; and

(b) in relation to additional payments payable by virtue of subsection (2)*(b)*, nil "free slice" means—

(a) in relation to first category profits, £800,000 or 2·8 per cent. of the advertising receipts for the accounting period (whichever is the greater); and

(b) in relation to second category profits, the amount (if any) by which the free slice in relation to first category profits exceeds the first category profits for the accounting period; and

"second category rate" means—

(a) in relation to additional payments payable by virtue of subsection (1)*(b)*—

(i) nil, in the case of persons who are DBS programme contractors or DBS teletext contractors; and

(ii) 22·5 per cent. in any other case; and

(b) in relation to additional payments payable by virtue of subsection (2)*(b)*, nil."

(4) In subsection (5) for the words from "sum", where it first occurs, to "above" there shall be substituted the words "relevant sum mentioned in subsection (4A)".

(5) In subsection (8) for the words "subsections (4)" there shall be substituted the words "any of the provisions of subsections (4), (4A)".

(6) In subsection (9)—

(a) the words "to amend subsections (4) and (5)" shall be omitted;

(b) for the words "those subsections", where they first occur, there shall be substituted the words "the provisions in question";

(c) for the words "those subsections", where they next occur, there shall be substituted the words "those provisions"; and

(d) for paragraph *(c)* there shall be substituted the following paragraphs—

"*(c)* only in their application in relation to first category profits of all, or specified, kinds;

(d) only in their application in relation to second category profits of all, or specified kinds; or

(e) differently in their application as mentioned in paragraphs *(a)* to *(d)* respectively".

2.—(1) Section 34 of the Act of 1981 (instalments payable on account by programme contractors in respect of additional payments) shall be amended as follows.

(2) In subsection (2)*(b)* the words from "when the" to the end shall be omitted.

(3) For subsection (3) there shall be substituted the following subsection—

"(3) Where any amount falls to be paid to a programme contractor to adjust any overpayment made by him, that amount shall be paid to him—

(a) if the contract is for the supply of programmes to be broadcast for reception in areas or localities all of which are in Great Britain, out of the Consolidated Fund of the United Kingdom;

(b) if the contract is for the supply of programmes to be broadcast for reception in areas or localities all of which are in Northern Ireland, out of the Consolidated Fund of Northern Ireland; and

(c) if the contract is one which falls within subsection (2) of section 33, out of each of those Funds apportioned in the same way as receipts are apportioned under subsection (3) *(c)* of that section."

3.—(1) Section 35 of the Act of 1981 (provision for supplementing additional payments) shall be amended as follows.

(2) In paragraph *(a)* of subsection (1) the words "or is" shall be inserted after the word "is", where it last occurs.

(3) For paragraph *(b)* of that subsection there shall be substituted the following paragraph—

"*(b)* the deficiency is, or would be, wholly or mainly attributable to either or both of the following —

(i) excessive expenditure forming part of the expenditure by reference to which those additional payments fall to be calculated;

(ii) in the case of second category profits, the receipt of consideration for the provision of any programme which is less than that which the contractor would have received had the transaction in question been in all respects at arm's length."

(4) In subsection (4), for the words "the accounting period to whichis relates" there shall be substituted the words "the period of six months beginning with the date on which the programme contractor furnishes to the Authority, in accordance with the terms of his contract as a programme contractor, a copy of his audited accounts for the accounting period to which the order relates".

(5) After subsection (2) there shall be inserted the following subsection—

"(2A) In determining, for the purposes of subsection (1) of this section, whether in the case of a programme contractor any consideration received by him for the provision of any programme is less than that which the contractor would have received had the transaction in question been in all respects at arm's length, the Authority or the Secretary of State, as the case may be, shall have regard to such matters as they or he may consider relevant, and in particular to any available information as to—

(a) the consideration received for the provision by the contractor of the programme in other comparable markets;

(b) the consideration received by that or any other programme contractor for the provision of other comparable programmes in the same market."

4. For paragraph 2 of Schedule 4 to the Act of 1981 there shall be substituted the following paragraphs—

"2. A programme contractor's first category profits for an accounting period shall be ascertained in accordance with paragraph 2A and his second category profits for that accounting period shall be ascertained in accordance with paragraph 2B.

First category profits

2A.—(1) First category profits shall consist of the excess of relevant first category income over relevant first category expenditure.

(2) In this Schedule "relevant first category income" means—

(a) in relation to any programme contractor other than a DBS programme contractor or DBS teletext contractor, any income of his which is attributable to the provision by him of any programme for broadcasting on ITV, the Fourth Channel or a local sound broadcasting service (whether that programme is provided in the first place to the Authority or to any other person); and

(b) in relation to any DBS programme contractor or DBS teletext contractor, any income of his which is attributable to the provision by him to the Authority, in accordance with the terms of his contract as a DBS programme contractor or (as the case may be) DBS teletext contractor, of any programme for broadcasting in the Authority's DBS service to which his contract with the Authority relates.

(3) Without prejudice to the generality of sub-paragraph (2), "relevant first category income" includes

(a) advertising receipts;

(b) income attributable directly or indirectly to any publication whose content (other than advertising) is wholly, or mainly, connected with programme schedules and scheduled programmes; and

(c) such part of any income which—

(i) accrues to any subsidiary of the programme contractor concerned; and

(ii) would be relevant first category income of that contractor if he and the subsidiary were a single programme contractor;

as, in the opinion of the Authority, should be attributed to the contractor as reflecting his financial interest in the subsidiary.

(4) In this Schedule "relevant first category expenditure" means any expenditure of the programme contractor concerned which is properly chargeable to revenue account and which is incurred in connection with the provision by him of—

(a) programmes of a kind mentioned in sub-paragraph (2)*(a)*, in the case of a contractor who is not a DBS programme contractor or DBS teletext contractor; or

(b) programmes of a kind mentioned in sub-paragraph (2)*(b)*, in the case of a DBS programme contractor or DBS teletext contractor.

(5) Without prejudice to the generality of sub-paragraph (4), "relevant first category expenditure" includes—

(a) expenditure in connection with the sale of rights to insert advertisements in programmes;

(b) expenditure in connection with any publication whose content (other than advertising) is wholly, or mainly, connected with programme schedules and scheduled programmes;

(c) such part of any expenditure which—

(i) is incurred by any subsidiary of the programme contractor concerned; and

(ii) would be relevant first category expenditure of that contractor if he and the subsidiary were a single programme contractor;

as, in the opinion of the Authority, should be attributed to the contractor as reflecting his financial interest in the subsidiary; and

(d) in the case of a DBS programme contractor or DBS teletext contractor, any expenditure incurred by him in connection with the provision of the satellite transponder.

(6) In ascertaining relevant first category income or relevant first category expenditure no account shall be taken of interest on any loan.

(7) Where relevant first category income consists of advertising receipts, it shall be attributed to accounting periods in accordance with the foregoing provisions of this Schedule and the same principle shall be followed in relating other items of relevant first category income, and items of relevant first category expenditure, to accounting periods.

(8) In this paragraph "programme" means—

(a) in the application of this Schedule in relation to the additional payments mentioned in section 32(1)*(b)*, a television programme; and

(b) in its application in relation to the additional payments mentioned in section 32(2)*(b)*, a local sound broadcast.

Second category profits

2B.—(1) Second category profits shall consist of the excess of relevant second category income over relevant second category expenditure.

(2) In this Schedule 'relevant second category income' in means any income of the programme contractor concerned which is not relevant first category income but which accrues to him in connection (directly or indirectly) with the provision by him, for broadcasting, distribution or showing (whether or not within the United Kingdom)—

(a) in the case of a progamme contractor other than a DBS programme contractor or DBS teletext contractor, of any programme provided by him for broadcasting on ITV, the Fourth Channel or a local sound broadcasting service, or intended by him to be so provided; or

(b) in the case of a DBS programme contractor or DBS teletext contractor, of any programme broadcast in

[Mr. Giles Shaw]

the Authority's DBS service to which his contract with the Authority relates, or intended to be so broadcast.

(3) Without prejudice to the generality of sub-paragraph (2), "relevant second category income" includes any income which—

(a) accrues to any person connected with the programme contractor concerned; and

(b) would be relevant second category income of that contractor if he and that person were a single programme contractor.

(4) In this Schedule "relevant second category expenditure" means any expenditure properly chargeable to revenue account which is not relevant first category expenditure but which is incurred by the programme contractor concerned in connection (directly or indirectly) with the provision by him of any programme of a kind mentioned in sub-paragraph (2) (*a*) or (as the case may be) (*b*) above.

(5) Without prejudice to the generality of sub-paragraph (4) above, "relevant second category expenditure" includes any expenditure which—

(a) is incurred by any person connected with the programme contractor; and

(b) would be relevant second category expenditure of that contractor if he and that person were a single programme contractor.

(6) In ascertaining relevant second category income or relevant second category expenditure no account shall be taken of interest on any loan.

(7) Items of relevant second category income and items of relevant second category expenditure shall be attributed to accounting periods in accordance with the foregoing provisions of this Schedule.

(8) In this paragraph "programme" means—

(a) in the application of this Schedule in relation to the additional payments mentioned in section 32(1)(*b*), a television programme; and

(b) in its application in relation to the additional payments mentioned in section 32(2)(*b*), a local sound broadcast.

Carry forward of certain losses

2C.—(1) Where, in any accounting period, the relevant first category expenditure of a programme contractor exceeds his relevant first category income sub-paragraph (3) shall apply.

(2) Where, in any accounting period, the relevant second category expenditure of a programme contractor exceeds his relevant second category income sub-paragraph (4) shall apply.

(3) Where this sub-paragraph applies—

(a) the excess shall, if the programme contractor has any relevant second category profits for the accounting period, be set against relevant second category income for that period as if the excess were relevant second category expenditure; and

(b) if any part of the excess then remains it shall be carried forward to the following accounting period and treated as relevant first category expenditure for that period.

(4) Where this sub-paragraph applies—

(a) the excess shall, if the programme contractor has any relevant first category profits for the accounting period, be set against relevant first category income for that period as if the excess were relevant first category expenditure; and

(b) if any part of the excess then remains it shall be carried forward to the following accounting period and treated as relevant second category expenditure for that period.

(5) Where a programme contractor's contract with the Authority comes to an end, no losses incurred at any time during the currency of that contract may be carried forward under this paragraph and set against income attributable to any subsequent contract between him and the Authority."

5. In paragraph 3 of Schedule 4 to the Act of 1981—

(a) in sub-paragraph (1)*(a)*, for the words "relevant income and relevant expenditure" there shall be substituted the words "income and expenditure of any category" and for the words "the profits" there shall be substituted the words "relevant category of profits"; and

(b) in sub-paragraph (1)*(b)*, for the words "the profits" there shall be substituted the words "any category of profits".

6. In paragraph 4(1) of Schedule 4 to the Act of 1981, after the word "profits", in paragraph *(b)* there shall be inserted —

"or *(bb)* the category in which any profits fall";

7. In paragraph 7 of Schedule 4 to the Act of 1981, the following sub-paragraph shall be inserted after sub-paragraph (1)—

"(1A) Without prejudice to the generality of sub-paragraph (1) above, the duty imposed on the Authority by that sub-paragraph includes the duty to impose, so far as is reasonably practicable, such requirements as will enable the Authority to determine the amounts (if any) which, in relation to any programme contractor, are to be treated as relevant second category income and relevant second category expenditure by virtue, respectively, of sub-paragraphs (3) and (5) of paragraph 2B."

8.—(1) Paragraph 9 of Schedule 4 to the Act of 1981 shall be amended as follows.

(2) In sub-paragraph (1) the following shall be substituted for the definition of subsidiary—

"'subsidiary, in relation to any person, means a company in which that person (whether alone or jointly with one or more persons and whether directly or through one or more nominees) holds or is beneficially entitled to 10 per cent. or more of equity share capital, or possess 10 per cent., or more of the voting power".

(3) The following sub-paragraphs shall be added at the end—

"(3) For the purposes of this Schedule a person shall be taken to be connected with a programme contractor—

(a) if he is a subsidiary of the contractor;

(b) where the contrector is a company, if he is a person who (whether alone or jointly with one or more persons and whether directly or through one or more nominees) holds or is beneficially entitled to 10 per cent. or more of the equity share capital, or possesses 10 per cent. or more of the voting power; or

(c) where any other person is connected with the contractor concerned by virtue of paragraph *(b)* above, if he is a company in which that other person (whether alone or jointly with one or more persons and whether directly or through one or more nominees) holds or is beneficially entitled to 10 per cent. or more of the equity share capital, or possesses 10 per cent. or more of the voting power;

but does not include any person whose trade consists wholly or mainly of the distribution of programmes by wireless telegraphy or cable.

(4) Where the same persons falls within more than one category of programme contractor, the definitions of "first category rate" and "second category rate" in section 32(4A) shall not have the effect of applying the lower or lowest rate in respect of all his first category profits or (as the case may be) all of his second category profits but, subject to section 32(6), those profits shall be appointed, and the provisions of this Act applied, is such manner as the Authority consider appropriate with a view to securing that the overall amount payable by him by way of additional payments is, as near as may be, equal to the aggregate of the amounts which would be so payable if there were as many separate programme contractors as there are categories of programme contractor within which he falls."

PART II

TRANSITIONAL PROVISIONS

9.—(1) In this paragraph—

"new statutory provisions" means the provisions of the Broadcasting Act 1981 as amended by this Act; and

"existing statutory provisions" means the provisions of that Act as they had effect immediately before the passing of this Act.

(2) Any contract between the Authority and a programme contractor which is in force immediately before the passing of this Act shall, until it is varied or superseded by a further contract between them or expires or is otherwise terminated (whichever first occurs) be deemed to be modified by virtue of this Schedule so as—

(a) to substitute provisions in conformity with the new statutory provisions for so much of the contract as is in accordance with the existing statutory provisions and is not in conformity with the new statutory provisions, and

(b) to incorporate in the contract such additional provisions as a contract between the Authority and a programme contractor is required to include in accordance with new statutory provisions;

and (subject to paragraph 4 of Schedule 4 to this Act of 1981) any provisions of the contract which provide for arbitration as to any matters contained in the contract in accordance with the existing statutory provisions shall be construed as making the like provision for arbitration in relation to matters deemed to be included in the contract by virtue of this sub-paragraph.

(3) Where is appears to the Authority that the new statutory provisions call for the inclusion of additional terms in any such contract, but do not afford sufficient particulars of what those terms should be, the Authority may, after consulting the programme contractor, decide what those terms are to be.

(4) This paragraph shall not be taken to have effect in relation any contract entered into by a programme contractor and any person other than the Authority before the passing of this Act.

10.—(1) This paragraph applies in relation to any accounting period of a programme contractor which begins before 1st April 1986 and ends after 31st March 1986 ("the accounting period").

(2) The additional payments payable by the programme contractor under section 32 of the Act of 1981 in relation to his profits for the accounting period shall be the aggregate of the following amounts—

(a) the amount payable by him on the assumption—

(i) that section *(Broadcasting: additional payments by programme contractors)* of this Act was not in force at any time during the accounting period; and

(ii) that his profits for the accounting period was reduced by multiplying them by $\frac{X}{X + Y}$; and

(b) the amount payable by him on the assumption that that section was in force throughout the accounting period and that both his first category profits for that period and his second category profits for that period were reduced by multiplying them by $\frac{Y}{X + Y}$

where (taking any odd four days or more as a week)

X is the number of weeks in the accounting period falling before 1st April 1986; and

Y is the number of weeks in the accounting period falling after 31st March 1986.

(3) For the purposes of the application of paragraph 2C of Schedule 4 to the Act of 1981 in relation to losses incurred by the programme contractor during the accounting period, those losses shall be reduced by multiplying them by $\frac{Y}{X + Y}$

where X and Y have the same meaning as in sub-paragraph (2) above.'—*[Mr. Giles Shaw.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 26

SECTION 86: SPECIAL CASES

'(1) An instrument on which stamp duty is not chargeable by virtue of—

(a) section 127(1) of the Finance Act 1976 (transfer to stock exchange nominee), or

(b) section 83(1A) or (2) above,

shall be disregarded in construing section 86(4) and (5) above.

(2) Subsection (3) below applies where the chargeable securities mentioned in section 86(1) above are constituted by or transferable by means of an inland bearer instrument, within the meaning of the heading "Bearer Instrument" in Schedule 1 to the Stamp Act 1891, which—

(a) is exempt from stamp duty under that heading by virtue of exemption 3 in that heading, or

(b) would be so exempt if it were otherwise chargeable under that heading.

(3) In such a case section 86 above shall have effect as if the following were omitted—

(a) in subsection (2) the words from "unless" to the end;

(b) subsections (4), (5) and (8).'.—*[Mr. Ian Stewart.]*

Brought up, and read the First time.

Mr. Ian Stewart: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Mr. Ernest Armstrong): With this it will be convenient to discuss the following: Government new clauses 27 to 30.

New clause 32—*Acquisition of target company's share capital*—

'(1) Stamp duty under the heading "Conveyance or Transfer on Sale" in Schedule 1 to the Stamp Act 1891 shall not be chargeable for an instrument transferring shares in one company (the target company) to another company (the acquiring company) if the conditions mentioned in subsection (3) below are fulfilled.

(2) An instrument on which stamp duty is not chargeable by virtue only of subsection (1) above shall not be taken to be duly stamped unless it is stamped with the duty to which it would be liable but for that subsection or it has, in accordance with section 12 of the Stamp Act 1891, been stamped with a particular stamp denoting that it is not chargeable with any duty.

(3) The conditions are that—

(a) the registered office of the acquiring company is in the United Kingdom,

(b) the transfer forms part of an arrangement by which the acquiring company acquires the whole of the issued share capital of the target company,

(c) the acquisition is effected for bona fide commercial reasons and does not form part of a scheme or arrangement of which the main purpose, or one of the main purposes, is avoidance of liability to stamp duty, stamp duty reserve tax, income tax, corporation tax or capital gains tax,

(d) the consideration for the acquisition consists only of the issue of shares in the acquiring company to the shareholders of the target company,

(e) after the acquisition has been made, each person who immediately before it was made was a shareholder of the target company is a shareholder of the acquiring company,

(f) after the acquisition has been made, the shares in the acquiring company are of the same classes as were the shares in the target company immediately before the acquisition was made,

(g) after the acquisition has been made, the number of shares of any particular class in the acquiring company bears to all the shares in that company the same proportion as the number of shares of that class in the target company bore to all the shares in that company immediately before the acquisition was made, and

(h) after the acquisition has been made, the proportion of shares of any particular class in the acquiring company held by any particular shareholder is the

[Mr. Deputy Speaker]

same as the proportion of shares of that class in the target company held by him immediately before the acquisition was made.

(4) In this section references to shares and to share capital include references to stock.

(5) This section applies to any instrument executed on or after 1st August 1986.".

Government amendments Nos. 179 to 182 and 189.

Dr. Oonagh McDonald (Thurrock): The new clauses are designed to ensure that where a transaction is exempt from stamp duty it is also exempt from stamp duty reserve tax. Perhaps the Minister will confirm that.

The new clauses and amendments do nothing more than rectify obvious omissions from the original provisions. However, the new clauses are among over 40 new clauses and amendments to the part of the Finance Bill that deals with stamp duty. In debating this part of the Finance Bill in Committee we also dealt with many new clauses and amendments to the Government's original proposals. This is the Government's third or fourth attempt to set out their objectives in changing stamp duty and stamp duty reserve tax.

It is a disgrace that the Bill has been so badly drafted. The Minister seems to have some kind of parliamentary record for the number of new clauses and amendments to Bills, or to parts of Bills, for which he has been responsible. As one example of this I divert temporarily to cite the Building Societies Bill. The Minister must have the all-time record for the number of times that he changes his mind —or his officials change their minds—and drafts and redrafts to fill up holes, add explanations and deal with omissions from the various Bills for which he has been responsible.

In the Finance Bill we are deluged with amendments and new clauses from the Minister. It is time that he learnt how to decide what he wants and to get it right in the first place. Legislation as poor as this should not go through the House time after time. There is no guarantee that the Minister has got this particular set of amendments and new clauses right. Perhaps he will comment on what I have said.

5.15 pm

Mr. Rhodes James: Unlike the last new schedule, new clause 32 has the merit of being comprehensible and written in the English language. There are no Xs and Ys. The clause seeks to provide exemption from ad valorem stamp duty for certain types of company reorganisation falling within the scope of the exemption provided by clause 75, but apparently not falling within the terms of the exemption provided.

The Bill provides a much needed reduction from 1 to 0·5 per cent. in the rate of stamp duty on share transfers. The cost of the reduction is covered in part by the withdrawal of exemptions for takeovers, schemes of reconstruction, amalgamation and demergers.

Clause 75 provides for an exemption to continue to be given for schemes of reconstruction where there is no real change of ownership. The exemption is restricted to reconstruction which involves the transfer of

"the whole or part of an undertaking"

from one company to another. It is a condition of the exemption that the consideration for the acquisition of the undertaking must consist of, or include, the issue of shares in the acquiring company to all the shareholders of the company whose undertaking is being acquired.

The exemption in clause 75, which I welcome, could apply where the reorganisation involves a transfer of a trading subsidiary from one group member to another, provided the consideration consists of shares and the shares are issued to the shareholders of the target company. They cannot be issued to the target company itself. There is, therefore, no exemption where a group wishes to restructure itself and to put a new holding company on top of the existing group. In this situation the acquiring company would need to issue shares to the target company and not to the shareholders of the target company.

This problem first came to my attention when a company in my constituency tried to make itself more efficient by planning a reorganisation to involve the creation of a new holding company. No change in ownership of the group was involved. Before the Budget introduced by my right hon. Friend the Chancellor of the Exchequer the reorganisation would have been exempted from stamp duty under the provisions of section 55 of the Finance Act 1927, when Mr. Winston Churchill was Chancellor. The group had obtained the necessary clearances from the Revenue to carry out the proposed reorganisation. The Revenue accepted that the reorganisation was for genuine commercial reasons and that there was no question of tax avoidance.

I am a layman in such matters, although after my experience of the new schedule I may become more interested in them. To me, as a layman, the reorganisation seemed to be precisely what my right hon. Friend the Chancellor of the Exchequer had in mind when he announced that an exemption was being preserved for reconstructions. However, the case — there are many others — does not fall within the terms of exemption provided by clause 75.

The House may reasonably ask why the group could not modify the reconstruction so as to bring itself within the terms of the exemption provided by clause 75. Transferring a business from the ownership of one corporate organisation to another is not, however, a simple matter. Contracts of employment may well have to be renegotiated with unions and employees. Contracts with customers may also have to be renegotiated. Transferring a business from one company into a group may present accounting problems, because trading entities could be separated from reserves held or liabilities incurred in connection with the business. It can also affect the date on which corporation tax is paid. Where the reorganisation otherwise meets the conditions set out in clause 75, it seems not unreasonable that in those cases there should be a stamp duty exemption.

As I said, a particular constituency case brought this problem to my attention. My new clause 32 would meet a much wider problem, which perhaps was not foreseen when the Finance Bill was originally introduced, and I hope that my hon. Friend the Economic Secretary will look benignly on it.

5.30 pm

The Economic Secretary to the Treasury (Mr. Ian Stewart): The hon. Member for Thurrock (Dr. McDonald) is correct in her interpretation that the

exemptions for stamp duty also apply to stamp duty reserve tax. As usual, she has done her homework efficiently and I compliment her on that.

My hon. Friend the Member for Cambridge (Mr. Rhodes James) has raised a most interesting point in new clause 32. I congratulate him on the way in which he has explained the problem. It is not necessary for me to add to what he said in explanation of his new clause.

Clause 75, which deals with reconstructions, does not take into account the possibility of placing a holding company over the top of an existing group. We think, like my hon. Friend, that that is a legitimate extension of the spirit of clause 75 and that in certain practical cases, rather like the one that he has drawn to our attention, representing a company in his constituency, it is something for which the Bill should cater.

Usually the problem with this sort of proposal is one of drafting, but my hon. Friend shrewdly decided that it would be sensible if he and the company concerned were to contact my officials and those in the Revenue to see whether it could be put into wording which would satisfactorily deal with the problem. I am glad to say that that has been possible.

Therefore, I had to try out my hon. Friend's new clause on three further grounds. First, did it contain any algebra? It passed that test. Secondly, did it contain any reference to 1 April? It passed that test too. Thirdly, did it come up to the literary style that we expect from my hon. Friend the Member for Cambridge? Relatively speaking, considering the subject, it probably passes that test, and, therefore, I recommend the House to accept it.

Dr. McDonald: In that case, the hon. Gentleman should ask the hon. Member for Cambridge (Mr. Rhodes James) to write all his clauses and amendments for him.

Mr. Stewart: That is an interesting suggestion, and it enables me to come to the third point with which I want to deal. The hon. Lady complained that there were a considerable number of new clauses and amendments on stamp duty. They represent not only some changes of substance — although relatively small changes of substance, considering the number of amendments to which they have given rise—but show the difficulty of expressing provisions on stamp duty in a simple form which are internally consistent. I defend myself. I am slightly caught between my hon. and elegant Friend from the university, who wants to have everything rewritten in the clearest possible way, and the hon. Lady, who chides me for having these new clauses and amendments on the Amendment Paper.

New clauses 26, 27 and 28 are no more than a slightly tidier rearrangement of provisions which are already in the Bill in clause 87, and that is why one of the amendments omits clause 87. We do our best to try to strike a balance between the conflicting desires of the House. I am sorry that that adds to the material that the hon. Lady, and, I might say, I, have to deal with.

As I said in Committee, I thought that I had drawn the short ministerial straw when I found myself dealing with the stamp duty clauses, and the hon. Lady drew the short Opposition straw in being allocated this wicked subject. I conclude by complimenting her on the way in which she has dealt with these confusing and highly technical matters, not only in Committee, but on Report.

I can plead that, more than most of the measures in the group, these are designed to simplify the Bill and make it easier to understand and use. I hope that in that spirit the hon. Lady will find the group acceptable.

Mr. Rhodes James: With the leave of the House, I should like to express my profound gratitude to my hon. Friend and his officials over this matter. It was a complicated one, which has been satisfactorily resolved, and I and my constituent and many others are grateful.

Question put and agreed to.

Clause read a Second time, and added to the Bill.

New Clause 27

SECTION 86: EXCEPTIONS FOR MARKET MAKERS ETC.

'(1) Section 86 above shall not apply as regards an agreement to transfer securities if the agreement is made by B in the ordinary course of his business as a market maker in securities of the kind concerned.

(2) Section 86 above shall not apply as regards an agreement to transfer securities to B or his nominee if—

(a) the agreement is made by B as principal in the ordinary course of his business as a broker and dealer in relation to securities of the kind concerned, and

(b) before the end of the period of 7 days beginning with the day on which the agreement is made or (in a case where the agreement is conditional) the day on which the condition is satisfied, B enters into an unconditional agreement to sell the securities to another person.

(3) For the purposes of this section, a person is a market maker in securities of a particular kind if he—

(a) holds himself out at all normal times in compliance with the rules of the Stock Exchange as willing to buy and sell securities of that kind at a price specified by him, and

(b) is recognised as doing so by the Council of the Stock Exchange.

(4) For the purposes of this section, a person is a broker and dealer in relation to securities of a particular kind if he is a member of the Stock Exchange who carries on his business in the United Kingdom and is not a market maker in securities of that kind.

(5) The Treasury may by regulations provide that for subsection (3) above (as it has effect for the time being) there shall be substituted a subsection containing a different definition of a market maker for the purposes of this section.

(6) The Treasury may by regulations provide that for subsection (4) above (as it has effect for the time being) there shall be substituted a subsection containing a different definition of a broker and dealer for the purposes of this section.

(7) For the purposes of subsection (2) above, if the securities which B sells cannot be identified (apart from this subsection) securities shall be taken as follows—

(a) securities of the same kind acquired in the period of 7 days ending with the day of the sale (and not taken for the purposes of a previous sale by B) shall be takenbefore securities of that kind acquired outside that period;

(b) securities of that kind acquired earlier in that period (and not taken for the purposes of a previous sale by B) shall be taken before securities of that kind acquired later in that period.

(8) For the purposes of subsection (7) above—

(a) securities are acquired when B enters into an agreement for them to be transferred to B or his nominee or (in a case where the agreement is conditional) when the condition is satisfied;

(b) B sells securities when he enters into an unconditional agreement to sell them to another person.

[Mr. Rhodes James]

(9) The power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.'.—*[Mr. Ian Stewart.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 28

SECTION 86: OTHER EXCEPTIONS

'.—(1) Section 86 above shall not apply as regards an agreement to transfer a unit under a unit trust scheme to the managers under the scheme.

(2) Section 86 above shall not apply as regards an agreement to transfer a unit under a unit trust scheme if at the time the agreement is made—

(a) all the trustees under the scheme are resident outside the United Kingdom, and

(b) the unit is not registered in a register kept in the United Kingdom by or on behalf of the trustees under the scheme.

(3) Section 86 above shall not apply as regards an agreement to transfer securities constituted by or transferable by means of—

(a) an overseas bearer instrument, within the meaning of the heading "Bearer Instrument" in Schedule 1 to the Stamp Act 1891;

(b) an inland bearer instrument, within the meaning of that heading, which does not fall within exemption 3 in that heading (renounceable letter of allotment etc. where rights are renounceable not later than six months after issue).

(4) Section 86 above shall not apply as regards an agreement which forms part of an arrangement falling within section 90(1) or 92(1) below.

(5) Section 86 above shall not apply as regards an agreement to transfer securities which the Board are satisfied are held, when the agreement is made, by a person whose business is exclusively that of holding chargeable securities —

(a) as nominee or agent for a person whose business is or includes the provision of clearance services for the purchase and sale of chargeable securities, and

(b) for the purposes of such part of the business mentioned in paragraph *(a)* above as consists of the provision of such clearance services (in a case where the business does not consist exclusively of that).'.—*[Mr. Ian Stewart.]*

Brought up, read the First and Second time, and added to the Bill.

New clause 29

DEPOSITORY RECEIPTS: STAMP DUTY RESERVE TAX: EXCEPTIONS

'(1) Where securities are transferred—

(a) to a company which at the time of the transfer falls within subsection (5) of section 67 above and is resident in the United Kingdom, and

(b) from a company which at that time falls within that subsection and is so resident,

there is shall be no charge to tax under section 90 above in respect of the transfer.

(2) There shall be no charge to tax under section 90 above in respect of a transfer, issue or appropriation of an inland bearer instrument, within the meaning of the heading "Bearer Instrument" in Schedule 1 to the Stamp Act 1891, which does not fall within exemption 3 in that heading (renounceable letter of allotment etc. where rights are renounceable not later than six months after issue).

(3) There shall be no charge to tax under section 90 above in respect of an issue by a company (company X) of securities in exchange for shares in another company (company Y) where company X—

(a) has control of company Y, or

(b) will have such control in consequence of the exchange or of an offer as a result of which the exchange is made.

(4) For the purposes of subsection (3) above company X has control of company Y if company X has power to control company Y's affairs by virtue of holding shares in, or possessing voting power in relation to, company Y or any other body corporate.'.—*[Mr. Ian Stewart.]*

Brought up, read the First and Second time, and added to the Bill.

New clause 30

CLEARANCE SERVICES: STAMP DUTY RESERVE TAX: EXCEPTIONS

'(1) Where securities are transferred—

(a) to a company which at the time of the transfer falls within subsection (5) of section 70 above and is resident in the United Kingdom, and

(b) from a company which at that time falls within that subsection and is so resident, there shall be no charge to tax under section 92 above in respect of the transfer.

(2) There shall be no charge to tax under section 92 above in respect of a transfer affected by an instrument on which stamp duty is not chargeable by virtue of—

(a) section 127(1) of the Finance Act 1976 (transfer to stock exchange nominee), or

(b) section 83(1A) or (2) above.

(3) There shall be no charge to tax under section 92 above in respect of a transfer or issue of an inland bearer intrument, within the meaning of the heading "Bearer Instrument" in Schedule 1 to the Stamp Act 1891, which does not fall wihin exemption 3 in that heading (renounceable letter of allotment etc. where rights are renounceable not later than six months after issue).

(4) There shall be no charge to tax under section 92 above in respect of an issue by a company (company X) of securities in exchange of shares in another company (company Y) where company X—

(a) has control of company Y, or

(b) will have such control in consequence of the exchange or of an offer as a result of which the exchange is made.

(5) For the purposes of subsection (4) above company X has control of company Y if company X has power to control company Y's affairs by virtue of holding shares in, or possessing voting power in relation to, company Y or any other body corporate.'.—*[Mr. Ian Stewart.]*

Brought up, read the First and Second time, and added to the Bill.

New Clause 32

ACQUISITION OF TARGET COMPANY'S SHARE CAPITAL

'(1) Stamp duty under the heading "Conveyance or Transfer on Sale" in Schedule 1 to the Stamp Act 1891 shall not be chargeable for an instrument transferring shares in one company (the target company) to another company (the acquiring company) if the conditions mentioned in subsection (3) below are fulfilled.

(2) An instrument on which stamp duty is not chargeable by virtue only of subsection (1) above shall not be taken to be duly stamped unless it is stamped with the duty to which it would be liable but for that subsection or it has, in accordance with section 12 of the Stamp Act 1891, been stamped with a particular stamp denoting that it is not chargeable with any duty.

(3) The conditions are that—

(a) the registered office of the acquiring company is in the United Kingdom,

(b) the transfer forms part of an arrangement by which the acquiring company acquires the whole of the issued share capital of the target company,

(c) the acquisition is effected for bona fide commercial reasons and does not form part of a scheme or

arrangement of which the main purpose, or one of the main purposes, is avoidance of liability to stamp duty, stamp duty reserve tax, income tax, corporation tax or capital gains tax,

(d) the consideration for the acquisition consists only of the issue of shares in the acquiring company to the shareholders of the target company,

(e) after the acquisition has been made, each person who immediately before it was made was a shareholder of the target company is a shareholder of the acquiring company,

(f) after the acquisition has been made, the shares in the acquiring company are of the same classes as were the shares in the target company immediately before the acquisition was made,

(g) after the acquisition has been made, the number of shares of any particular class in the acquiring company bears to all the shares in that company the same proportion as the number of shares of that class in the target company bore to all the shares in that company immediately before the acquisition was made, and

(h) after the acquisition has been made, the proportion of shares of any particular class in the acquiring company held by any particular shareholder is the same as the proportion of shares of that class in the target company held by him immediately before the acquisition was made.

(4) In this section references to shares and to share capital include references to stock.

(5) This section applies to any instrument executed on or after 1st August 1986.'.—*[Mr. Rhodes James.]*

Brought up, read the First and Second time, and added to the Bill.

Clause 67

DEPOSITARY RECEIPTS

Mr. Ian Stewart: I beg to move amendment No. 148, in page 59, line 27, leave out 'registered' and insert 'incorporated'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendments Nos. 205, 206, 150, 207, 151 to 155, 208, 156, 159, 160, 209, 210, 162, 163, 244, 165 to 170, 211 to 214, 184, 215, 186, 216 to 220, 191, 221, 194 to 198, 222 and 223.

Dr. McDonald: Amendments Nos. 148 to 200 correct drafting errors in the stamp duty provisions and clarify the text. However, other amendments are a little more puzzling. Amendments Nos. 205 to 224, which were tabled on 10 July, deal with securities issued or sold partly paid.

It appears from inquiries made that those amendments all concern the 1·5 per cent. stamp duty charge imposed when securities are converted into depositary receipts—ADRs — or are placed in a clearing system. The amendments are designed to ensure that if the securities are paid for by instalmnts, the 1·5 per cent. duty is also paid in instalments, or, at least, that is the description that I obtained when I made inquiries about the meaning of the amendments. However, neither I, nor any tax experts whom I consulted, can understand how the amendments achieve the result which was explained to me and to others by the Inland Revenue from whom I made inquiries.

In commenting on this group of amendments, I hope that the Minister will explain how exactly they achieve the purpose that they are alleged to achieve by the Inland Revenue. It is completely and utterly mystifying to me and to those whom I have consulted. It may all be clear to the Minister. I hope that it is. If so, perhaps he will tell us. If it is not, I suggest that he is suffering from enormous difficulties because, unlike the procedure on other Bills, he will not be able to add another 200 or so amendments in the other place to be considered at some future date here. Therefore, I hope that the hon. Gentleman has an adequate and clear explanation of how this group of amendments achieves the purpose which, according to the Inland Revenue, it is supposed to have.

It may be that the amendments do not have that purpose at all, but, if so, what purpose do they have? I regret to say that the amendments do not seem to clarify the situation, but rather muddy the waters still further. No doubt that will cause great headaches for those outside when they seek to apply them to their financial dealings.

Mr. Ian Stewart: The hon. Member for Thurrock (Dr. McDonald) gives me an invitation which I cannot resist, which is to comment at greater length on those amendments that deal with payment by instalment. I shall discuss the relevant amendments which, as the hon. Lady said, are most of the amendments Nos. 205 to 224. I shall begin with amendments Nos. 205, 206, and 207.

When shares are sold and the price is payable by instalment, the vendor may be unwilling to transfer the share certificates to the purchaser until the final instalment payment has been made. In those circumstances, a third party, normally a custodian bank, will hold the shares until the purchase price is fully paid and then provide the purchaser with an interim or substitute certificate which can be bought and sold on the stock exchange in the normal way.

The possibility of a double charge in this case arises because the terms of the instalment arrangement involve the deposit with a depositary bank of different documents of title at different times. When the interim certificate is deposited, a 1·5 per cent. stamp duty or reserve tax charge results which will be based either on the instalment paid on the issue of the interim certificate or on the price paid for the certificate, depending on whether the depositary receipt holder was an original subscriber for the shares sold, or whether he bought the certificates in the market.

Amendment No. 208 follows on from that. It is a further amendment to clarify the application of clause 67 where securities are sold under instalment — an arrangement which provides for an interim certificate to be issued to the person buying the securities. That amendment is necessary because an interim certificate attracts stamp duty on transfer and it would be wrong for it to be treated as a depositary receipt. Doubts have been expressed about whether the definition of a depositary receipt provided in clause 69 could arguably apply to interim certificates of the type issued in connection with an instalment sale. The amendment is intended to make it clear that the definition does not apply to interim certificates.

Amendments Nos. 209 and 210 are the clearance services equivalent of amendments Nos. 205 to 207. The hon. Lady will remember that parallel provisions for clearance services and ADRs were necessary. Those amendments merely provide the equivalent for clearance services.

Amendments Nos. 211 to 214 deal with the reserve tax equivalent of what is provided on stamp duty in amendments Nos. 205 to 207. That is the other variation on the theme. Amendment No. 216 provides the stamp duty reserve tax equivalent only as applied to clearance

[Mr. Ian Stewart]

services. Those are the various combinations of ADRs, or rather depositary receipts or clearance services and stamp duty or stamp duty reserve tax.

Amendments Nos. 217 to 220 provide the reserve tax equivalent of amendments Nos. 209 to 210, which is the clearance services provision for stamp duty. All those amendments hang together. They are followed by amendment No. 223 which is concerned only with definitions.

Amendments Nos. 184 and 215 were also mentioned. The hon. Lady mentioned the payment of the duty or the tax by instalment as well as the payment for shares by instalment. Those two amendments deal especially with that provision. First, they provide for the recovery of the 1·5 per cent. reserve tax charge under clause 92, where the depositary bank is not resident in the United Kingdom and has no branch or agency here. In those circumstances, the proposed new subsection (5A) will provide for the person to whom the shares are transferred, that is the bank's nominee company, to be liable.

Secondly, the amendments deal with the liability arising where the securities deposited are interim certificates issued in connection with the sale of shares under instalment arrangements. The amendment clarifies the application of the clause in those circumstances by making it clear that the charge arises on each instalment as it becomes payable, and that it does not arise on the entire sale price at the outset when the interim certificate is first deposited.

5.45 pm

Where shares are sold under instalment arrangements that involve the purchaser acquiring for a time an interim certificate rather than the underlying shares, it was, of course, always intended that clause 90 should apply to each instalment separately. Doubts have been expressed about whether clause 90, as it stands, has that effect in practice. Therefore, the new subsection is intended to make the position absolutely clear.

The amendments deal partly with the point raised by the hon. Lady and partly with the point about the holding of an interim certificate in the United Kingdom not for ordinary deposit receipt purposes. I hope that, for the sake of the hon. Lady, and for the sake of putting the reasons on the record, it has been helpful for me to comment on the points that she raised.

Amendment agreed to.

Amendments made: No. 205, in page 59, line 40 leave out 'subsection (4)' and insert 'subsections (4) and (4A)'.

No. 149, in page 60 leave out lines 3 to 9 and insert—

'*(a)* at the time of the transfer the transferor is a qualified dealer in securities of the kind concerned or a nominee of such a qualified dealer,

(b) the transfer is made for the purposes of the dealer's business,

(c) at the time of the transfer the dealer is not a market maker in securities of the kind concerned, and

(d) the instrument contains a statement that paragraphs *(a)* to *(c)* above are fulfilled.'.

No. 206, in page 60, line 9 at end insert—

'(4A) In a case where—

(a) securities are issued, or securities sold are transferred, and (in either case) they are to be paid for in instalments,

(b) the person to whom they are issued or transferred holds them and transfers them to another person when the last instalment is paid,

(c) the transfer to the other person is effected by an instrument in the case of which subsection (3) above applies,

(d) before the execution of the instrument mentioned in paragraph *(c)* above an instrument is received by a person falling (at the time of the receipt) within subsection (5), (6), or (7) below,

(e) the instrument so received evidences all the rights which (by virtue of the terms under which the securities are issued or sold as mentioned in paragraph *(a)* above) subsist in respect of them at the time of the receipt, and

(f) the instrument mentioned in paragraph *(c)* above contains a statement that paragraphs *(a)*, *(b)* and *(e)* above, are fulfilled,

subsection (3) above shall have effect as if the reference to the value there mentioned were to an amount (if any) equal to the total of the instalments payable, less those paid before the transfer to the other person is effected.'

No. 150, in page 60, line 37 leave out 'registered' and insert 'incorporated'.

No. 207, in page 60, line 43, leave out '(4)' and insert '(4A)'.—*[Mr. Ian Stewart.]*

Clause 68

DEPOSITARY RECEIPTS: NOTIFICATION

Amendments made: No. 151, in page 61, line 6, after 'securities', insert

'of a company incorporated in the United Kingdom'.

No. 152, in page 61, line 11, leave out from 'securities' to 'shall' in line 12 and insert

'(being securities of a company incorporated in the United Kingdom)—

(a) as nominee or agent for a person whose business is or includes issuing depositary receipts for relevant securities, and

(b) for the purposes of such part of the business mentioned in pargraph *(a)* above as consists of issuing such depositary receipts (in a case where the business does not consist exclusively of that),'.

No. 153, in page 61, line 14, after 'holds', insert 'such'.

No. 154, in page 61, line 15, at end insert 'and for such purposes'.

No. 155, in page 61, line 16, after 'which', insert

'is incorporated in the United Kingdom and'.—*[Mr. Ian Stewart.]*

Clause 69

DEPOSITARY RECEIPTS: SUPPLEMENTARY

Amendments made: No. 208, in page 61, line 37, after *(b)* insert—

'except that for those purposes a depositary receipt for relevant securities does not include an instrument acknowledging rights in or in relation to securities if they are issued or sold under terms providing for payment in instalments and for the issue of the instrument as evidence that an instalment has been paid.'

No. 156, in page 62, line 2, leave out 'registered' and insert 'incorporated'.

No. 157, in page 62, line 12, at end insert—

'(5A) For the purposes of section 67(4) above a person is a qualified dealer in securities of a particular kind if he deals in securities of that kind and—

(a) is a member of a recognised stock exchange (within the meaning given by section 535 of the Taxes Act), or

(b) is designated a qualified dealer by order made by the Treasury.'

No. 158, in page 62, line 25 after 'regulations', insert 'or an order'.—*[Mr. Ian Stewart.]*

Clause 70

CLEARANCE SERVICES

Amendments made: No. 159, in page 62, line 29 at beginning insert

Subject to subsection (7A) below,'.

No. 160, in page 62, line 31, leave out 'registered' and insert 'incorporated'.

No. 209, in page 63, line 1, leave out 'subsection (4)' and insert 'subsections (4) and (4A)'.

No. 161, in page 63, leave out lines 6 to 12 and insert—

'*(a)* at the time of the transfer the transferor is a qualified dealer in securities of the kind concerned or a nominee of such a qualified dealer,

(b) the transfer is made for the purposes of the dealer's business,

(c) at the time of the transfer the dealer is not a market maker in securities of the kind concerned, and

(d) the instrument contains a statement that paragraphs *a)* to *(c)* above are fulfilled .'.

No. 210, in page 63, line 12, at end insert—

'(4A) In a case where—

(a) securities are issued, or securities sold are transferred, and (in either case) they are to be paid for in instalments,

(b) the person to whom they are issued or transferred holds them and transfers them to another person when the last instalment is paid,

(c) the transfer to the other person is effected by an instrument in the case of which subsection (3) above applies,

(d) before the execution of the instrument mentioned in paragraph *(c)* above an instrument is received by a person falling (at the time of the receipt) within subsection (5), (6) or (7) below,

(e) the instrument so received evidences all the rights which (by virtue of the terms under which the securities are issued or sold as mentioned in paragraph *(a)* above) subsist in respect of them at the time of the receipt, and

(f) the instrument mentioned in paragraph *(c)* above contains a statement that paragraphs *(a)*, *(b)* and *(e)* above are fulfilled,

subsection (3) above shall have effect as if the reference to the value there mentioned were to an amount (if any) equal to the total of the instalments payable, less those paid before the transfer to the other person is effected.'.

No. 162, in page 63, line 29, leave out 'and'.

No. 163, in page 63, line 33, at end insert

'and

(c) he holds relevant securities as nominee or agent for such a person, for the purposes of such part of that person's business as consists of the provision of clearance services for the purchase and sale of relevant securities (in a case where that business does not consist exclusively of that).'.

No. 224, in page 63, line 33, at end insert—

'(7A) Where an instrument transfers relevant securities of a company incorporated in the United Kingdom—

(a) to a company which at the time of the transfer falls within subsection (5) above and is resident in the United Kingdom, and

(b) from a company which at that time falls within that subsection and is so resident.

subsections (2) to (4A) above shall not apply and the maximum stamp duty chargeable on the instrument shall be 50p.'—*[Mr. Ian Stewart.]*

Clause 71

CLEARANCE SERVICES: NOTIFICATION

Amendments made: No. 165, in page 63, line 40, after 'securities', insert

'of a company incorporated in the United Kingdom'.

No. 166, in page 64, line 2, leave out from 'securities' to 'shall' in line 3 and insert

'(being securities of a company incorporated in the United Kingdom)—

(a) as nominee or agent for a person whose business is or includes the provision of clearance services for the purchase and sale of relevant securities, and

(b) for the purposes of such part of the business mentioned in paragraph *(a)* above as consists of the provision of such clearance services (in a case where the business does not consist exclusively of that),'.

No. 167, in page 64, line 5, after 'holds', insert 'such'.

No. 168, in page 64, line 6, at end insert 'and for such purposes'.

No. 169, in page 64, line 7, after 'which', insert

'is incorporated in the United Kingdom and'.—*[Mr. Ian Stewart.]*

Clause 72

CLEARANCE SERVICES: SUPPLEMENTARY

Amendments made: No. 170, in page 64, line 22, leave out 'registered', and insert 'incorporated'.

No. 171, in page 64, line 33 leave out from 'above' to second 'at' in line 34 and insert

' "qualified dealer" and "market maker" have at any particular time the same meanings as they have'.—*[Mr. Ian Stewart.]*

Clause 74

RECONSTRUCTIONS ETC: REPEALS

Amendment made: No. 172, in page 67, line 18, after 'executed', insert

'in pursuance of a contract made'.—*[Mr. Ian Stewart.]*

Clause 83

MISCELLANEOUS EXEMPTIONS

Amendments made: No. 173, in page 75, line 34, at end insert—

'(1A) Stamp duty shall not be chargeable on an instrument effecting a transfer of stock if—

(a) the transferee is a recognised investment exchange or a nominee of a recognised investment exchange, and

(b) an agreement which relates to the stamp duty which would (apart from this subsection) be chargeable on the instrument, and was made between the Commissioners and the investment exchange under section 33 of the Finance Act 1970, is in force at the time of the transfer.'.

No. 174, in page 76, line 3 at end insert—

'(3A) Subsection (1A) above applies to any instrument giving effect to a transaction carried out on or after such day as the Commissioners may appoint by order made by statutory instrument.'.—*[Mr. Ian Stewart.]*

Clause 84

SUPPLEMENTARY

Amendment made: No. 175, in page 76, line 37, at end insert—

'*(aa)* references to a recognised investment exchange are to a recognised investment exchange within the meaning of the Financial Services Act 1986,'.—*[Mr. Ian Stewart.]*

Clause 86

THE PRINCIPAL CHARGE

Amendments made: No. 177, in page 77, line 13, leave out 'one' and insert 'a'.

No. 178, in page 77, line 16, leave out subsection (2) and insert—

'(2) There shall be a charge to stamp duty reserve tax under this section on the expiry of the period of two months beginning with the relevant day, unless the agreement is to transfer the securities to B or his nominee and the first and second conditions mentioned below have been fulfilled by the time that period expires.'.

No. 179, in page 78, line 10, at end insert—

'(10) This section has effect subject to sections *(Section 86: special cases), (Section 86: exceptions for market makers etc.)* and *(Section 86: other exceptions)* below'.—*[Mr. Ian Stewart.]*

Clause 87

SECTION 86: EXCEPTIONS AND SPECIAL CASES

Amendment made: No. 180, in page 78, line 11, leave out clause 87.—*[Mr. Ian Stewart.]*

Clause 90

DEPOSITARY RECEIPTS

Amendments made: No. 181, in page 79, line 23, leave out 'subsections (4) and (7)' and insert

'subsection (7) below and section *(Depositary receipts: stamp duty reserve tax: exceptions)*'.

No. 182, in page 79, line 39, leave out subsection (4).

No. 211, in page 80, line 5, leave out 'and' and insert 'to'.

No. 183, in page 80, leave out lines 15 to 24 and insert—

'*(a)* the transfer is effected by an instrument on which stamp duty under the heading "Conveyance or Transfer of any kind not hereinbefore described" in Schedule 1 to the Stamp Act 1891 is chargeable,

(b) at the time of the transer the transferor is a qualified dealer in securities of the kind concerned or a nominee of such a qualified dealer,

(c) the transfer is made for the purposes of the dealer's business,

(d) at the time of the transfer the dealer is not a market maker in securities of the kind concerned, and

(e) the instrument contains a statement that paragraphs *(b)* to *(d)* above are fulfilled.'.

No. 212, in page 80, line 27, at end insert—

'(6A) In a case where—

(a) securities are issued, or securities sold are transferred, and (in either case) they are to be paid for in instalments,

(b) the person to whom they are issued or transferred holds them and transfers them to another person when the last instalment is paid,

(c) subsection (5)*(c)* above applies in the case of the transfer to the other person,

(d) before the making of the transfer to the other person an instrument is received by a person falling within subsection (3) above,

(e) the instrument so received evidences all the rights which (by virtue of the terms under which the securities are issued or sold as mentioned in paragraph *(a)* above) subsist in respect of them at the time of the receipt, and

(f) the transfer to the other person is effected by an instrument containing a statement that paragraphs *(a), (b)* and *(e)* above are fulfilled,

subsection (5)*(c)* above shall have effect as if the reference to the value there mentioned were to an amount (if any) equal to the total of the instalments payable, less those paid before the transfer to the other person is effected.'.

No. 213, in page 80, line 33, leave out 'and (6)' and insert 'to (6A)'.

No. 214, in page 80, line 38, after 'under', insert 'the preceding provisions of'.

No. 184, in page 80, line 38, leave out from 'person' to end of line 40 and insert

'liable for the tax shall (subject to subsection (8A) below) be the person who has issued or is to issue the depositary receipt.'.

No. 215, in page 80, line 40, at end insert—

'(8A) Where tax is charged under the preceding provisions of this section in a case where securities are transferred, and at the time of the transfer the person who has issued or is to issue the depositary receipt is not resident in the United Kingdom and has no branch or agency in the United Kingdom, the person liable for the tax shall be the person to whom the securities are transferred.

(8B) Where chargeable securities are issued or transferred on sale under terms providing for payment in instalments and for an issue of other chargeable securities, and (apart from this subsection) tax would be charged under this section in respect of that issue, tax shall not be so charged, but—

(a) if any of the instalments becomes payable by a person falling within subsection (2) or (3) above, there shall be a charge to stamp duty reserve tax under this section when the instalment becomes payable;

(b) the charge shall be at the rate of £1·50 for every £100 or part of £100 of the instalment payable;

(c) the person liable to pay the instalment shall be liable for the tax.'.

No. 186, in page 81, line 6, leave out

'issued on or before that date'

and insert

'(whether issued on or before that date or to be issued after that date).'.—*[Mr. Ian Stewart.]*

Clause 91

DEPOSITARY RECEIPTS: SUPPLEMENTARY

Amendments made: No. 216, page 81, line 16, after paragraph *(b)* insert—

'except that for those purposes a depositary receipt for chargeable securities does not include an instrument acknowledging rights in or in relation to securities if they are issued or sold under terms providing for payment in instalments and for the issue of the instrument as evidence that an instalment has been paid.'.

No. 187, in page 81, line 28, at end insert—

'(4A) For the purposes of section 90(6) above a person is a qualified dealer in securities of a particular kind if he deals in securities of that kind and—

(a) is a member of a recognised stock exchange (within the meaning given by section 535 of the Taxes Act), or

(b) is designated a qualified dealer by order made by the Treasury.'.

No. 188, in page 82, line 1, after 'regulations', insert 'or an order'.—*[Mr. Ian Stewart.]*

Clause 92

CLEARANCE SERVICES

Amendments made: No. 189, in page 82, line 4, after 'below', insert

'and section

(Clearance services: stamp duty reserve tax: exceptions) below'.

No. 217, in page 82, line 14, leave out 'and' and insert 'to'.

No. 190, in page 82, leave out lines 24 to 33 and insert—

(a) the transfer is effected by an instrument on which stamp duty under the heading "Conveyance or Transfer of any kind not hereinbefore described" in Schedule 1 to the Stamp Act 1891 is chargeable,

(b) at the time of the transfer the transferor is a qualified dealer in securities of the kind concerned or a nominee of such a qualified dealer,

(c) the transfer is made for the purposes of the dealer's business,

(d) at the time of the transfer the dealer is not a market maker in securities of the kind concerned, and

(e) the instrument contains a statement that paragraphs *(b)* to *(d)* above are fulfilled.'.

No. 218, in page 82, line 36, at end insert—

'(3A) In a case where—

(a) securities are issued, or securities sold are transferred, and (in either case) they are to be paid for in instalments,

(b) the person to whom they are issued or transferred holds them and transfers them to another person when the last instalment is paid,

(c) subsection (2)*(c)* above applies in the case of the transfer to the other person,

(d) before the making of the transfer to the other person an instrument is received by A or a person whose business is or includes holding chargeable securities as nominee for A,

(e) the instrument so received evidences all the rights which (by virtue of the terms under which the securities are issued or sold as mentioned in paragraph *(a)* above) subsist in respect of them at the time of the receipt, and

(f) the transfer to the other person is effected by an instrument containing a statement that paragraphs *(a)*, *(b)* and *(e)* above are fulfilled,

subsection (2)*(c)* above shall have effect as if the reference to the value there mentioned were to an amount (if any) equal to the total of the instalments payable, less those paid before the transfer to the other person is effected.'.

No. 219, in page 82, line 42, leave out 'and (3)' and insert 'to (3A)'.

No. 220, in page 83, line 3, after 'under' insert 'the preceding provisions of'.

No. 191, in page 83, line 4, after 'shall', insert '(subject to subsection (5A) below)'.

No. 221, in page 83, line 4, at end insert—

'(5A) Where tax is charged under the preceding provisions of this section in a case where securities are transferred to a person other than A, and at the time of transfer A is not resident in the United Kingdom and had no branch or agency in the United Kingdom, the person liable for the tax shall be the person to whom the securities are transferred.

(5B) Where chargeable securities are issued or transferred on sale under terms providing for payment in instalments and for an issue of other chargeable securities, and (apart from this subsection) tax would be charged under this section in respect of that issue, tax shall not be so charged but—

(a) if any of the instalments becomes payable by A or by a person whose business is or includes holding chargeable securitee as nominies for A, there shall be a charge to stamp duty reserve tax under this section when the instalment becomes payable;

(b) the charge shall be at the rate of £1·50 for every £100 or part of £100 of the instalment payable;

(c) the person liable to pay the instalment shall be liable for the tax.'.

No. 193, in page 83, line 13, leave out from 'above' to second 'at' in line 14 and insert

'"qualified dealer" and "market maker" have at any particular time the same meanings as they have'.

No. 194, in page 83, line 20, leave out 'This' and insert 'Subject to subsection (11) below, this'.

No. 195, in page 83, line 22, at end insert—

'(11) This section does not apply, in the case of securities which are transferred, if the Board are satisfied—

(a) that on or before 18th March 1986 the transferor (or, where the transferor transfers as agent, the principal) agreed to sell securities of the same kind and amount to the person (other than A) referred to in subsection (1)*(a)* above, and

(b) that the transfer is effected in pursuance of that agreement.'.—*[Mr. Ian Stewart.]*

Clause 94

INTERPRETATION

Amendments made: No. 196, in page 84, line 6, leave out 'registered' and insert 'incorporated'.

No. 197, in page 84, line 15, at end insert 'the transfer of which is not exempt from all stamp duties'.

No. 198, in page 84, line 17, at end insert 'the transfer of which is not exempt from all stamp duties'.

No. 222, in page 84, leave out lines 22 to 26 and insert—

'*(a)* that a person holds stocks or shares or evidence of the right to receive them, and

(b) that another person is entitled to rights, whether expressed as units or otherwise in or in relation to stocks or shares of the same kind, including the right to receive such stocks or shares (or evidence of the right to receive them) from the person mentioned in paragraph *(a)* above,

except that a depository receipt for stocks or shares does not include an instrument acknowledging rights in or in relation to stocks or shares if they are issued or sold under terms providing for payment in instalments and for the issue of the instrument as evidence that an instalment has been paid.

(7A) The Treasury may by regulations provide that for subsection (7) above (as it has effect for the time being) there shall be substituted a subsection containing a definition of a depositary receipt); and the power to make regulations under this subsection shall be exerciseable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.'.

No. 223, in page 84, line 28, at end insert—

'(9) In interpreting "chargeable securities" in sections 90, 91 and 92 above—

(a) the words in subsection (4) above from "unless" to the end shall be ignored, and

(b) the effect of paragraph 8 of Schedule 14 to the Companies Act 1985 (share registered overseas) and of section 118 of the Companies Act (Northern Ireland) 1960 and paragraph 7 of Schedule 14 of the Companies (Northern Ireland) Order 1986 (equivalent provision for Northern Ireland) shall be ignored for the purposes of subsection (5) above.'.

—*[Mr. Ian Stewart.]*

New Clause 34

TRANSFER PAYMENTS AND PRESERVED BENEFITS (NO. 2)

'(1) It shall be permissible for the trustees of an occupational pension scheme which is an exempt approved scheme under section 21 of the Finance Act 1970, to amend the rules of the scheme in regard to the calculation of transfer payments and of preserved benefits on behalf of any member ending pensionable service before the normal age of retirement under the scheme in accordance with the provisions of this section.

(2) For the purposes of this section "trustees", in relation to a scheme which is not set up or established under a trust means the managers of the scheme.

(3) To comply with the provisions of this section, the amended rules of the scheme shall require the trustees in respect of any member withdrawing from pensionable service before the normal pension age under the rules of the scheme at the withdrawing member's option either—

(a) to pay to an approved scheme a transfer payment in respect of the withdrawing of Members' entitlement of the sum that would be required by the withdrawing member's scheme for the purpose of admiting a new member of the same age, sex and pensionable remuneration as the withdrawing

[Mr. Ian Stewart]

member in order to credit him with the same number of years of pensionable service as the withdrawing member, (but subject to modification in accordance with (4) below) or

(b) to award preserved benefits to the withdrawing member of the same actuarial value as that sum.

(4) In a case where an actuary certifies that on the date of the certificate the scheme is not fully funded, (which is to say that the scheme does not have sufficient assets to meet its liability in respect of the whole or any specified part of the accrued rights to benefit of its members), the transfer payment, or as the case may be, the part of the transfer payment which corresponds with that specified part of those accrued rights, may be reduced by the percentage by which the scheme is so shown to be deficient.

(5) A scheme which by 1st January 1987 has not amended its rules so that the transfer payments and the preserved benefits payable under the scheme are to be calculated on terms at least as favourable to the beneficiaries as those specified in this section shall not qualify as an exempt approved scheme in respect of its liabilities incurred after that date except by the permission of the Occupational Pensions Board.

(6) A scheme may apply to the Occupational Pensions Board for deferment of the latest date for the amendment of its rules in accordance with this section and to retain its status as an exempt approved scheme in respect of its liabilities incurred after that date to a date not later than 1st January 1992.

(7) The Secretary of State for Health and Social Security shall lay before Parliament regulations under this section subject to affirmative resolution of the House of Commons which shall specify the grounds on which the Occupational Pensions Board may approve applications for deferment under subsection (6) above.'. — *[Sir Brandon Rhys Williams.]*

Brought up, and read the First time.

Sir Brandon Rhys Williams (Kensington): I beg to move, That the clause be read a Second time.

I think that the House is well aware of my long-standing interest in the protection of the rights of early leavers in occupational pension schemes. This issue is of significance when considering this year's Budget, because the Government have rightly introduced a measure in the Budget that will have a bearing on the way in which such schemes are required to balance their assets and liabilities.

About 18 months ago, there was an extensive debate about the way in which occupational pension schemes should be allowed to develop. Several people said that the tax regime enjoyed by those schemes was either too generous or was being abused. Rumour had it that in the 1985 Budget my right hon. Friend the Chancellor of the Exchequer intended to make a dramatic reduction in the extent of the tax advantages enjoyed by private sector occupational pension schemes. Fortunately, the predictions published in the press at that time proved to be incorrect. But the debate served a useful purpose, as it drew attention to the fact that the 1970 Act was open to serious abuse.

I do not wish to detain the House long, but I should like to draw attention to a letter that I wrote last year to *The Times*, and which was published on Budget day, 19 March 1985. I shall not weary the House by reading it all, but the last two paragraphs are still relevant. I wrote:

"If the Chancellor were to require pension trustees to separate the assets which are allocated for individual beneficiaries from their general reserves, the former could retain the habitual tax exemption, while the income from the unallocated or excess funds could be taxed like that from any other company assets.

It would be a reasonable reform, and it would serve the good purpose of encouraging trustees to adopt conventional money-purchase principles. I would also encourage them to allocate each individual his full accumulated rights, while still in service, and to pay transfers for the early leavers of the full amount of their entitlements."

I do not think that much notice was taken of my letter at the time, because on the same day it became evident that my right hon. Friend the Chancellor would not make any dramatic change in the 1985 Budget. But the problems of the early leavers remain. I was, therefore, particularly pleased when, to the surprise of all concerned, the Chancellor announced in this year's Budget speech that he intended to tackle abuse of the 1970 Act along more or less exactly the lines that I had recommended in my letter. What the Government are doing is entirely right. There may need to be further study as to whether 105 per cent. is the right amount for funds to be able to retain without incurring any penalty, but, having listened to experts, I believe that the Government have got things right. However, no doubt that point can be further considered by the experts.

In general, the Government seem to be moving in the right direction. There has undoubtedly been a tendency for corporate treasurers to park funds in pension schemes when there was an occasional surplus in the availability of capital, so that advantage could be taken of the tax regime intended for the pension funds' beneficiaries. The money could be drawn out again when the company required it by the simple device of paying less money into the pension fund than would be demanded in the normal course of events by the annual increase in its liabilities.

The Government saw that abuse, and have acted to prevent it from continuing. When I heard the speech of my right hon. Friend the Chancellor, I thought that the Treasury would at the same time produce a new regime for assessing the assets and liabilities of occupational pension funds, so that there would be a compelling advantage to funds to put the highest possible value on the rights of potential early leavers in order to reduce the likelihood of a tax penalty being incurred from time to time as the scheme's funds developed. But I understand that the Treasury has not seen the opportunity, or, if it has seen it, is not seizing it. That is why I have devised this new clause.

In a moment I shall go through the provisions that I recommend. However, if I took as long to explain the precise purpose of every line as I took to draft it, and if I added to that the amount of time that I insisted that senior people in the profession should devote to giving me advice, hon. Members would be here for a long time. I do not want to weary hon. Members with the precise implications of every line, but I hope that the provisions I am suggesting in my new clause will be drawn to the attention of the Treasury and of those interested in occupational pension schemes. In addition, I hope that other Departments that have an interest in how we provide for private retirement provision will also take an interest.

It is the Government's policy to encourage British citizens to be independent, to stand on their own feet financially, and to make their own provision for retirement. That is so much a part of Government policy that it hardly needs restating. In particular, it is the Government's stated policy to encourage the development and improvement of occupational pension schemes. This is not a matter of controversy; all hon. Members accept it. Moreover, few people would deny that there is now a tendency in Britain towards consumption rather than

saving. That is an unhealthy feature of the economy. One need only compare the sort of goods in high street shops and the volume of imports of consumer goods that British people can afford with the volume of investment, particularly in manufacturing industry, to see that there is a rather unsatisfactory balance.

If the Government did something to encourage money to flow into fresh, real savings and investments, and which at the same time would discourage the flow of money into consumption—particularly as current wage settlements are often far higher than is justified by the growth in productivity—it would be a healthy move.

It is only reasonable to point out that early leavers in occupational pension schemes who change jobs in mid-career incur substantial losses. Even if I consult people like the Government Actuary, or study published returns, I find it difficult to make a fair assessment of the amount of money being lost by early leavers through their being paid their transfer values—or being awarded preserved benefits—which are far less than the value of the assets that they leave behind. However, it would appear that the figure is not less than £20 million every week, or £1,000 million every year. Some reliable estimates put the figure much higher than that; but I do not know whether to place too much emphasis on them, partly because it is difficult to assess the effect of the reforms that have been made in recent years, particularly with effect from 1 January 1986.

We hope that those reforms will alleviate the situation. But we are talking about a substantial loss of money, when that money should constitute part of each individual's real assets and part of his savings for a future time. The effect of that forfeiture is that there is a burden on employers to tip the amount of remuneration that goes to employees away from deferred pay, and to increase the amount of money that goes into immediate consumption through the pay packet or salary. More money flows in the direction of immediate consumption and less in the direction of savings. If the pension fund can make a profit from the early leavers, the employer does not have to subscribe so much to enable it to meet its liabilities.

If the Government have taken steps to prevent the abuse of the tax exemptions—they might be called the tax "privileges" — of occupational pension schemes, which are of long standing and were confirmed by the 1970 Act, we are right to consider whether the House should not also take this matter further. Schemes which are overfunded in relation to their present liabilities will be encouraged by this year's Budget to improve the award of benefits; but not enough is being done specifically to help the early leavers. If schemes do not take the opportunity to improve the level of benefits, they may have to take steps to bring their assets and liabilities into better balance in ways that could involve tax penalties. That is self-evident and quite proper. I had hoped that, in working out the details, Treasury Ministers would ensure that the tightening up would specifically include a compelling incentive to occupational pension schemes to put their houses in order in regard to the calculation of transfer values.

6 pm

Two serious obstacles are believed to lie in the way of dramatic action to stop the occupational pension schemes from bleeding the early leavers: the fear that employers will protest strongly at the extra burdens and that there will be a political reaction; and secondly the understandable reluctance to bring in what might be held to constitute retrospective legislation.

Obviously, if early leavers are losing £1 billion a year and Parliament acts effectively to remedy that, the money must be found from somewhere. There is no necessity for that burden to fall immediately on employers because, to a great extent, occupational pension schemes at present are flush with funds. They could well afford to carry this extra burden, especially if the liability is spread over some years, without needing to go immediately to employers to require them to top up their schemes.

Firms which expect to recruit staff from other firms over some years would also recognise that, although there would be bigger outgoings with the staff they lost, there would be larger receipts with the staff they gained from other occupational pension schemes. Firms which expect to bring people on to their books in mid-career would be relieved of the necessity of putting enormous sums of money in the pension funds in respect of people whom they recruited from elsewhere, because they would bring with them a full transfer payment to justify their inclusion in the pension fund on reasonable terms.

There would also be a switch from payment of remuneration, mainly in the form of a stimulus to current spending, and some movement to saving through a formal trust instead. There is no reason why employers who are under pressure to give greater remuneration to their payroll staff and management should not point out that they will put more into the pension fund as a result of Parliament's intervention and that, therefore, there is genuinely less money available to distribute in the form of increased wages.

I would like to consider the position of firms that might judge that they would stand to lose substantially if they were required to pay transfer values that genuinely reflected the value of the early leavers' assets. Presumably, they would be firms that expected to have decreasing numbers of senior employees. The obvious case would be firms that had just been the victims of take-overs by unscrupulous bidders who would expect to discharge a large number of senior people with the objective of relieving the burden on the pension fund. They could then raid the pension fund to restore the expenditure which they had had to incur on acquiring the firm.

I have no sympathy with take-over bidders whose main objective is the pension fund with which they can recoup the expenditure laid out in acquiring the business. They attack defenceless people who have given long service to the firm so as to grab their rights and put the money into the bank. If Parliament intervenes to prevent such conduct, it will be applauded by every fair-minded person.

We must all respect the natural reluctance of Governments to let themselves be accused of introducing legislation with retrospective effect. We must concede that, when pension schemes have been in existence for many years, people who have been accumulating assets in those funds for 30 or 40 years will be involved. The assets held against the fund's liabilities have been built up under a stable tax regime which everyone understands and under employment contracts which are known to the parties and are generally in the form of the printed rules of occupational pension schemes. It could be said that it is undesirable, but it is a fact under the rules which have existed for years that transfers are not expected to be made at the full actuarial value. It is possible to argue that it is

[Sir Brandon Rhys Williams]

an accomplished fact. If we now try to insist that people of long service who leave their service before normal pension age should be given money which their employers did not expect to be obliged to give, Parliament's intervention to require employers to pay out much more money could be held to be retrospective.

I have deliberately drafted my proposals to escape that criticism. My provisions would reflect only on future tax concessions in respect of future liabilities. A firm that felt that it was under too much pressure because of my proposal that early leavers should be given a fair deal in future would have the option of winding up its fund within five years, and of making a new start in regard to its further liabilities incurred under the more generous regime which my new clause would impose. I do not envisage there being a danger — and professional people who work with these schemes agree—of a serious risk arising of a great number of firms winding up their schemes. I shall not go into the many reasons unless the House wishes me to do so.

The Government plainly do not think it is obligatory to leave the tax provisions totally unchanged in regard to the abuse of stacking funds into occupational schemes simply to take advantage of tax benefits. I believe that the House concurs with that. We can therefore feel free to amend the tax regimes of occupational schemes under the 1970 Act to prevent this abuse of overfunding. Surely we are also free to exercise the taxpayer's rights in the interests of securing natural justice for early leavers. The taxpayer has a stake in these private sector schemes because the essence of the tax concession is that tax liability is deferred until the money is paid out. The taxpayer therefore may have to wait 40 or more years before the tax which might have been levied on the firm is eventually recovered in the form of the income tax which has to be paid by the pensioner at the end of his days. In all that time, the money is building up, completely free of capital gains and other taxation, at compound interest in the hands of the firm's trustees. The taxpayer is making a substantial tax concession to the schemes and at the end of the day a large part of the funds of these schemes is, in effect, the taxpayer's money. I see no reason why taxpayers should be obliged to help these schemes in such a way if they continue to act in a way which nobody can seriously believe to be in accordance with natural justice or the best interests of the economy.

I took the opportunity yesterday, when there was a debate on the plight of the elderly, to point out how much it would assist the elderly if they were able to rely on better incomes from occupational pension schemes. I pointed out that there is a major deficiency in these schemes, which is that the high fliers and other people who have to change their jobs stand to lose so much under the way in which the transfer valuations are made. My hon. Friend the Under-Secretary of State for Health and Social Security suggested that nothing should be done immediately, and that we should see how the transfer regulations which were brought in at the beginning of the year would work out in practice.

As I have said, I have consulted a large number of well-informed people. I do not think that any of them has expressed the view that what has been done so far to remedy the abuse of early leavers will put the problem right. That is not the expectation of the actuaries or the people who operate in the area. Of course, I recognise and am grateful for the work that has been done by the Department of Health and Social Security and others concerned to make some improvement. However, they have not met the problem fully. That is the opinion of well-informed people.

Let us suppose we are all wrong, and that what was done at the beginning of this year has solved the problem. In that case, there would be no extra burden to the occupational pension schemes if the Government were to accept my new clause because they would simply be confirming something which they had already brought about. In that case there would not be any serious risk of imposing new burdens on the schemes.

I should like the House to give serious consideration to this problem. We need to encourage job mobility, we need better provision for retirement, and we have to ensure that taxpayers' money is not misused, as it certainly is by occupational pension schemes that act against the more efficient running of the economy. We have to uphold natural justice. I therefore trust that the House will agree to give my new clause a Second Reading.

Mr. Ian Stewart: My hon. Friend the Member for Kensington (Sir B. Rhys Williams) has a deserved reputation for having, over a long period, expressed an interest in and campaigned on behalf of early leavers from pension fund schemes. I think that by that campaign, which he has pursued by raising the matter in the House on numerous occasions and by other means such as writing to *The Times* last year, as he reminded us, he has done a great deal to draw public attention to one of the problems which has become more acute in recent years. People tend to change jobs more often and, therefore, the number of those who leave pension schemes before retirement age has been increasing.

Credit is due to my hon. Friend for having, if not single-handedly, changed the climate and approach of many trustees of pension schemes to the way in which they consider the position of early leavers. He has certainly done something towards encouraging a greater awareness of their problems and, as a consequence, by practical means early leavers are now not treated quite as badly as they were a few years ago. I would accept that there is probably further to go on this issue.

6.15 pm

My hon. Friend's new clause is ingenious and, in technical terms, it is well organised. He has taken a great deal of trouble not only to specify clearly what his objectives are, but to find a means of establishing how they can be achieved in statute. However, I am sure that he will not be surprised to learn that I do not feel inclined to recommend to the House that his new clause be accepted.

My basic reason for opposing the new clause has nothing to do with whether I am sympathetic to the position of early leavers, or to many of the arguments that my hon. Friend has deployed. The central point is that an occupational pension scheme is a voluntary arrangement set up by an employer for his employees and, although the Revenue has rules governing the maximum level of benefits that a scheme may offer if it is to qualify for tax exemption, I do not think that it would be right for the tax system to be used as a means of compelling trustees to dispose of their resources in a particular way.

My hon. Friend obviously takes a different view. However, we believe that it is right to leave the trustees of

schemes with the freedom to provide whatever benefits they consider appropriate in relation to membership of the scheme and, of course, what they presume would over a period of time, be in the interest of employment in the company concerned.

In principle, that is the right approach. Even if it were not, I do not think that it would be right to entrust the Inland Revenue with the responsibility of establishing whether the distribution was properly organised to meet the approval which would be required to avoid an extra charge to tax.

My hon. Friend's new clause introduces a new condition for tax exemption and any scheme that did not offer full protection in those terms for the pension rights of early leavers would lose its approved status. As I said, I do not regard that as a natural or, perhaps, proper use of the tax system for pensions, because the tax system is essentially designed to ensure that tax relief is given only for bona fide pension arrangements without looking through them to try to determine the quality or distribution under the schemes.

Last night my hon. Friend spoke of introducing what he called an "overpowering" incentive. Today he used the term a "compelling" incentive. Certainly, to use the tax lever in the way in which he has suggested today to deal with the content of pension schemes would amount to an overpowering and compelling instrument for achieving that end. I am not at all convinced that it would be proper to proceed in that way.

My hesitation is strengthened by looking at subsection (7) of new clause 34 where my hon. Friend is inviting the Secretary of State for Social Services and not my right hon. Friend the Chancellor of the Exchequer to lay regulations before Parliament. The approach to the conduct of pension schemes really is a matter for the DHSS rather than for the Treasury. I am not in a position to judge whether the new regulations will have more favourable results than my hon. Friend suspects. However, my right hon. and hon. Friends in the DHSS will need to follow that through.

I see certain problems, even if one accepts the principle of what my hon. Friend is trying to achieve, because if a scheme failed to satisfy the Inland Revenue on his new condition, it would lose tax exemption on all its resources. That would affect long-stay members of pension schemes, shorter-stay members, and so on. I cannot believe that that consequence would be in scale with the objective that my hon. Friend is trying to achieve.

There can be little doubt that our proposals this year for dealing with pension scheme surpluses will result in improvements in pension benefits. Like my hon. Friend, I hope very much that a material part of that improvement will go towards providing a better deal for early leavers than many schemes have in the past. If the debate serves no more immediate purpose than drawing to public attention the case for doing so, the House and the public will have cause to be grateful to my hon. Friend for it. However, the subject of early leavers, important as it is, must remain a matter for the trustees of individual schemes to decide upon in the light of their own circumstances.

While I have sympathy with the principle of the case that my hon. Friend is advancing in terms of better provision for early leavers, and while I recognise the changes in employment patterns of recent years and the way in which early leavers have always had a worse deal than those who have stayed through to retirement, I am sceptical about the method that he has chosen as the prospective means of trying to achieve it. Following this short debate, I shall discuss the matter with my right hon. and hon. Friends in the Department of Health and Social Security because it is right that I should give something more than a commitment just to draw it to their attention. It should be drawn to their attention, but I should like to talk to them about it.

I doubt whether there are likely to be circumstances, even in the light of all that, which would justify using a direct tax weapon to achieve what, after all, is a structural change in the pattern of pension provision. A structural change has begun to take place, and we may encourage it, but I reluctantly part company with my hon. Friend on the suggestion of using tax penalties to achieve it.

Sir Brandon Rhys Williams: I should like to comment on some of the remarks of my hon. Friend the Economic Secretary. If he had had longer to consider the precise implications of the new clause, he would not have made them: his criticisms of my proposals do not bear comparison with my text.

My hon. Friend takes the view that private occupational pension schemes are voluntary arrangements, and it would be wrong to use tax as a means of compelling the trustees to dispose of their resources in a particular way. However, the tax regime that applies to those schemes is already extremely rigid. Many regulations have been introduced through the Inland Revenue's administrative control or in statute which require the trustees to act in a particular way. In my new clause, I am merely suggesting that there should be one more provision for the future.

My hon. Friend also made the mistake of thinking that what I am suggesting would have a retrospective effect; but I spent quite a long time seeking to explain that it would not. I did not go into the new clause line by line, but it would have no retrospective effect because the trustees, in so far as they had acquired liabilities or assets up to the date on which the new clause came into operation —which would probably be deferred for as much as five years—would be able to continue to enjoy precisely the same tax regime as they do now.

The other thing that surprises me is that at the very moment when the Government are introducing their own changes in the tax provisions governing these schemes they should object to a Back Bencher trying to do the same. My hon. Friend is not logical if he recommends to the House that we should approve the tax changes in regard to the overfunded schemes, yet says that there should be no tax changes in regard to schemes that offend in other ways against the principles under which they were set up.

I cannot believe that anyone on either side of the House seriously thinks that it is right that early leavers should be given transfer values or preserved benefits that are far less than the value of the assets that the scheme is holding for them should they decide to remain in the service of the employer. That offends against natural justice. I cannot accept that my hon. Friend's speech today is to be the last word on the subject.

My hon. Friend made a commitment, which I value, and I trust him implicitly. He agreed that he would commit himself to discuss the matter with the DHSS. I suggest that he should also discuss it with the Department of

[Sir Brandon Rhys Williams]

Employment, because there is a substantial interest for that Department, too, in promoting job mobility, particularly for senior management and high fliers.

I conclude with the same recommendation that I made last night, that the Government should set up an interdepartmental study of the matter and produce a White Paper at an early date. In view of my hon. Friend's reaction, I can see that it would be futile to press my new clause now, so I beg to ask leave to withdraw the motion.

Motion and clause, by leave, withdrawn.

New clause 35

LEAVE TRAVEL FACILITIES FOR MEMBERS OF THE NORTHERN CONSTABULARY

"(1) No charge to Schedule E tax shall arise in respect of travel facilities provided for members of the Northern Constabulary and their spouses and children posted in Orkney, Shetland or the Western Isles, going on or returning from leave, up to a maximum of three return journeys per year.

(2) This applies whether the charge would otherwise have arisen under—

(a) section 36 of the Finance (No. 2) Act 1975 (certain vouchers treated as benefits in kind);

(b) section 61 of the Finance Act 1976 (benefits in kind for the higher paid); or

(c) Chapter I of Part VIII of the Taxes Act (Charge to Schedule E tax);

and applies to the use of travel vouchers or warrants for particular journeys.

(3) This section has effect for the year 1986-87 and subsequent years of assessment."—*[Mr. Wallace.]*

Brought up, and read the First time.

Mr. James Wallace (Orkney and Shetland): I beg to move, That the clause be read a Second time.

When we consider the Finance Bill in the House, we are used to dealing with provisions involving millions, sometimes even billions, of pounds, but, according to a written answer given to me on 7 February this year by the former Financial Secretary to the Treasury, the cost to the Exchequer, if the new clause were implemented, would be "unlikely to exceed £40,000 per annum."—*[Official Report, 7 February 1986; Vol 91, c. 279.]*

In the context of the Finance Bill, it seems to be a relatively small sum. However, if the new clause were passed, substantial justice would be done to the police officers posted to my constituency and that of the right hon. Member for Western Isles (Mr. Stewart).

I should like to give a brief background on how the matter arises. Until 1981-82, police officers posted to the Western Isles and Orkney and Shetland were given three free journeys a year to the mainland for annual leave purposes, for themselves and their family, and a car. They never received cash in hand. They got no compensation if all the warrants were not used up. That arrangement was in accordance with an agreement of the Police Council for the United Kingdom. Doubts were raised subsequently about the non-taxability of the warrants. Thereafter, the Inland Revenue concluded that the warrants should be taxed under section 36 of the Finance (No. 2) Act 1975. Since the financial year of 1983-84, tax has been paid.

The Northern Constabulary covers the local authority areas of Highland region, Orkney islands council, Shetland islands council and Western Isles islands council. The area, although small in population, is the largest geographical area of any police constabulary in the United Kingdom. The officers, who come from all over the area, have no choice of where they are posted, and so many from the mainland, the Highland region, are posted to the remote islands of my constituency and that of the right hon. Member for Western Isles.

The new clause seeks to return us to the situation before 1983-84. In proposing the new clause, I have leaned heavily on section 37 of the Finance Act 1977, which allows exemption for travel warrants for members of the armed forces. When that provision was under discussion in the House, on 14 July 1977, the then Financial Secretary in the Labour Government, the right hon. Member for Ashton-under-Lyne (Mr. Sheldon), said that it applied

"not only to travel vouchers and warrants for particular journeys but also to allowances and other payments for and in respect of leave travel, whether or not a warrant is available".

He went on to say that service men are subject to discipline and restrictions on where they can travel. They are subject to recall and they commit an offence if they do not return. He said:

"They are subject to compulsory transfer without warning from one part of the country to another and they are regarded as being on duty at all times".—*[Official Report, 14 July 1977; Vol. 935-1, c. 829.]*

6.30 pm

We submit that policemen in the category covered by the new clause are in a similar position to members of the armed forces. As I have said, under the Police (Discipline) (Scotland) Regulations 1967 they cannot refuse a posting. They are always subject to recall when on leave. They are subject to transfer and are liable to have leave cancelled at very short notice or to have rest days cancelled.

That may be a concept which hon. Members representing other parts of the country may not readily be able to understand. If one happened to be the only policeman on the island of Unst in the very northern part of Shetland, one would never be off duty. At any time during the day or night the people of the island might wish to turn to the police officer. That is an onerous duty to impose on any police officer and that is the position in many parts of my constituency.

Under the police regulations there are restrictions on the private lives of these serving police officers. Although these are the formal regulations to which officers are subject, we must also consider the reality of life in the remoter parts of the country. The officers are obliged to take their families with them because they would have to pay additional rent if the family remained behind. There may be no shops in the remote location to which an officer is posted for his wife and family to spend time in. Even planning leave and holidays — which is the subject matter of the new clause — can often be hazardous because of unforeseen weather conditions. As it is important to arrange relief and to provide a locum when a police officer in an outlying area goes on leave, early notice must be given of holiday arrangements.

The Scottish Police Federation sent a briefing to Scottish hon. Members which described the policeman's lot on an island as one in which the officer suffered from:

"Isolation, frustration, despair — and now anger at taxation."

These are no mean words to come from a body such as the Scottish Police Federation.

Hon. Members may wonder why these officers should be entitled to relief on transport costs when other police

officers serving within mainland parts of the Northern constabulary are not so entitled. The travel concession award only takes the police officer from the island to the nearest place on the mainland by air or by sea. I visited the Transport Office before the debate and discovered that the cost of a return flight from Lerwick to Inverness is £138; the cost of a return flight from Kirkwall to Inverness is £110; and from Stornoway to Inverness it is £80. Obviously other figures could be provided for ferry crossings and other routes. However, once the officer reaches the mainland he must make arrangements for himself and his family and that must come out of his own pocket.

We are not comparing these concessions with the islands' allowances which local government employees or employees of other companies receive when they are transferred to these locations. Often these are cash-in-hand allowances which can be used how the recipient wishes. We are considering a limited case of travel warrants.

The police officers involved have visited my surgeries and expressed their great frustration over what has happened. They would like to see a return to the pre-1983 position. Although there was an exemption from tax, that was not necessarily a precedent and the floodgates were not opened. For that reason, I ask the Minister, even if he feels that there is something defective about the new clause, to make a positive response and show a sensitivity to the problems faced by police officers in my constituency. I hope that he will show a willingness to meet the difficulty which I have highlighted in the debate.

Mr. Donald Stewart (Western Isles): I need only make a short intervention in support of the new clause and the excellent submission made by the hon. Member for Orkney and Shetland (Mr. Wallace).

The system had worked fairly well for many years until, in the last year or two, someone regarded these warrants as liable for tax under section 36 of the Finance (No. 2) Act 1975. Police officers directed to go to the islands have no choice in the matter. They must go or suffer the consequences under the discipline of the police force. Although it may be a surprise for my hon. Friends to learn this, not all the officers are pleased to move in that direction. Some feel a sense of isolation or object as family men to the high cost of living on the islands. The islands' councils have made provisions for other people in the form of island allowances. Some companies and indeed the Civil Service have also made concessions. However, no concessions are made to police officers. The officers involved have a real sense of grievance. They are discriminated against in relation to their mainland colleagues.

The effect of the Finance Act (No. 2) 1975 was modified at a later stage to meet objections from members of the armed forces. As the hon. Member for Orkney and Shetland has explained, the criterion is exactly the same for the armed forces as it is for the police. Justice demands that that concession—if that is the correct word, or at least that modification—ought to apply to the police as well.

Many of us have been pressing the Exchequer for some time to arrive at an equitable decision on this matter. Officers directed to the islands face hardship and many are liable for duty around the clock. Fair treatment would demand that they have the same right as members of the armed forces. The removal of this sense of injustice could be achieved by the acceptance of the new clause. I hope that the Minister will take that into account.

Sir Russell Johnston (Inverness, Nairn and Lochaber): I rise briefly to support the arguments put by my hon. Friend the Member for Orkney and Shetland (Mr. Wallace) and the right hon. Member for Western Isles (Mr. Stewart).

I was the parliamentary adviser to the Scottish Police Federation for six years from 1970. In 1971 the Police Council for the United Kingdom agreed that police officers serving in the Western Isles, Orkney and Shetland would be entitled to three travel warrants a year. That, after all, did not involve a large number of travel warrants. The right hon. Member for Western Isles and my hon. Friend the Member for Orkney and Shetland have explained the justification for that. That entitlement operated for 10 years. We would all be happy to see the allowance for police officers re-established and administered in that way, without necessarily having the statute altered. There were no problems with the procedure which existed for 10 years.

My hon. Friend the Member for Orkney and Shetland made the important point about the comparison between the armed forces and the police force. I must repeat that the position of the police officers in the islands is the same as that of the armed forces. Indeed, in many respects it is more onerous, as police officers are required to carry out their duties in a more focused way than are members of the armed forces.

It is perfectly fair to remark that the case has not been made for an island allowance. One can make a case for that, but it is not the case being made this evening. Many people work on islands for a variety of reasons. They volunteer for island positions, often for promotion, and they are well aware of the pros and cons. But travel warrants are a fair way of dealing with the problems of distance and separation which police officers encounter, especially because of their responsibilities in small communities.

It is true that travel warrants are used for annual leave, but to suggest that that is their sole use is inaccurate. They are a lifeline and are used for visiting the mainland, whether because of bereavement, to see sick relatives or for treatment. This is a fair case and, knowing that the Minister is reasonable, I hope that he will listen to it sympathetically.

Mr. Charles Kennedy (Ross, Cromarty and Skye): Like my hon. Friends the Members for Orkney and Shetland (Mr. Wallace) and for Inverness, Nairn and Lochaber (Sir R. Johnston), and the right hon. Member for Western Isles (Mr. Stewart), I shall be brief in completing this quartet from the far north which is seeking to persuade the Minister on this point.

It is an unjust anomaly that members of the armed forces, rightly, enjoy this concession while the police do not, although its terms and description are equally applicable to the police. As my hon. Friend the Member for Orkney and Shetland said, service men are also subject to discipline, restrictions and compulsory transfer, and are regarded as being on duty at all times. The position of the sole police officer serving on the island of Unst, which he described, is repeated elsewhere in the Western Isles,

[Mr. Charles Kennedy]

Orkney and Shetland. Surely the position of police officers is identical in every sense with that of service men in respect of this concession.

In March my hon. Friends and I had further correspondence with the then Financial Secretary to the Treasury, who said in a letter to me:

"While I certainly do not undervalue the work done by these officers, nor minimise the importance of these trips to their families, I am afraid that it is plain that a valuable benefit does arise which ought, in principle, to be taxed."

The second half of that sentence makes the case for why that benefit should not be taxed. It was, indeed, a valuable benefit, not in terms of the Treasury's coffers — it receives an insignificant, negligible income from this— but to the individuals and their families.

I do not think that it will blow the Government's spending plans before the general election if the concession is conceded, or that the Star Chamber will descend on the heads of Treasury Ministers if they give way on this point. Therefore, I hope that they will be sympathetic and constructive. It is a genuine point and has all-party support. All hon. Members from this part of the country appreciate the difficulty and hope that the Government can do something about it.

The Minister of State, Treasury (Mr. Peter Brooke): The hon. Member for Orkney and Shetland (Mr. Wallace) moved his new clause eloquently. In passing and removed from the rest of my comments, I wish to remark that the Committee of the whole House at the beginning of May coincided with a by-election in Derbyshire, West and tonight this stage coincides with a by-election in Newcastle-under-Lyme. On the previous occasion it was notable that alliance Members were absent from the Benches, but I notice that more of them are present today. Whether that is an index of their forecast of the election result will be for time to tell.

6.45 pm

The new clause seeks to exempt from tax the travel warrants provided for police officers in the Northern constabulary who serve in the offshore islands, so that they, their families and cars can return to the mainland three times a year.

I can understand the hon. Members' concern for the 120 or so officers in question and their families posted to the islands far away from other members of their families, and the authority's action in making it easier for them to be reunited with their families at reasonable intervals, but I am afraid that in law there can be no doubt that the warrants are taxable, and that since it cannot be argued that the officers or their families are in any way travelling in the performance of the officers' duties, there is no way in which, under the present rules, relief can be allowed.

Nor would it be right to allow relief on what amounts to a valuable benefit. I also took the global sum, which hon. Gentlemen have mentioned. But the cost of a return journey between Shetland and the mainland is about £130, and, as each officer is entitled to three journeys a year for him, his wife, family and car, the total benefit can easily amount to £1,000. These travel warrants are for what is clearly private travel, and to allow relief in those circumstances would merely open the door to a host of similar claims from other groups who would claim that they were being unfairly treated. It would immediately create an indefensible anomaly.

Sir Russell Johnston: What the Minister describes as an anomaly operated for a decade. Since it was originally established by the Police Council for the United Kingdom, why not let it continue?

Mr. Brooke: I noted the word "decade" against the hon. Gentleman's name and I shall come to that later.

Civilian employees of the Highland regional authority are posted to these islands and receive——

Mr. Wallace: That is factually incorrect. Apart from the islands close to the constituencies of my hon. Friends the Members for Inverness, Nairn and Lochaber (Sir R. Johnston) and for Ross, Cromarty and Skye (Mr. Kennedy), Highland region does not extend to Orkney, Shetland and the Western Isles which are in entirely separate local authority areas. There is no posting of local authority staff from Highland region to them, unless they go to promoted posts of their own free will.

Mr. Brooke: As the hon. Gentleman said, there are allowances for other people being posted to the islands. I accept that they are in the form of cash, not warrants, but if tax relief were granted on these warrants and this travel —I am not suggesting that the hon. Gentlemen who spoke would be quick to seek further relief for other groups — there would be pressure for relief to be available to others. It is difficult to see why a broadly similar allowance paid to policemen serving in the same islands should be exempt from tax while civilians pay tax on their allowances.

I shall now deal with the decade point raised by the hon. Member for Inverness, Nairn and Lochaber. The hon. Member for Orkney and Shetland quoted the speech of the right hon. Member for Ashton-under-Lyne (Mr. Sheldon) during the passage of the relevant legislation. Warrants such as these have been taxable in the hands of all employees since 1976-77 by virtue of section 36 of the Finance (No. 2) Act 1975, which was introduced by the Labour Government. Its passage preceded the moment in March 1977 when the Liberal party was seduced into supporting that Government in office, so I cannot hold the Liberals responsible for the 1975 Act. But that was the genesis of it.

It was not until 1983 that the Inland Revenue became aware that warrants were being provided to these officers. The Revenue immediately made arrangements for tax to be collected in the normal way on the value of warrants from 1983-84. The employer agreed to meet the policemen's liability for earlier years. I accept that, up to 1983, the policemen were not being taxed, but the authority acknowledged that there was a liability and met the outstanding liability in 1983-84 when it was discovered.

Various hon. Members made much of the comparison with the armed forces. Section 37 of the Finance Act 1977 exempts from tax travel facilities provided for members of the armed forces going on or returning from leave. This is a specific and limited exception designed to meet the special and unique circumstances of forces life. A service man is always on duty and is subject to instant recall from leave and immediate transfer. The requirements of military discipline and national security, which are not features of a police officer's job, demand a high degree of mobility. It was agreed on all sides that it was fair and reasonable to exempt service men's leave facilities from tax. This

specific exemption is designed to meet special circumstances which do not apply elsewhere and is not a reason for exempting other benefits. I could go through the issue of the law again to illustrate this point.

The hon. Member for Ross, Cromarty and Skye was seductive on the cost, but one still has to come back to the principle of the tax. The hon. Member for Inverness, Nairn and Lochaber cited a number of cases which may involve journeys of travel, but in the process he demonstrated that those journeys were not being undertaken as part of an officer's duty. That is the critical criterion by which relief, under the legislation, is judged.

Mr. Terry Davis (Birmingham, Hodge Hill): I think that I shall be only hon. Member on this side of the House to speak in a different accent. Certainly I cannot be accused of having any constituency or personal interest. I have never visited these charming and delightful constituencies, represented by the hon. Members who have spoken, and I think it unlikely that I will. It is even more unlikely that I will fall foul of the police in those islands.

I have listened to the debate with great interest. I have received representations on this issue from my hon. Friend the Member for Glasgow, Garscadden (Mr. Dewar) and other hon. Friends who represent Scottish constituencies. I came to this debate with an open mind and I appreciate the importance of the principle which the Minister has put before the House. I am not convinced, having listened to the debate, that we should not amend the law in the way suggested by the hon. Member for Orkney and Shetland (Mr. Wallace). If the benefit is so valuable that it is worth £1,000, it follows that the tax on that benefit is very heavy. If an officer takes advantage of the warrants the tax must be about £290.

I am impressed by the argument that people do not usually have any choice about being posted. At the time of local government reorganisation I can well remember the sense of grievance felt by people in the west midlands. Fifteen years ago, policemen found that the area in which they were based was transferred from one authority to another. Police were transferred willy-nilly; they had no choice in the matter. Those who had joined the police force intending to be police in rural areas suddenly found themselves, as the result of local government boundaries being redrawn, in a totally different police force in a different area. I can understand that for policemen who are posted, against their wishes but because it is a disciplinary service, to the islands it is important for them to visit their family and elderly parents. From time to time they must take advantage—not a great benefit—of the three travel warrants a year. Those warrants may cover periods of sickness and family needs—the need to take children to see specialists. I do not consider that these warrants are of great importance but the tax on them is fairly significant, especially for people on low incomes.

We should take a more sympathetic attitude than that of the Government. It is significant that no other examples of people who would be posted involuntarily to the islands have been given. The Minister referred to people working for local authorities. If such people are sent considerable distances to another place of work, I would take a similar sympathetic attitude. The Minister did not give any other specific examples, and I would have been more impressed by his argument if he had been able to tell us the number of people who would fall into the new category if we passed the new clause.

I am not impressed by the Minister's argument with regard to the anomaly of the Army. Its position seems similar to that of the police. If the Minister intends to make a fetish of the principle of people being taxed on these benefits, I find it difficult to justify treating members of the armed forces differently. I would not have been surprised if the Minister—in the interests of consistency—had asked us to remove the benefits and tax relief enjoyed by members of the armed forces. I emphasise I am not suggesting that, but one cannot have it both ways.

Mr. Donald Stewart: At the beginning the Army were caught in the same trap and an exemption was made for it. That is all that we are asking to be made for the police.

Mr. Davis: I accept the right hon. Gentleman's valid point.

I disagree with the hon. Member for Inverness, Nairn and Lochaber (Sir R. Johnston) in one small particular. He argued that it was not necessary to change the law. I do not agree. It is necessary to be open, above aboard and frank about these exceptions. I do not agree that this should be done in some extra-statutory way against the wish of the House. It is right and proper that we should make exemptions where they are justified, but we must be clear about the reasons for making such exemptions. That is why I am impressed by the new clause.

I accept the Minister's point that it was an Act introduced 11 years ago by the Labour Government which had the effect of taxing benefits received by people who enjoyed the benefit of travel warrants. I do not take that criticism too seriously. We have found that, during the passage of legislation—there are many examples with which I will not bore the House—the Government have subsequently found it necessary to amend the law because it has had an effect which was not intended.

In the Bill we have the classic example of the American service men who are now to be exempt from car tax. On a previous occasion the Government's legislation imposed car tax—quite rightly—on American service men. The Minister cannot make too much about the errors of my predecessors. I do not believe it was the intention of my hon. Friends in the previous Labour Government to impose a tax in this situation. The hon. Member for Inverness, Nairn and Lochaber may make fun about our not spotting the defect at the time, but I do not believe it is a serious issue. Since 1983 some people have found that they are subject to tax, especially those who get the benefit of workplace nurseries. My hon. Friends and I have voted to restore that privileged position to those people who found the imposition of that tax a great burden.

If the hon. Member for Orkney and Shetland decides to press the new clause to a Division, I shall advise my hon. Friends to join him in the Lobby.

Mr. Wallace: I listened to the Minister's reply with disappointment. I accept that, as the law stands, these warrants are taxable, but that was the reason for bringing forward the new clause. One of our functions in the House is to change the law.

My hon. Friend the Member for Inverness, Nairn and Lochaber (Sir R. Johnston) said that these warrants were not being taxed during a 10-year period and that that was not against the law. Although they were exempt from tax, there was no clamour from other sections of the community for the exemption and no other specific examples have been given.

Mr. Jeremy Hanley (Richmond and Barnes): I am broadly sympathetic with the new clause. Although I understand that many members of the Northern constabulary are obliged to travel to places to which perhaps they do not wish to be posted, how many members of the constabulary in Orkney and Shetland are posted against their will?

7 pm

Mr. Wallace: I understand that 108 officers serve on the Western Isles, Orkney and Shetland and that 21 of them are native. It is impossible to go through the 87 non-native officers and ask them whether they are willing to go to the islands. Neither the right hon. Member for Western Isles (Mr. Stewart) nor I can understand why anyone could possibly not want to go there, but the Scottish Police Federation has made representations to us and individual police officers have drawn our attention to the considerable disadvantages of being separated from their families. It is not that they are wildly reluctant about their posting; it is just that it is simply not possible to be with relatives for the weekend as can be done on the mainland, even if quite large distances are involved.

The Minister gave no example of groups who would seek a similar exemption and mentioned the armed forces. As he read out the conditions of members of the armed forces, I thought that he seemed to describe the conditions which I said applied to the police. He rightly said that it is important for reasons of national security that there is mobility, but I do not think that he would devalue the importance of the police to local security. Moreover, they are always subject to recall when on leave.

Relatively, police officers might not have to travel very far, but the costs involved can be high—as high as, if not higher than, those incurred by members of the armed forces. We seek only comparability.

Mr. Kennedy: Does my hon. Friend agree that, although we would not have been astounded to discover that the Minister disagreed with us, we have been surprised by his negative response? He has given no undertaking to consider the matter. Does my hon. Friend agree that it is significant that the hon. Member for Birmingham, Hodge Hill (Mr. Davis), who said that he approached the issue with an open mind, feels that the balance of the argument rests with us? Is there not therefore a case for inviting the Minister to give a commitment to consider the matter again?

Mr. Wallace: The Minister will have heard my hon. Friend. We might have to consider how to dispose of the new clause if the Minister does not undertake to reconsider, especially in view of the clear comparability between the police and the armed services and the lack of examples of groups who would seek the same exemption.

I was grateful for the support of the hon. Member for Birmingham, Hodge Hill (Mr. Davis). Although I had not intended to push the clause to a Division, in view of the Minister's negative response and the fact that an independent arbiter—if there can be such in the House—has so clearly seen where the weight of the argument lies, I invite the House to support the clause.

Question put, That the clause be read a Second time:—

The House divided: Ayes 43, Noes 153.

Division No. 287] **[7.04 pm**

AYES

Banks, Tony *(Newham NW)*
Benn, Rt Hon Tony
Bermingham, Gerald
Blair, Anthony
Boyes, Roland
Callaghan, Jim *(Heyw'd & M)*
Cartwright, John
Clark, Dr David *(S Shields)*
Cohen, Harry
Cook, Robin F. *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Davies, Ronald *(Caerphilly)*
Davis, Terry *(B'ham, H'ge H'l)*
Dubs, Alfred
Ewing, Harry
Faulds, Andrew
Hamilton, W. W. *(Fife Central)*
Hefler, Eric S.
Hogg, N. *(C'nauld & Kilsyth)*
Howells, Geraint
Kilroy-Silk, Robert
Livsey, Richard
McDonald, Dr Oonagh
McKay, Allen *(Penistone)*
Maclennan, Robert
Miller, Dr M. S. *(E Kilbride)*
Morris, Rt Hon A. *(W'shawe)*
Nellist, David
Penhaligon, David
Powell, Raymond *(Ogmore)*
Randall, Stuart
Raynsford, Nick
Sheldon, Rt Hon R.
Shields, Mrs Elizabeth
Skinner, Dennis
Snape, Peter
Spearing, Nigel
Stewart, Rt Hon D. *(W Isles)*
Wallace, James
Wilson, Gordon
Woodall, Alec

Tellers for the Ayes:
Mr. Russell Johnston and
Mr. Charles Kennedy.

NOES

Alexander, Richard
Ancram, Michael
Ashby, David
Aspinwall, Jack
Atkins, Rt Hon Sir H.
Atkinson, David *(B'm'th E)*
Baldry, Tony
Bellingham, Henry
Benyon, William
Biggs-Davison, Sir John
Boscawen, Hon Robert
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Brandon-Bravo, Martin
Bright, Graham
Brooke, Hon Peter
Brown, M. *(Brigg & Cl'thpes)*
Bruinvels, Peter
Bryan, Sir Paul
Bulmer, Esmond
Butterfill, John
Carlisle, John *(Luton N)*
Carttiss, Michael
Cash, William
Chope, Christopher
Clarke, Rt Hon K. *(Rushcliffe)*
Clegg, Sir Walter
Conway, Derek
Coombs, Simon
Cope, John
Couchman, James
Crouch, David
Currie, Mrs Edwina
Dorrell, Stephen
Douglas-Hamilton, Lord J.
Eyre, Sir Reginald
Fallon, Michael
Favell, Anthony
Fenner, Mrs Peggy
Fletcher, Alexander
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Fraser, Peter *(Angus East)*
Galley, Roy
Gardiner, George *(Reigate)*
Goodhart, Sir Philip
Goodlad, Alastair
Gorst, John
Gow, Ian
Gregory, Conal
Griffiths, Sir Eldon
Griffiths, Peter *(Portsm'th N)*
Ground, Patrick
Gummer, Rt Hon John S
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, Kenneth
Harris, David
Hawkins, Sir Paul *(N'folk SW)*
Hawksley, Warren
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Henderson, Barry
Hickmet, Richard
Hill, James
Hirst, Michael
Holt, Richard
Howarth, Alan *(Strat'd-on-A)*
Howarth, Gerald *(Cannock)*
Jackson, Robert
Jenkin, Rt Hon Patrick
Jessel, Toby
Jones, Robert *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Mrs Elaine
King, Rt Hon Tom
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lord, Michael
Luce, Rt Hon Richard
McCurley, Mrs Anna
Macfarlane, Neil
MacGregor, Rt Hon John
MacKay, John *(Argyll & Bute)*
McLoughlin, Patrick
McNair-Wilson, M. *(N'bury)*
Major, John
Malins, Humfrey
Maples, John
Marlow, Antony
Maude, Hon Francis
Maxwell-Hyslop, Robin
Miller, Hal *(B'grove)*
Mills, Iain *(Meriden)*
Mills, Sir Peter *(West Devon)*

Moate, Roger
Morris, M. *(N'hampton S)*
Moynihan, Hon C.
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Tony
Nicholls, Patrick
Norris, Steven
Onslow, Cranley
Osborn, Sir John
Ottaway, Richard
Page, Richard *(Herts SW)*
Percival, Rt Hon Sir Ian
Portillo, Michael
Powell, William *(Corby)*
Powley, John
Proctor, K. Harvey
Raffan, Keith
Rhodes James, Robert
Rhys Williams, Sir Brandon
Ridsdale, Sir Julian
Roe, Mrs Marion
Rowe, Andrew
Sainsbury, Hon Timothy
Shaw, Giles *(Pudsey)*
Silvester, Fred
Sims, Roger
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speed, Keith
Stanbrook, Ivor
Stewart, Ian *(Hertf'dshire N)*
Taylor, Teddy *(S'end E)*
Thatcher, Rt Hon Mrs M.
Thompson, Donald *(Calder V)*
Thorne, Neil *(Ilford S)*
Thurnham, Peter
Viggers, Peter
Wakeham, Rt Hon John
Waller, Gary
Ward, John
Wardle, C. *(Bexhill)*
Warren, Kenneth
Wells, Bowen *(Hertford)*
Wells, Sir John *(Maidstone)*
Wiggin, Jerry
Wilkinson, John
Yeo, Tim

Tellers for the Noes:
Mr. Peter Lloyd and
Mr. Archie Hamilton.

Question accordingly negatived.

Schedule 2

Vehicles Excise Duty: Miscellaneous Amendments

Mr. Brooke: I beg to move amendment No. 31, in page 101, line 4, at end insert—

'Tower wagons used by street lighting authorities etc.

1A. In section 4 of the 1971 Act (exemptions from duty) in subsection (2) for the definition of "tower wagon" there shall be substituted the following—

"'tower wagon' means a goods vehicle—

(a) into which there is built, as part of the vehicle, any expanding extensible contrivance designed for facilitating the erection, inspection, repair or maintenance of overhead structures or equipment, and

(b) which is neither constructed nor adapted for use nor used for the conveyance of any load other than—

(i) such a contrivance and articles used in connection therewith, and

(ii) articles used in connection with the installation or maintenance, by means of such a contrivance, of materials or apparatus for lighting streets, roads or public places".'.

Mr. Deputy Speaker: With this it will be convenient to consider Government amendment No. 32.

Mr. Brooke: The two amendments propose to extend the current definition of a tower wagon used for street lighting purposes by a local authority or local authority contractor to allow for the carriage on the vehicle of street lighting poles and lamp standards.

Tower wagons used by local authorities or by a firm under contract to a local authority for the purposes of installing or repairing street lighting are exempt from the payment of vehicle excise duty. The current legislation allows for the carriage of articles used in connection with the tower wagon's lifting device. However, the High Court has held that, under current legislation, if street lighting poles are carried the entitlement to exemption from excise duty is lost.

It is now becoming not uncommon for local authorities and their contractors to carry street lighting poles on these vehicles. Many tower wagons are being designed specifically with space for the carriage of poles. It is both reasonable and in line with the original intention behind the exemption that this practice should not deprive the vehicles concerned from entitlement to the vehicle excise duty exemption.

Amendment agreed to.

Amendment made: No. 32, in page 103, line 43 at end insert—

'Tower wagons used by street lighting authorities etc.

6A. In section 4 of the 1972 Act (exemptions from duty) in subsection (2) for the definition of "tower wagon" there shall be subsitituted the following—

"'tower wagon' means a goods vehicle—

(a) into which there is built, as part of the vehicle, any expanding or extensible contrivance designed for facilitating the erection, inspection, repair or maintenance of overhead structures or equipment, and

(b) which is neither constructed nor adapted for use nor used for the conveyance of any load other than—

(i) such a contrivance and articles used in connection therewith, and

(ii) articles used in connection with the installation or maintenance, by means of such a contrivance, of materials or apparatus for lighting streets, roads or public places".'.—*[Mr. Brooke.]*

Clause 20

Relief for Interest

7.15 pm

Dr. McDonald: I beg to move amendment No. 4, in page 17, line 31, at end insert

'and for basic rate taxpayers shall be £31,000'.

When I tabled the amendment I was not aware that the issue would be subject to the most interesting speculation in the press today, including, for example, the leader in *The Guardian*, in which we are told:

"Mrs Thatcher's advisers are reported to be urging her to raise the amount of mortgage eligible for tax relief from £30,000 to £35,000. This idea is said to have been scorned by the Prime Minister's own harrowing househunting experiences. When she and Denis eventually found a £400,000 retirement home in Dulwich . . . she became convinced that home owners, particularly first time buyers, needed extra financial help."

I read that with wry amusement. We had begun to think that the Prime Minister was getting out of touch, but we did not think that the extent of the reality was quite so great that she had become sorry for the first-time buyers when looking for a £400,000 retirement home. When my constituents are looking for properties, they are looking for small flats, maisonettes or small houses at the cost of between £30,000 and £35,000. That is part of the source of concern expressed in the amendment.

In passing, I should mention that this is the only kind of amendment that the Opposition can table. The Opposition cannot table an amendment that increases the burden of taxation generally. The political point of tabling the amendment will become clear in my remarks because, as it stands, the amendment does not make a great deal of sense.

There are two points here. As I have indicated, our concern is over the rapid rise in house prices, particularly in London and the south-east. Throughout the country house prices in the second quarter of this year have risen by 11 per cent. over the previous year, but the regional

[Dr. McDonald]

differences are quite significant. In Greater London house prices are rising at a rate of 21·9 per cent. on the previous year and, in the south-east as a whole, at the rate of 16 per cent. This is a very sharp increase in house prices and places enormous burdens on those who are looking for houses, particularly in London and the south-east. I am talking about modest flats, maisonettes and three-bedroomed semis—the average house for the average couple.

The £30,000 ceiling may soon present difficulties for such purchasers. This is especially true if we bear in mind that the average mortgage advance for first-time buyers in 1985 in the Greater London area, according to figures supplied by the Building Societies Association, was £29,482. In other words, the average mortgage requirement is almost up against the limit for first-time buyers. In the south-east generally, the mortgage advanced to first-time buyers is just over £25,000. The limit is likely to be reached for many purchasers buying quite modest accommodation in London and the south-east.

We understand the concern about that, but the Prime Minister's sudden concern in this matter is purely political. If the right hon. Lady has it in mind to raise the limit for mortgage interest relief by £5,000 a year, she is thinking of Tory voters turning to the alliance in London and the south-east. If she were seriously concerned about the prospects for home buyers, particularly in London and the south-east, far more would have been done to prevent the sharp increase in house prices, which arises not just from the shortage of housing in the public sector, but from the shortage of housing in the private sector.

The number of new dwellings built last year was 189,000, which was 33 per cent. lower than in 1978. The Conservative party claims to be concerned about this and to wish to promote home ownership, but it is responsible for building so many fewer private homes than the last Labour Government did in 1978 that prices are shooting through the roof and many people, particularly young couples, cannot afford to buy anything. They cannot turn to the public sector either, as we all know from our experience as constituency Members of Parliament that houses and flats to rent from the local authority are simply not available.

The queues for new housing have trebled in London and the south-east, as well as in other parts of the country. The Prime Minister's sudden wakening to the thought that many young couples in London and the south-east find it difficult to afford a house has led her to believe that raising the mortgage interest relief will solve the problem. It will not. Money should be put into public sector housing to provide homes for those in need, and private house building should be encouraged. It would be if the economy were growing at a proper rate and if there were not the drag of so many unemployed.

The other part of the amendment is designed to limit mortgage tax relief to the standard rate of income tax. We support this form of relief for those wishing to buy their own property, but we see no reason why very large mortgages for rich people should be subsidised to the extent that they are by the Exchequer. In 1985-86, about 750,000 mortgagors received relief in excess of the basic rate of income tax. This represents about three quarters of all the higher rate taxpayers. Just under 1 million mortgagors received enormous relief from the Tory Government.

This year the number has increased. It is estimated that about 800,000 mortgagors will benefit from the higher rate relief. These people know how to play the system and push up their mortgages to make sure that they obtain the maximum relief at the higher rate of income tax. The cost of that to the Exchequer is more than £1 billion. That figure was given in *Hansard* on 11 June, at column *201*.

We are in favour of aiding people to buy their own homes, but we have in mind the average person buying an average home. That £1 billion should not be squandered on a tiny minority of higher rate taxpayers. It is disgraceful that such sums should be used in such a way. We make it clear that we shall limit the relief to the basic rate, which will benefit those on average incomes buying average homes. There are far too many homeless people. I have examples in my constituency of people whose marriages have broken up, and the wife and children are living in a council house or flat while the husband has to resort to sleeping at his place of work or in the car. That £1 billion cannot be justified as a proper expenditure by any Government while people are homeless and unable to find the council houses or flats that they desperately need.

The Labour party in government will put a stop to the squandering of revenue in such a way, while at the same time we shall ensure that average couples can buy the houses that they need with assistance from the Government through mortgage tax relief.

Mr. Robert Sheldon (Ashton-under-Lyne): We are grateful to my hon. Friend the Member for Thurrock (Dr. McDonald) for tabling the amendment. She was right when she said that what the Prime Minister has in mind has more to do with the forthcoming general election than with the housing problems. We saw that at the previous election. One of the last actions of the first Conservative Government was to increase the limit of mortgage tax relief from £25,000 to £30,000. I was against it then, the Treasury has always been against it, and I would not be surprised if the present Treasury Ministers were also against it. It does not make sense.

We all know that all that one gets out of the nonsense of excessive tax relief for housing investment is an increase in the price of houses. My hon. Friend made this clear when she pointed out that prices in the south-east are rising at 16 per cent. a year. First-time buyers need help to get on to the property ladder, but thereafter their needs can be dealt with quite adequately by the operation of the housing market.

It is easy to increase the limit for mortgage relief, but it is difficult to bring it down. It has some similarities with the problem of inflation. Inflation can rise easily. To bring it down requires painful experiences. So it will be in this case. People take out mortgages with 20 years in view and plan their expenditure accordingly. To bring about changes in their expectations causes much discomfort and even distress, so any relief that is given will be difficult to remove later.

7.30 pm

It is worse than that because many institutions are anxious to see people trading up or being overhoused. Only last weekend I saw an advertisement that offered people money to trade up as a good investment. People were being told that they should not be satisfied with the

house that they had when they could get something better; as long as they had a basic house partly paid for, they were being encouraged to think of buying a better house because of the investment opportunity that would create. One of the last things we want is that people should be overhoused when manufacturing industry is in such decline.

Mr. Gerald Bermingham (St. Helens, South): Does my right hon. Friend agree that if the housing market is to progress and more first-time buyers are to come in, more houses at the bottom of the purchasing scale are essential? If there were additional basic allowances for ordinary people in the south-east, Manchester or any other area, that would increase mobility in the rest of the market.

Mr. Sheldon: Of course, mobility is not helped by the present system. A very dear friend of mine moved from London to near where I live in the north-west. What he got for his modest house provided a magnificent house in the north-west. Now he needs to return to London. It is easy to make the transition from a modest house to a splendid house, but it is much more difficult to move the other way. In addition, the type of house that that family left originally is now well beyond its means. So mobility has not been made easier, although it is required because of the attractions of the south-east. People advocate greater movement between north and south, but movement is limited because of the changes made by the Government.

My hon. Friend the Member for Thurrock was right in saying that the Prime Minister is proceeding in this way because of Tory votes. Shortage of houses still remains a problem. We are on a treadmill where year by year house prices will rise as tax relief becomes more attractive. Let us consider the total amount that is spent—£5 billion to encourage people to live in houses that more than meet their needs. If that amount were spent on manufacturing industry it would provide an incentive of about £1,000 per worker per year. We must compare investment in the housing market with the incentives that are being denied to manufacturing industry.

We must also take account of the rate of increase in tax relief as an incentive to people to buy better houses. Only two years ago mortgage tax relief amounted to about £3·5 billion. Three months ago it was £4·75 billion. Now it is £5 billion. No doubt it will rise to £6 billion and £7 billion. At some stage a halt must be called because it will take a long time for the 20-year mortgages to work their way through the system. It is not a sensible use of resources to spend money in that way.

Mr. David Penhaligon (Truro): I have listened with interest to the two speeches on the amendment. My sympathies lie more with the hon. Member for Thurrock (Dr. McDonald), the official Opposition Front Bench spokesman, than with the right hon. Member for Ashton-under-Lyne (Mr. Sheldon). A serious problem is being drawn to the attention of the House. The hon. Lady said that the concession to upper rate taxpayers costs £1 billion a year. I wish that the figure was less.

I support a phased arrangement whereby tax relief would be restricted to the standard rate, but it is a peculiarity of our Parliament that we cannot argue that case. There may be logical reasons for that somewhere, but they have escaped me. It is a shame that we cannot arrange a debate about an amendment that we wish to put forward.

Although the alliance defends the principle of tax relief for mortgage payments, as we have made clear, some aspects of the present arrangement are totally indefensible. A person earning £14,000 a year may take on a mortgage. Indeed, we respect the advantage given to people by the current system. If that person gets promotion and earns £40,000 a year, what is the effect on his mortgage relief? Under the present arrangement the help given to him in hard cash terms, pound notes in his hand, more than doubles.

The Government may regard it as proper and reasonable that a man earning £40,000 a year should get twice as much help towards paying his mortgage as someone earning £14,000, but on grounds of decency and justice or any rational approach, I find that a distortion of reality, sense and good reason. Given the opportunity, we shall seek to change the tax relief system so that relief is restricted to the standard rate, recognising that the change will have to be phased because of the point made by the right hon. Member for Ashton-under-Lyne about mortgages covering a 20-year period.

I take issue with the right hon. Gentleman about his assertion that massive differences in house prices in the south-east compared with the north arise because of income tax relief. There are massive differences between the south-east and the north, as there are between the south-east and everywhere else. Sometimes I find the north-south argument difficult to understand. I was brought up to regard Exeter as being in the midlands and Bristol in the north. For economic arguments I regard myself as being in the north, but I do not accept that the differences in prices are purely and simply a reflection of the tax relief system, although that cannot help. The differences in prices are a reflection of other things which the debate on this amendment will not allow us to argue about now.

If tax relief were restricted to the standard rate there might be an argument for increasing the limit. On the other hand, if there were no change in the system there might be an argument for decreasing the tax relief limit. If it remains at £30,000 from now to infinity, and nothing remarkable happens to inflation, the amount will, in effect, be reduced as time goes on. The alliance objects to the system which gives the better off more assistance towards purchasing their homes.

Mortgage tax relief is not new. It has existed for a long time under different Governments. I ask the Minister how he and his Government can justify a system whereby, on the same mortgage, a man earning £40,000 a year receives more than twice the assistance received by a person who is earning £14,000 a year.

Mr. Bermingham: As a member of the Standing Committee that considered the Bill, I welcome the contribution from Liberal Benches tonight. It is more than we had from the SDP Benches in Committee. However, I shall not go over old matters.

I recall what was said in Committee. I know that Treasury Ministers railed and riled and poured scorn on Opposition Members of the Committee because we wanted to increase the basic rate tax relief on mortgages above the £30,000 limit.

I was somewhat amused, if not tickled, to read in *The Guardian* today that the Prime Minister has been reminded —I do not know whether it is the thought of having to retire to Dulwich—that ordinary human beings need to

[Mr. Bermingham]

live in houses. As a Member representing a northern constituency, I do not necessarily go along with the proposition that the housing problem is greater in the south of England. The problem is as great in certain suburban areas in the north as it is in the south. One can hardly buy a one-bedroom flat for £30,000 in London—not only in the posher areas, such as Belgravia and Eaton Square, but in areas such as Chalk Farm, Camden, and so on, where houses are being refurbished.

A person buying his first house or flat becomes part of the housing chain. Because of family needs, people sell and move to bigger homes. That releases another first-home property on the market. Increasingly, buying a property is out of the range of the ordinary man in the street. Not everybody in the City of London works in the commercial sector and earns £20,000 or £30,000 a year.

Let me give the example of a secretary, earning between £8,000 and £10,000 a year, and her husband—perhaps he is a manual worker or is in a semi-skilled occupation—who earns about the same. Probably, that couple can obtain a mortgage of only one and a half times their gross income. I am aware that building societies are scrambling to offer loans of two and a half times a couple's joint income, and so on. However, it is all very well to offer such a loan, but the potential strain on families at that level of borrowing is great. There is an enormous strain to meet the mortgage commitment if the wife or husband falls sick or if they seek to have a family, thereby losing one income.

Even with a basic tax relief of 29 per cent., a £30,000 mortgage is a considerable weight on the shoulders of such a family. Even if it bears interest of only 10 or 11 per cent., the repayments are about £3,000 a year—£60 a week—gross. Then the 29 per cent. is taken off. If my arithmetic is not fast enough and if I get the figures wrong, I am sure that hon. Gentlemen will assist me. The amount payable would be about £47 a week. That is before the capital repayment and rates are considered. An enormous strain is placed on a family whose joint income can be as low as £14,000 or £15,000 a year.

That is only one side of the coin. However, I am a realist. I accept that house prices rise as the years go by. I dealt with conveyancing matters when I practised as a solicitor. There is a tendency to calculate when giving advice. I am sure that hon. Members who are solicitors would agree. One calculates what the tax relief will be at 30 per cent., 40 per cent., and so on, on a £30,000 mortgage. One always arrives at a monthly cash flow figure—what a person can afford to pay per month towards his housing costs. There is an incentive, as a person's income rises, to look further up the market.

I disagree in part with what my right hon. Friend the Member for Ashton-under-Lyne (Mr. Sheldon) said. One element—it is not a major element—that forces house prices up——

Mr. Robert Sheldon: Mortgage relief is only one aspect. There is the capital gains tax and the abolition of schedule A. It is those, together, that have made property for one's own residence purposes the most attractive investment that one can make, on a scale that is difficult to justify.

7.45 pm

Mr. Bermingham: Either I have misunderstood my right hon. Friend or he has misunderstood me. I do not disagree about the investment factor. I agree that housing has become an attractive investment proposition. Its track record since 1968 has shown that. At that time, there was a boom in house prices both in the north and south. In 1968, one could buy a semi-detached house for £3,000. By 1970, or 1971, the price had gone up to £4,000 or £5,000. By about 1973-74, the figure was approaching £7,000.

Mr. Tony Favell (Stockport): Does the hon. Gentleman suggest that his party wants to make buying one's own home a less attractive proposition than it is now? In what way does the hon. Gentleman's party seek to make it less attractive?

Mr. Bermingham: I have known the hon. Gentleman in a professional capacity for many years. I am amazed at his almost immature—I say that as kindly as I can—approach. Of course we do not seek to dissuade people from bying houses. On the contrary, we seek to assist them to buy. What we are saying is that, in terms of capital gains tax, the purchase of a house over the past 18 years has undoubtedly been an attractive investment. It has kept ahead of inflation levels. In fact, at times, it has risen startingly higher. We saw that in the 1974 property boom and we saw it in some parts of the country in the late 1970s and early 1980s.

Although an aspect of capital gains tax has led to the escalation of house prices in certain parts of the country, I do not think that that is the primary reason for high prices. The reason is that most people want to improve their housing as the years go by and as their family needs increase.

There has been a scarcity factor in the housing market. That factor often commenced in the starter houses and escalated up the scale. Unless there is mobility in housing—availability of housing—so that people can go up, and unless there is a broad enough market——

Mr. Ian Gow (Eastbourne) *indicated assent.*

Mr. Bermingham: The hon. Member for Eastbourne (Mr. Gow), who is a former housing Minister, nods—I hope in agreement with what I have said. Unless there is availability of housing, there is no way that prices can be kept under control. If there are only two nice, five-bedroom houses in a town and 40 people want to buy them, that will escalate the cost. If there are 40 houses, that will not escalate the cost.

Mr. Gow: I agree entirely with what the hon. Gentleman said about the supreme importance of improving mobility. Does the hon. Gentleman not understand that his party refuses to contemplate the form of the private rented sector and, notably, any removal or diminution of the twin evils of rent control and security of tenure? The failure of his party to accept that possibility of reform means that a great deal of property remains unused or underused. If that reform came about, that housing would be brought into use and would increase the stock of housing available.

Mr. Deputy Speaker (Sir Paul Dean): Order. I hope that the hon. Member will resist the temptation to get into a general debate on housing.

Mr. Bermingham: I never thought that I was going down that road. I was considering the taxation aspects. The taxation aspects are reflected in our housing policies. Perhaps the Treasury, with a little wisdom in its sack of knowledge, will bring a bit of pressure to bear. After all,

he who pays the piper usually calls the tune. I realise that if I were to reply to the hon. Member for Eastbourne I would trespass on the breadth of the debate. The hon. Gentleman and I have a fundamental disagreement on the philosophy behind who should rent and on what terms and conditions.

I agree that the rented sector is part of the general aspect, but it has been a decreasing sector for a number of years. Indeeed, I am told that the rented sector has been on the decline since before 1914. There must be a rented sector, and the quality of rented sector housing must be as high as possible, but perhaps that argument can be left to another day.

I return to mobility and scarcity, which come well within the scope and ambit of the amendment. If there is a shortage of housing, house prices escalate. That is as true at the top of the scale as it is at the bottom of the scale. One of the tragedies of the last few years has been the fall in the number of starter houses. In the late 1970s I was a member of a city council that tried the experiment of building for sale. It was a partnership idea, involving local authority land and local builders. Starter houses were, in a sense, only partly built. One or two rooms formed the basis of the house and rooms were added to it as families grew in size. It was an enormously popular scheme, but it was discouraged, and it was yet another aspect of starter housing that fell by the wayside.

If we increase the availability of houses, by means of starter housing for young people, builders will be provided with an incentive to provide the next stage. One might call it Barratt developments, mark 2, as opposed to Barratt developments, mark 1. Once again the purchaser must be able to meet the price.

I understand from what I read in the newspapers that the Prime Minister has begun to think about uprating. But I must never believe anything that I read in the newspapers, though they are usually told before the House of Commons is told. It is called the Lobby system. Let out the leak, to begin with, then firm it up with a couple of others, preferably by colleagues making speeches halfway round the country, and suddenly it becomes the official party policy of this or that party. That is what the present Government do, and they always seem to do it just before the summer recess so that hon. Members have no opportunity to comment on or criticise that policy. I may be over-suspicious but we are approaching the long recess and the mortgage question seems to be the first stage of such a policy.

If we were to assist young couples, the starter buyers, by increasing the relief for interest limit to £35,000 at the standard rate of income tax, we should stimulate the market. However, we could stimulate that market even more. The arithmetic is quite simple. My hon. Friend the Member for Thurrock (Dr. McDonald) said that the total amount of tax relief for higher rate taxpayers is £1 billion. If one is earning between £40,000 and £60,000 a year, I suppose that one can afford to spend a little more on housing.

The hon. Member for Truro (Mr. Penhaligon) rightly said that it is obscene that persons earning £40,000 a year are entitled to more tax relief than persons earning £14,000 a year. If we were to take away £1 billion from them, it would not mean much to them. During the last seven or eight years they have had enough incentives. They have been given everything. We should say to them, "Look, chaps, you really have had a good whack. Your top rate of tax has been brought down, all the other little perks have been added in and you have done all right by this Conservative Government, so how about a genuine sacrifice? You are to lose tax relief at the top rate. You can have it only at the standard rate."

I can think where to put that £1 billion to help very many homeless people. What about the housing sector? If £1 billion were invested in housing many jobs and many fresh starts would be created. Perhaps the tide in the diminution of fresh starts could be turned again. If I may be allowed to make just a small plug, I represent a constituency which has a large glass industry and also a large brick works industry. Many jobs have been lost in both industries. If £1 billion were to be invested in the housing market, it might just produce a few jobs in St. Helens.

Mr. Deputy Speaker: Order. The hon. Gentleman is straying again. This is a comparatively narrow amendment dealing with relief for interest. He must address himself to the amendment.

Mr. Bermingham: I apologise if, by promoting a constituency interest, I have strayed from the amendment, but the point is made.

If our society cares about housing and about young people being able to buy their own homes, we should support the amendment, which is a tiny step down that road. If the newspaper reports are true and we have entered the season in which we learn by leak of future policy, let Treasury Ministers have the courage tonight to say, "Yes, we are going to raise the £30,000 level. It will come." Let them also have the courage to say that it will come for those who need it most, not for those who have the most.

The Financial Secretary to the Treasury (Mr. Norman Lamont): When the hon. Member for Thurrock (Dr. McDonald) was moving her amendment she explained the technical background to it. She made it quite clear that she accepts that the amendment does not make any sense, but she said that she had put it forward to initiate a discussion of the subject. She then made it clear that she had two objectives: first, to show that it was the policy and intention of the Labour party to phase out mortgage interest relief for those who pay income tax at above the basic rate, and, secondly, to increase the £30,000 limit for the basic rate taxpayer.

The hon. Lady began by quoting newspaper reports, although she quoted selectively from them. She did not quote all that *The Guardian* said about how wrong it would be to increase the £30,000 limit. She quoted a few newspaper reports that speculate about the intentions of my right hon. Friend the Prime Minister. The hon. Lady used the word "speculation." It is exactly that—pure speculation. It has no foundation in fact. My right hon. Friend the Prime Minister has always attached the highest possible political priority to increasing home ownership. She takes enormous pride in the fact that home ownership is now at its highest level ever. It is in no way surprising —indeed it is wholly natural—that my right hon. Friend should always be concerned about the opportunities for young people to buy their own homes, but that is the beginning and end of the matter.

The Opposition's proposal is that the higher rate relief for mortgage interest should be withdrawn altogether. The hon. Lady quoted a figure of £1 billion, a figure that was

[Mr. Norman Lamont]

echoed by the hon. Member for St. Helens (Mr. Bermingham), who referred to the amendment directing £1 billion towards the construction industry. I ought to point out to the hon. Lady that £1 billion is the total cost of tax relief to the higher earnings group, above £20,000, but that is not the cost of the higher rate relief. That is £320 million. The £1 billion includes the basic rate element, so the resources released by the amendment would not be of the magnitude implied by the hon. Member for St. Helens, South. That does not affect the principle, but we should be clear about the arithmetic.

8 pm

The right hon. Member for Ashton-under-Lyne (Mr. Sheldon) instanced the special position of housing within the tax system, not just by merit of mortgage interest relief, but by merit of capital gains tax. This long-standing practice was introduced when home ownership was at a lower level. Nobody could quarrel with the fact that housing enjoys a special position in our tax system.

The hon. Member for Truro (Mr. Penhaligon) did not make his position entirely clear. He did not come clean on whether higher rate mortgage interest relief should wither on the vine or whether there should be some other form of transitional relief. He seemed to agree with the Labour party, but at the same time implied that something could be said for leaving the system to wither on the vine. I should be grateful if the hon. Gentleman would clarify his position.

Mr. Penhaligon: I am sorry that I did not make my position clear. I said that the case for restricting mortgage interest relief to the standard rate on a phased system was overwhelming. Given that it is based on the standard rate, there is a case for adjusting the limit at least in line with inflation.

Mr. Lamont: Is it the policy of the alliance to phase out the higher rate relief?

Mr. Penhaligon: Yes.

Mr. Lamont: I am grateful for the fact that that has been put on the record.

Mr. Penhaligon: I said "phased".

Mr. Lamont: Phased, as distinct from withering on the vine. We all look forward to analysing that vague, rather nebulous and imprecise distinction. I do not think that I was alone in not being entirely clear about the position of the alliance. I am sure that 800,000 mortgagors who would be affected by the change advocated in the amendment, which was unequivocally supported by the hon. Gentleman, will note his remark.

The Government see nothing wrong in allowing relief at the higher rates of tax as the natural consequence of our progressive tax system. If tax relief on mortgages is to continue—the Opposition have promised to continue it—it is reasonable that it should apply to borrowers at all rates of tax.

Of course, housing has a privileged position. The hon. Gentleman compared it with that of industry. Mortgage interest tax relief is long standing, and in looking at it today we must take into account the fact that many people have entered into long-standing commitments that are of enormous financial importance to themselves. It is therefore difficult to justify any sudden change.

The Government have considered the position of mortgage interest relief in our tax system each year. In 1983 we increased the limit from £25,000 to £30,000. This year we cut the basic rate of tax and increased personal allowances. We felt that the mortgage interest relief limit should remain at its present level. We shall continue to review it in the future.

The hon. Member for Thurrock commented on house prices in the south-east. Obviously, they are increasing rapidly, although it is still true that even in the south-east the average first-time buyer is within the £30,000 limit, although only just within it. As with other tax relief limits, this limit is set for the country as a whole. It would be impossible to introduce differential relief limits according to regional variations. Recent interest rate reductions are the way in which we can help home ownership and the first-time buyer. The Government are seeking to do this by their economic policies, and by bringing about a situation in which interest rates are likely to fall.

Mr. Penhaligon: The Minister commented on the disadvantages of my proposal to the 700,000 people who benefit under the higher levels of relief. Could he explain, shortly and succinctly, to the other 28 million people in Britain who do not benefit from this why the Government defend allowing over twice as much relief to a person earning £40,000 a year as they allow to a person earning £14,000 a year?

Mr. Lamont: Because something is not available to everybody, it does not mean that it should not be available to anybody. For many years tax relief has been available to people with higher incomes, and they have been encouraged to borrow money to buy houses. It is a logical consequence of a progressive tax system that the greatest benefit of relief is available to those who pay higher rates of tax. Liberal Members do not seem to understand that when they discuss very small adjustments to the tax system.

Mr. Penhaligon: The Minister is saying clearly, for everyone to understand him, that he thinks it is rational, proper and reasonable that if a person in a specific house, and with a specific mortgage commitment, increases his salary from £14,000 to £40,000 a year, the Government should give him as cash in his hand twice as much relief as previously.

Mr. Lamont: It is extraordinary that the hon. Gentleman regards tax relief which allows somebody to keep more of his income as giving him cash in his hand. My instinctive reaction is that allowing a person to keep more of his own income is not giving him cash in hand. My presumption—it may be extraordinary—is that his income belongs to himself rather than to the state. Perhaps the hon. Gentleman finds that difficult to follow.

Mr. Hanley: Does my right hon. Friend agree that if the mythical constituent mentioned by the hon. Member for Truro (Mr. Penhaligon) raises his income from £14,000 to £40,000 a year he will pay greatly increased rates of tax? The net effect on that individual will be that he is paying more tax and is not receiving money.

Mr. Lamont: My hon. Friend is absolutely right, as he so often is. The Labour party says that it is the guardian of the poor and the lower paid. That is admirable, but Opposition Members seem to think that people on above average incomes have no rights and are of no importance

on

at all. Not content with wanting to increase their income tax, they want to increase their bills massively. In the past this country has suffered from too high a burden of taxation on above-average incomes and it has affected our overall economic performance.

There is a clear division on this matter between the two sides of the House.

Mr. Gow: As the House has the advantage of the presence of the solitary representative of the Liberal party, can my right hon. Friend confirm my understanding that the policy of the Liberal party—leaving aside the SDP—is to end the exemption of houses from relief from capital gains tax?

Mr. Lamont: I am afraid that I am not as informed as my hon. Friend is about this matter. I am therefore happy to give way to the hon. Member for Truro.

Mr. Penhaligon: The Conservatives of Eastbourne are famous for making up their own versions of Liberal policy. However, as the years pass by, the good people of Eastbourne have the sense to pick the real version. The hon. Member for Eastbourne (Mr. Gow) is at it again.

Mr. Lamont: One can hardly blame my hon. Friend the Member for Eastbourne (Mr. Gow) for trying to make up Liberal policy. It is difficult to work out Liberal policy, as we saw when I put a direct question to the hon. Gentleman. Even when he gives a straight answer, it is so vapid and foggy that much analysis is required to make sense of it.

This matter has perhaps been debated for long enough. There is a clear division between the two sides of the House. The 800,000 people who would be affected by this will notice not just what has been said by the Labour party, but what has been said by the hon. Member for Truro—that the alliance intends to remove relief from higher rate taxpayers.

Dr. McDonald: First, I thank the Financial Secretary for not misrepresenting the Labour party's views on maintaining and continuing mortgage tax relief when we take office. That, I fear, has been done in the past by Treasury Ministers and I am glad to note that he at least has not fallen into that trap. We have been at pains to overcome such misrepresentations and to make it clear that we intend to retain mortgage tax relief for standard rate taxpayers.

I was interested to note that the Financial Secretary seemed to move away a little from the original purpose of mortgage tax relief, which is, of course, to encourage and assist people in purchasing their homes. He seemed to regard it, as indeed it is so regarded by many higher rate taxpayers, as a means of lightening the tax burden. I could not help but notice that drift in the Financial Secretary's remarks.

We wish to limit mortgage tax relief to the standard rate because, in an area which is so sensitive and basic to most people's lives—the provision of a home for themselves and their families—help should be concentrated by Government where it is most needed. Higher rate taxpayers do not need to receive this relief at the higher rate. They usually manage to provide homes well above average for themselves and their families.

Therefore, it is not through any wish to attack the incomes of higher rate taxpayers in receipt of mortgage tax relief that we have moved the amendment; it is just that we think that in the provision of housing, whether through the purchase of one's own home, through co-operative ownership schemes or through houses or flats to rent in the public sector, aid should be concentrated where it is most needed. Therefore, we should not continue the relief at the higher rate.

I take the Financial Secretary's point about the progressive nature of the tax system. Of course, people on higher incomes benefit more. That is almost inevitable with a progressive tax system. But there comes a point when that system can be broken by saying that such a relief is not justified at that level. It is an expensive relief for Government to administer and therefore help should be concentrated on those who most need it for something as important as housing.

As I have already said, and as the Financial Secretary understood, the amendment does not achieve our real purpose. It is merely a method of giving notice that the next Labour Government will carry out the intentions that I have just described. Therefore, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 23

EMPLOYEE SHARE SCHEMES: GENERAL AMENDMENTS

Mr. Hanley: I beg to move amendment No. 225, in page 20, line 12, at end insert—

'(7) In paragraph 1(5) of the 1984 Schedule, delete "before 1st July 1985".'.

I thank my right hon. Friend the Financial Secretary for paying me such a warm tribute by saying that I was so often right. I hope that he meant that I am always right and I hope that that opinion will extend to this amendment. I know that I was right when I greeted my right hon. Friend to the Committee on his appointment as Financial Secretary to the Treasury. I know that I was right to greet him warmly on his elevation to being a Privy Councillor. I hope that I can make three in a row. My right hon. Friend also knows that I moved six amendments in Committee and all six were accepted. In fact, one will be moved a little later by my right hon. Friend.

I wonder whether my right hon. Friend can help on this amendment, although the blame may lie elsewhere than in statute. The amendment is an attempt to redress an injustice to 155 people who have suffered from a bureaucratic mishap. All I ask is that the intention of the Finance Act 1984 be carried out for those employees.

I have written to my right hon. Friend on the matter, as indeed has my hon. Friend the Member for Stratford-on-Avon (Mr. Howarth). We have both talked at length on the subject and feel that there is an injustice which can be altered quite simply.

8.15 pm

The injustice has been suffered by the employees of a company called BET. The company decided to introduce a share option scheme under section 38 of the Finance Act 1984. The scheme was approved by shareholders at the annual general meeting on 6 September 1984 and the first grant of options took place during the ensuing six weeks permitted by the regulations.

A formal application for approval of the scheme was submitted to the Inland Revenue, as required, before 1 January 1985, thus ensuring that the income tax

[Mr. Hanley]

concessions that were available in the Act for such schemes should apply from the outset. I admit that that was a generous concession by the Revenue.

In return, the Inland Revenue requested three minor amendments to the draft rules, each of which was entirely formal in nature, prior to confirming its approval. Those rule amendments were carried out on 16 May 1985, but it was not appreciated at the time that the Inland Revenue needed to be notified. In fact, the time period for such notification was 1 July 1985. Consequently, the Inland Revenue did not finally give written approval to the scheme until the rather late date of 11 February 1986.

In the meantime, the company had made a second grant of options, believing that the scheme had been allowed, during the six weeks following the announcement of the company's results on 18 July 1985. BET claims that, mainly through having been inadequately advised by its consultants, the company did not appreciate at that time that, because the grant formally took place after 30 June 1985 and before Inland Revenue approval had been received, the options granted would not be eligible for the relevant income tax concessions. That was an expensive and tragic mistake to many employees who have worked extremely hard and who have fallen foul of a bureaucratic slip-up.

The employees were severely hit. There were 155 employees who took up nearly 2 million shares. The price payable on exercise of those options was £3·20 per share, compared with the current market value of approximately £4·40. That would mean that the employees' benefit would stand at about £2,300,000. The increase in market value makes it difficult to restore the expectations of the employees by further grants.

The Inland Revenue regards itself as powerless to rectify the position by treating its approval as retrospective, although, as we know, much of the scheme has been facilitated by retrospective legislation. The company maintains that the situation that I have described is an unreasonably severe consequence of a minor deficiency in the documentation relating to the introduction of the scheme, which was perhaps caused by bad advice or negligence.

However, the matter could be rectified by a simple amendment and that is exactly what I have moved. As matters stand, a substantial number of employees are losing a benefit which the Act intended them to have. In Committee on 24 May 1984 my right hon. Friend the Member for Croydon, Central (Mr. Moore), my right hon. Friend's predecessor, said that that intention was clear both to politicians and the Revenue. Therefore, I beg my right hon. Friend to look with sympathy on this case, as I know he has looked sympathetically on other cases since he has taken over his important position.

Mr. Norman Lamont: The amendment of my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) addresses a detailed point about the status of options granted by a company in advance of the Inland Revenue approving its share option scheme under the provisions of the Finance Act 1984. In the case of options granted after such approval has been obtained which are exercised in accordance with section 38(3) and (4) of the 1984 Act, the option gain is free from income tax.

When the principal legislation was introduced, it was appreciated that the merits of the new scheme would probably result in many companies applying to establish schemes quickly and that there would be a serious risk that the Inland Revenue could not cope with all the approvals. Therefore, it was decided in Committee on the Finance Bill that the legislation should provide that options granted on or after 6 April 1984 but before 1 July 1985 under a scheme formally established by a company might be allowed to benefit from the favourable tax treatment. The provisos were that the scheme was submitted to the Inland Revenue for approval under the 1984 Act's provisions by 31 December 1984, and that it subsequently obtained such approval. Thus, where an established scheme was submitted for approval by the end of 1984, any options granted under it between 6 April 1984 and 30 June 1985 could qualify for the favourable tax treatment, provided that the scheme was subsequently approved. Only if approval was not forthcoming by the end of June 1985 would any options granted after that date be incapable of qualifying, and then only options granted between the end of June and the granting of approval.

I cannot accept the amendment, because it seeks to remove completely the limitation for this retrospective treatment—a limitation which was deliberately included in the original legislation. A realistic deadline for options granted to benefit from retrospective approval was placed in the transitional legislation to ensure that companies did not ignore the need to obtain approval from the Inland Revenue. Without such a limitation, companies could have continued to grant options while neglecting to take any action necessary to bring their scheme into line with statutory requirements. To avoid that, the legislation was drawn up to deny income tax relief for options granted under a scheme after 30 June 1985 unless the scheme had already been approved.

As the then Financial Secretary explained, the provisions allowed companies to design their schemes and put them into operation in the period before the Royal Assent and during an initial period thereafter while the Inland Revenue would have the heavy influx of new schemes. The provision was limited. It was not designed to have unlimited retrospective effect. Once the new legislation had been introduced and the initial surge of new schemes examined, the measure would be spent. As I explained earlier, the transitional legislation operated accordingly.

On the length of the transitional period, it is worth stressing that the statutory date, 1 July, was decided following consultation with representative bodies. At 1 July 1985, and in most cases well before that date, the Inland Revenue had fully examined all applications for Finance Act 1984 schemes drawn up during 1984 and notified the applicants of any points that needed attention. All schemes where the applicants responded satisfactorily and which were therefore capable of approval as at that date had been formally approved. The only instances where approval had not been given occurred where the applicants failed to respond to inquiries.

It is no doubt a relevant factor in the mostly successful outcome that the significance of the 1 July deadline was given considerable publicity. Apart from the debate in Committee, there was a press release dated 19 June 1984 which I have given to my hon. Friend the Member for Richmond and Barnes. I have read it, and it gives full details of the transitional arrangements. In addition, the

Inland Revenue published explanatory notes to the legislation in December 1984 which included a chapter describing the transitional provisions. Just to underline the accuracy of the time limit, the general compliance with it and the effectiveness of the target, the Inland Revenue is aware of only two cases where options were mistakenly granted after 30 June 1985 before the company's scheme had been formally approved.

The share option scheme was given considerable publicity. Almost all the companies which adopted the scheme took steps to observe the requirements of the legislation and apparently did so without difficulty. At that time, many such schemes were introduced.

My hon. Friend the Member for Richmond and Barnes said that I accepted many of his amendments. All that I can say is, "You can't win 'em all." I cannot go along with my hon. Friend on this amendment. I have every sympathy for the people in the company that he mentioned, but the legislation was clear. It was given much publicity, including press handouts, and everything possible was done. It is the responsibility of professional advisers and of those who create such schemes to make themselves aware of the conditions under which the schemes are created. No special circumstances apply to the firm. I have every sympathy with the company and the employees, and perhaps the firm's professional advisers must consider their responsibilities in the matter. I cannot comment on that, but I must say to my hon. Friend that I cannot alter the legislation, which was already generous in its retrospective effect.

Mr. Hanley: I am grateful to my right hon. Friend the Financial Secretary for examining this case with such care. He has fully explained the publicity that was given to the various documents. He has also given me some booklets and leaflets which show clearly that notice was given to those who, perhaps, should have given more competent advice to their clients. I fully understand my right hon. Friend's position, although it is to be greatly regretted that those 155 people cannot benefit through a small amendment to the legislation which, as I said earlier, would give them exactly what the legislation intended.

The fact that formal approval had not been given, but that informal approval had been given many months before the cut-off date and that the three minor amendments had been achieved two months before the cut-off date, must be especially galling to them. I am sorry that legislation cannot give them what they deserve, but I shall pass on to those individuals my right hon. Friend's words, especially with regard to the responsibility of the advisers. I am grateful for the fact that he has taken such trouble over this matter. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 25

SAVINGS-RELATED SHARE OPTION SCHEMES

Mr. Fred Silvester (Manchester, Withington): I beg to move amendment No. 204, in page 22, line 39, at end insert—

> *'(aa)* if, before the date on which the alteration takes effect, a person who held such rights on 18th March 1986 ceases, in either of the circumstances set out in the said paragraph 10(1)*(e)*, to hold an office or employment by virtue of which he was eligible to participate in the scheme, then, so far as concerns the rights so held, the scheme may permit him to take advantage of the provision in question as if the alteration had been made immediately before he ceased to hold that office or employment; and'.

I wish to discuss a small matter, similar to that raised by my hon. Friend the Member for Richmond and Barnes (Mr. Hanley). It affects relatively few people, but it is based upon a more hopeful premise. The Government have wisely and sensibly embarked upon a change in the Finance Bill which will make it possible for people who have been thrown out of a company through no fault of their own because the company has been sold to another company to have the benefit of a share option scheme after one year rather than after three years. That is the gist of the matter. When the measure was announced, those likely to be affected by the Budget said, "Whoopee, that puts us on the right side of the law," only for it to dawn upon them that, alas, it would not come into effect until July or August and that they were caught between March and August. That happened to people in my constituency, who were employed by Fairey Engineering, which was a subsidiary of the Pearson Group. It has now been sold, and was caught being sold between March and August.

We made representations to my right hon. Friend the Financial Secretary, and he was generous in the amount of time and thought that he gave the matter. I pay tribute to my hon. Friend the Member for Stockport (Mr. Favell), who led the charge from his side of the constituency boundary, and to Pearson's lawyers, who were most generous in helping to draft the amendment.

The amendment holds water and it would make it possible for people to claim this additional benefit from the date of the Budget. I stress that those few people who have been caught unwittingly between the devil and the deep blue sea should be given this relief.

8.30 pm

Mr. Favell: I rise to join my hon. Friend the Member for Manchester, Withington (Mr. Silvester) in commending the amendment to the House. I also thank him for his help in the battle. The amendment is relatively minor on a national scale, but to the employees of Fairey Engineering, who, through no fault of their own, have seen their company sold, it is a matter of great moment.

I pay tribute to the way in which Fairey Engineering has helped my hon. Friend the Member for Withington and me to bring this issue to the Government's attention. I should mention, in particular, Mr. Vincent Meadows, the works convenor at Fairey Engineering, and Mr. John Parsons, the managing director, who have worked hard together to ensure that fellow employees, who have been members of the share option scheme for only one year, can take advantage of it. As my hon. Friend the Member for Withington said, without the assistance of the Pearson Group plc, nothing would be possible. Although the Pearson Group has disposed of Fairey Engineering and no longer has any interest, the group has made it clear that it will do all that it can to assist the employees of its former subsidiary to exercise their options in the company. I pay tribute to the Pearson Group for that.

Perhaps it is because Fairey Engineering has the best brass band in the north of England that it has been able to make a noise that has reached the Treasury's ears. Mr. Nigel Rudd, the chairman of Williams Holdings plc, came here last night and, I am glad to say, assured me that

[Mr. Fovell]

Fairey Engineering's brass band would receive the support of the Williams Holdings and would be as good and as great as ever, albeit under the new name of Williams Fairey Engineering Band. I am sure that that is of interest to the House and of interest, in particular, to hon. Members from the north.

It gives me great pleasure to commend the amendment to the House.

Mr. Norman Lamont: Clause 25 eases the provisions of the Finance Act 1980 governing approved savings-related share option schemes. At present, these schemes may not permit employees to exercise options which have been held for less than three years if the company or part of its business in which they are employed is sold from, or otherwise leaves, the group operating the scheme. The Bill abolishes that time limit. As a result, a company introducing a scheme will in future be able to permit the exercise of options in those circumstances. The company with an existing approved scheme will be able to alter its rules to include a new right for scheme participants to exercise their options in the same circumstances.

As drafted, the clause will become operative on receiving Royal Assent, enabling companies then to seek Revenue approval for alterations to their schemes to take advantage of the new provision. This follows the normal course that, except in very special circumstances, legislation should receive full debate and approval before implementation. In any consideration of the starting date for the clause it is necessary to note that before the new provisions can be used to confer a new right on any scheme participant the company must first change the rules of the scheme under which the option was granted to allow participants to take advantage of the facility.

In following the normal course, we had intended to give companies time to assess their position and to put in hand, if they wished, their own procedures for changing scheme rules. Companies which agreed to sell subsidiaries, or parts of businesses, in the meantime would have done so in full knowledge of the consequences for those holding options less than three years old.

We received many representations. Indeed, the noise of the brass band from Withington and Stockport reached our ears. Initially, as will be known, I was a little resistant to this idea, but after talking to my hon. Friends the Members for Manchester, Withington (Mr. Silvester) and for Stockport (Mr. Favell) on more than one occasion, I was persuaded that the timing was a bit accidental and unfortunate. Incidentally, this amendment is quite different from the previous one. Some companies' plans were publicised on 18 March, and it is proper that their scheme participants should be able to take advantage of the new provisions if the company operating the scheme decides to alter its rules retrospectively, as would be permitted by the amendment.

Budget day is the natural choice for a revised starting date for the amendment. Another relevant factor in support of that timing is one which I must stress and invite interested companies to note. Rights have to be exercised —if they are to be exercised at all—within six months of the subsidiary company or business having been sold, or otherwise leaving the group. The six-month period is of general application for the exercise of options under the 1980 legislation. Any scheme alteration that is intended to take advantage of the amendment must be made in time for that six-month rule to be observed.

Where, for example, a subsidiary company is sold at the end of March and the approved scheme is to be altered to enable the subsidiary's employees to exercise options under the scheme, the alterations will have to be made and approved by the Inland Revenue, and the options exercised, before the end of September. After a little initial reluctance, I have been wholly persuaded by my hon. Friends the Members for Withington and Stockport, and I commend the amendment to the House.

Amendment agreed to.

Clause 27

RELIEF FOR DONATIONS UNDER PAYROLL DEDUCTION SCHEME

Amendment made: No. 8, in page 26, line 14, leave out from 'and' to end of line 17 and insert

'which either contains provisions falling within subsection (3A)*(a)* below, or contains provisions falling within subsection (3A)*(a)* below and provisions falling within subsection (3A)*(b)* below.

(3A) The provisions are that—

(a) the employer is to pay sums withheld to a person (the agent) who is approved by the Board at the time they are withheld, and the agent is to pay them to a charity or charities;

(b) the employer is to pay sums withheld directly to a charity which (or charities each of which) is at the time the sums are withheld approved by the Board as an agent for the purpose of paying sums to other charities.'.—*[Mr. Ian Stewart.]*

Clause 28

PAYROLL DEDUCTION SCHEME: FURTHER PROVISIONS

Amendment made: No. 9, in page 27, line 6, at end insert —

'*(bb)* for, and with respect to, appeals to the Special Commissioners against the Board's refusal to grant, or their withdrawal of, approval of any scheme (or kind of scheme) or agent;'.—*[Mr. Ian Stewart.]*

Clause 29

DONATIONS BY COMPANIES TO CHARITIES ETC.

Amendment made: No. 10, in page 27, line 36, at end insert

'and in section 55(1) of the Taxes Act (certificates of deduction) after the words "Finance Act 1973" there shall be inserted "or section 29 of the Finance Act 1986".'.—*[Mr. Ian Stewart.]*

Clause 31

CHARITIES: RESTRICTION OF TAX EXEMPTIONS

Amendments made: No. 11, in page 29, line 28, at end insert—

'(1A) In relation to a chargeable period of less than twelve months, subsection (1) above shall have effect as if the amount specified in paragraph *(a)* of that subsection were proportionately reduced.'.

No. 12, in page 30, line 20, after 'shall', insert

'to the extent that it does not exceed the sum originally invested or lent'.—*[Mr. Ian Stewart.]*

Schedule 7

Charities: Qualifying Expenditure, Investments and Loans

Amendments made: No. 33, in page 116, line 36, after '1960' insert

'or section 25 of the Charities Act (Northern Ireland) 1964'.

No. 34, in page 117, line 4, leave out

'coming into force of section 67'

and insert 'passing'.

No. 35, in line 18, leave out 'that it' and insert

'on a claim made to them in that behalf, that the loan or other investment'.

No. 36, in line 33, at end insert

'or—

(d) any other loan as to which the Board are satisfied, on a claim made to them in that behalf, that the loan is made for the benefit of the charity and not for the avoidance of tax (whether by the charity or any other person)'.—*[Mr. Ian Stewart.]*

Clause 32

Higher rate relief for covenanted payments

Amendments made: No. 13, in page 31, line 22, leave out from 'assessment)' to end of line 9 on page 32 and insert —

'*(a)* at the beginning there shall be inserted the words "Subject to subsection (1B) below"; and

(b) the words "and does not exceed £10,000 in any year of assessment" shall be omitted.

(2) After subsection (1A) of that section there shall be inserted the following subsections—

"(1B) If at least £1,000 of an individual's income for any year of assessment consists of covenanted payments to charity which, in the hands of the charities receiving them, constitute income for which, by virtue of section 31 of the Finance Act 1986, relief under section 360(1) above is not available, so much of the individual's income as consists of those payments shall not be excluded from the operation of subsection (1) above by virtue of subsection (1A) above.

(1C) If, for any chargeable period of a charity,—

(a) the income of the charity includes two or more covenanted payments to charity, and

(b) only a part of the aggregate of those payments constitutes income for which, by virtue of section 31 of the Finance Act 1986, relief under section 360(1) above is not available,

each of the payments which make up the aggregate shall be treated for the purposes of subsection (1B) above as apportioned rateably between the part of the aggregate referred to in paragraph *(b)* above and the remainder."'

No. 14, in page 32, leave out lines 12 to 15.

No. 15, in page 32, leave out lines 27 and 28.—*[Mr. Ian Stewart.]*

Clause 33

Disclosure of information to Charity Commissioners

Amendments made: No. 16, in page 32, line 41, after 'be', insert 'or to have been'.

No. 17, in line 42, after 'be', insert 'or to have been'.—*[Mr. Ian Stewart.]*

Schedule 9

Business Expansion Scheme

Mr. Norman Lamont: I beg to move amendment No. 50, in page 124, line 14, at end insert—

'(5A) In arriving at the value of any interest in land for the purposes of this paragraph—

(a) it shall be assumed that there is no source of mineral deposits in the land of a kind which it would be practicable to exploit by extracting them from underground otherwise than by means of opencast mining or quarrying; and

(b) any borehole on the land shall be disregarded if it was made in the course of oil exploration.'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendments Nos. 72 to 80.

Mr. Lamont: I envy the Economic Secretary's speed in the progress of the amendments. I should be content simply to nod this amendment through, but I do not know whether the hon. Member for Birmingham, Hodge Hill (Mr. Davis) would be satisfied with that. Because points were raised in some detail in Committee, I felt that it would be right to amplify the proposed amendments, although I hope to do so as briefly as possible.

Amendment No. 50 concerns the restriction of building expansion scheme relief on investment in a company with a substantial holding of land and buildings. This restriction involves a test of whether more than half the net assets of a company are represented by land and buildings. If this test is failed, BES relief is restricted. The idea is that substantial holdings of land and buildings should provide an asset base on which finance can be raised and, therefore, BES relief is not needed.

Under the test, the value of any underground mineral workings would be taken into account, yet, because of the riskiness of this activity, the workings may not provide sufficient security on which to raise alternative finance. That point was drawn to my attention in Committee and I undertook to consider it. Having had the chance to do so, I think that an amendment to the rules is appropriate.

The purpose of amendment No. 50 is to exclude from the value of land and buildings in the test the value of minerals which would be extracted by underground workings. The value of any oil or gas is also to be excluded to prevent the oil exploration relief from being withdrawn as a result of the discovery of oil or gas. Any other value inherent in the land would continue to be counted in the ordinary way. At the same time, we are taking the opportunity to exclude from the test the value of any bore holes made in the course of oil exploration. Although we are advised that these are unlikely to have any intrinsic value, we thought it best to clarify the matter.

Amendments Nos. 72 to 80 merely extend the new oil exploration relief to Northern Ireland, for reasons which I hope are obvious.

Mr. Terry Davis: The Financial Secretary said that he envied his hon. Friend the Economic Secretary, who moved a series of amendments which went through on the nod. I, for my part, envied my hon. Friend the Member for Sedgefield (Mr. Blair) who was covering those amendments because he did not need to say anything or even find it necessary to rise from his seat. I intend to try to emulate my hon. Friend by quickly resuming my seat because we do not challenge the amendment.

Mr. Healey: I sincerely thank my right hon. Friend the Financial Secretary for putting his mind to an amendment which I proposed in Committee. The amendment is just and will help to give to those who try hard to provide employment in a difficult industry encouragement and the profits to enable them to grow. The private mining industry would have been severely hurt were it not for this measure. I hope that it will flourish and will be an inspiration to British Coal in its dealings in the future.

Amendment agreed to.

Mr. Norman Lamont: I beg to move amendment No. 51, in page 124, line 35, at end insert—

'(9) Where a company has ceased to be a qualifying company in consequence of the operation of this paragraph, section 62(6) of Chapter II shall apply as if the relief was withdrawn in consequence of an event which occurred at the time when the company so ceased to be a qualifying company.'.

Mr. Deputy Speaker: With this it will be convenient to take Government amendments Nos. 52 to 55 and 61 to 71.

Mr. Lamont: One of the Bill's proposals is that relief can be withdrawn from BES shares where there is a rights issue and either the rights are sold or the BES shares fall in value as a result of rights being taken up. The amendment ensures that these rules apply equally where the rights are to acquire different classes of shares or debentures. This follows similar rules for capital gains tax.

The alternative basis of valuation for the purpose of the land and building restriction starts with the value of the land and buildings at the time of the share issue, adds on the purchase cost of any other land and buildings and any expenditure on improvement, and deducts any consideration received for any disposals. As the Bill is drafted, it is not clear whether the rule works properly when the consideration is received some time after a disposal. Amendments Nos. 52 and 53 remove any doubt. Amendment No. 54 corrects a drafting error.

On amendments Nos. 51 and 64, when BES relief is withdrawn, an assessment is made to collect the tax. This bears interest from a specified date. As the Bill is drafted, this date is not clearly specified where relief is withdrawn following a rights issue or where the land and building restriction comes into effect. These amendments make clear the date from which interest starts to run.

Under the general BES rules, a company is allowed to carry on some excluded activities provided they do not amount to a substantial part of the trade, which, as a rule of thumb, is taken to mean about 20 per cent. of the trade. Amendments Nos. 55 and 61 ensure that the company's excluded activities are added together when deciding whether they amount to a substantial amount of the trade.

Amendments Nos. 62, 63 and 65 to 67 make it clear that the various rules which apply in respect of shares on which BES relief has been given do not apply after all that relief has been withdrawn.

8.45 pm

Mr. Bermingham: I am puzzled at times when rights issues become a disqualifying problem. I have raised this matter before and I do so again because rights issues are a good way of raising secondary capital. The method is often used by a company in its initial thrusting period when the initial investment has been used in the purchase of capital, plant and so on. I do not intend to oppose the amendment, although I warn the Government that I may oppose many other amendments.

I ask the Government once again to consider rights issues. Often these are the rights issues to existing shareholders. Perhaps the Financial Secretary will assure me that, when it is necessary for a company to move from phase one to phase two of its development, it will not be prejudiced under the business expansion scheme by disqualification as a result of the rights issue.

Mr. Lamont: The hon. Member for St. Helens, South (Mr. Bermingham) has made a fair point. There is, in a way, a bit of rough justice in the treatment of rights issues, although there is a purpose behind it. There is scope for people to use the BES in a way that is not intended.

As I understand it, the main purpose of the provision as drafted was to prevent a situation in which rights issues would be used to acquire different classes of shares and instruments such as debentures. Of course, a rights issue of an ordinary share might be a different matter. There is some merit in that argument. I shall look at this point, but I stress that I say that without any commitment. I have some sympathy with the hon. Gentleman's point. One must always bear in mind that the BES provides very generous tax relief, especially for high income earners, which can be compared to generous tax relief such as that on house purchase.

Mr. Bermingham: I think that the Financial Secretary knows my philosophical approach to the BES. I am especially concerned that companies which are subject to the BES may be forced to shrink as a result of the wording of this provision. Does the right hon. Gentleman agree that there is a way around this problem? Perhaps there could be an exemption where the shares are issued to existing shareholders for the purpose of further investment in the company, and that can be certified by accountants to the company or by the Department of Trade and Industry or even by Inland Revenue. I tender that as a first-thought solution to the problem which involves great difficulty and unfairness.

Mr. Lamont: I shall look into the matter. I am reminded that when I made my opening remarks in explaining the amendments I referred to a situation in which rights issues were at a discount. That is where the only problem arises. I do not think that I made that clear when I was responding to the hon. Member for St. Helens, South (Mr. Bermingham). This situation is a little rough and ready. I say without any commitment that I shall consider the hon. Gentleman's points.

Amendment agreed to.

Amendments made: No. 52, in page 124, line 46, leave out from 'consideration' to first 'of' in line 47 and insert 'for the disposal by the company'.

No. 53, in page 125, line 1, leave out 'on the grant' and insert 'for the grant by the company'.

No. 54, in page 125, line 8, leave out '*(b)*' and insert '*(c)*'.

No. 55, in page 127, line 18, leave out 'to any substantial extent of' and insert 'of one or more of the following activities if that activity amounts, or those activities when taken together amount, to a substantial part of the trade'.—*[Mr. Norman Lamont.]*

Mr. Norman Lamont: I beg to move amendment No. 56, in page 127, line 43, after 'Kingdom', insert—

'*(bb)* throughout the relevant period the company is solely responsible for arranging the marketing of the services of its ships.'.

Mr. Deputy Speaker: With this it will be convenient to consider Government amendments Nos. 57 to 60.

Mr. Lamont: This year we are extending the business expansion scheme to companies engaged in ship chartering. The changes we propose are designed to ensure that the scheme is open just to companies actively engaged in chartering where there is some element of risk involved and that the benefits flow to British companies using British registered ships. For that reason, our proposals contain a number of conditions which must be satisfied if a company is to qualify under the scheme.

It has been put to us — the point was raised in Committee — that in one or two respects these conditions might impose unnecessary constraints. We have considered those points. The Inland Revenue has had useful discussions with the General Council of British Shipping. The amendments we propose here are designed to relax slightly the conditions where we think there is some scope.

One of the conditions is that ships may only be let out on charter for periods not exceeding 12 months. This is to ensure that the scheme is used for genuinely risky charters rather than for longer ones where the stream of income is steady and secure. In Committee I said that I would look at this again. We still think that the length of this limit is about right. But we have managed to find some scope for relaxation without reducing the element of risk.

Amendment No. 58 would allow the person chartering the ship—not the BES company—to have an option, or options, to extend the charter so as to make it run for a longer period than 12 months. This would allow extensions to be made in line with normal commercial needs but would ensure that the BES company could not minimise its risks by entering into long-term charter arrangements. In particular, this meets one of the concerns put to us by the GCBS. The amendment would also allow a new letting to be agreed during the life of the current letting, but not so as to fix the use of the ship for a period ending more than twelve months away.

As the rules are drafted, a company would have to meet the conditions in respect of all of its ships and charters. That goes further than the rules for other trades under the scheme, which can undertake some non-qualifying activities provided that they do not amount to a substantial part of its trade. We concluded that the same sort of flexibility ought to be available to ship chartering companies—for example, a company might already have charters which do not meet the conditions and so would have to wait until these are finished before the BES can be used. Amendment No. 57 would allow some non-qualifying charters provided that they do not amount to a substantial part of the trade.

It has also been put to us that BES companies would be put at a considerable disadvantage if they were unable to make use of some of the services of a specialist ship manager. It has been argued that obtaining crews would be difficult and that stores and repairs would be costly to obtain.

One suggestion is that the ban on the use of managing agents should be removed altogether. That was considered in Committee, and I made it clear that I saw difficulties in allowing a company to hand over the running of its ships totally to an agent because one would then have a tax relief which would be a financing measure, which would allow people just to invest in the assets. We have looked at this point further, as we would not wish to force a BES company to operate in a commercially disadvantageous way. Therefore, we propose to allow a company to use an agent to undertake certain functions. These are what are known in the trade as husbandry and they include the supply of crew and provisions.

But the company would retain responsibility for the commercial management of the ship — for example, bunkerage and the loading and unloading of cargo. Amendment No. 59 makes that change, and amendment No. 56 requires the BES company to be responsible for marketing the services of the ship, arranging charters. I think that that strikes a fair balance between what was advocated in Committee and what makes sense within the scheme.

Amendment No. 60 deals with the subject of lettings within a group. There is a condition that charters must be arms length's bargains with unconnected persons. That ensures that the extension is not refused. The reasons for that are obvious. However, there is not the same possibility of abuse where the connected companies are all members of the same group and where the parent of the group is a company qualifying under the business expansion scheme, as all the companies would have to meet the qualifying conditions of the scheme. That point was raised in Committee and I undertook to bring forward an amendment to deal with it.

Dr. McDonald: We do not intend to oppose any of these amendments. We recognise that a number of them merely improve drafting and that some, as the Financial Secretary has made clear, tighten up the drafting. We consider some of these amendments, especially amendment Nos. 56 and 59, as anti-avoidance measures, so there is nothing to oppose here.

Amendment agreed to.

Amendments made: No. 57, in page 127, line 46, at end insert—

'but where any of the requirements mentioned in paragraphs *(a)* to *(c)* above are not satisfied in relation to any lettings of such ships, the trade shall not thereby be treated as failing to comply with this paragraph if those lettings and any other activity of a kind falling within paragraph 6(2) above do not, when taken together, amount to a substantial part of the trade.'.

No. 58, in page 128, line 3, leave out from 'provision' to end of line 5 and insert—

'is made at any time (whether in the lease or otherwise) for extending it beyond that period otherwise than at the option of the lessee;

(aa) during the period of the letting there is no provision in force (whether made in the lease or otherwise) for the grant of a new letting to end, otherwise than at the option of the lessee, more than twelve months after that provision is made.'.

No. 39, in page 128, line 11, leave out from beginning to end of line 12 and insert—

'(i) for taking, throughout the period of the charter, management decisions in relation to the ship, other than those of a kind generally regarded by persons engaged in trade of the kind in question as matters of husbandry; and'.

No. 60, in page 128, line 29, at end insert—

'but this sub-paragraph shall have effect, in relation to any letting between the company in question and its subsidiary, or between it and another company of which it is a subsidiary or between it and a company which is a subsidiary of the same company of which it is a subsidiary, as if paragraph *(b)* were omitted.'

No. 61, in page 128, line 36, after 'investment', insert—

[Dr. McDonald]

'or of that activity and any other activity of a kind falling within paragraph 6(2) above, taken together'.

No. 62, in page 130, line 9, at end insert—

'and after the word "given", in each place, there shall be inserted the words "(and not withdrawn)"'.

No. 63, in page 130, line 10, after 'words', insert—

'"(and not withdrawn)" there shall be inserted after the word "given" and the words'.

No. 64, in page 132, line 35, at end insert—

'Assessments for withdrawing relief

13A. In paragraph 14(2)*(a)*, for the words "or 10(1)" there shall be substituted the words "10(1) or 16A".'.

No. 65, in page 133, line 27, at end insert—

'(2A) In sub-paragraph (3) after the word "given", in both places, there shall be inserted the words "(and not withdrawn)".'.

No. 66, in page 134, line 2, after 'given', insert 'and not withdrawn'.

No. 67, in page 134, line 13, after 'given', insert 'and not withdrawn'.

No. 68, in page 134, line 40, leave out 'ordinary shares in' and insert

'shares in or debentures of'.

No. 69, in page 134, line 44, after 'shares', insert 'or debentures'.

No. 70, in page 135, line 2, after 'shares', insert 'or debentures'.

No. 71, in page 135, line 4, after 'shares', insert 'or (as the case may be) debentures'.

No. 72, in page 137, line 20, after '1984', insert—

'or a Northern Ireland licence granted for the five year renewal term'.

No. 73, in page 137, line 20, after 'includes', insert 'in either case'.

No. 74, in page 137, line 23, after 'regulations', insert—

'or a Northern Ireland licence granted for the thirty year renewal term'.

No. 75, in page 137, line 24, after 'includes', insert 'in either case'.

No. 76, in page 137, line 26, after 'regulations', insert—

'or a Northern Ireland licence granted for the initial term'.

No. 77, in page 137, line 27, after 'includes', insert 'in either case'.

No. 78, in page 137, line 32, at end insert—

'or, in Northern Ireland, by the Department of Economic Development;

"Northern Ireland licence" means a licence granted under the Petroleum (Production) Act (Northern Ireland) 1964 and incorporating the model clauses set out in Schedule 2 to the Petroleum Production (Licences) Regulations (Northern Ireland) 1965, and in relation to such a licence the references above to "the initial term", "the five year renewal term" and "the thirty year renewal term" shall be construed in accordance with Clause 2 of Schedule 2 to those regulations; and'.

No. 79, in page 138, line 12, leave out '(1)' and insert '(2)'.

No. 80, in page 138, line 14, at end insert—

'or under the Petroleum (Production) Act (Northern Ireland) 1964.'.—*[Mr. Norman Lamont.]*

Schedule 10

COMPANY RECONSTRUCTIONS

Amendment proposed: No. 81, in page 139, line 13, leave out from 'for' to end of line 14 and insert—

'the words from "any", in the second place where it occurs, to the end there shall be substituted "such apportionments of receipts, expenses, assets or liabilities shall be made as may be just."'.—*[Mr. Norman Lamont.]*

Mr. Bermingham On a point of order, Mr. Deputy Speaker. It is a technical point of order. My point is that amendments cannot be discussed if they are moved formally. The amendment as it stands may go through but I would suggest, with the greatest respect, that it would seem to be fair that the next amendment or the group should then be formally moved. I know that it is a technical point, but it would give any hon. Member who particularly wants to speak on an amendment the right to do so.

Mr. Deputy Speaker: I am not quite sure which amendment the hon. Gentleman is speaking to. If he is speaking to an amendment which has been discussed with another amendment, he should speak on the amendment which was called first. Will the hon. Gentleman tell me which amendment he is referring to?

Mr. Bermingham: Without seeking to be discourteous, Mr. Deputy Speaker, I think that your learned Clerk appreciates my point. Amendment No. 81 has just been formally moved. It may have been bracketed for convenience in the order of selection with other matters, but when we come to amendment No. 82, which is the next one, it in turn has to be formally moved to enable an hon. Member to speak.

Mr. Deputy Speaker: The hon. Gentleman is perfectly in order to speak to amendment No. 81, together with other amendments which are grouped with it. Does he wish to do so?

Mr. Bermingham: All I seek to do in raising this point of order is to be utterly formal. I know that it may be boring to certain hon. Members, but I do not seek to worry about that at this stage.

One is setting a precedent. All that I am asking is that—

Mr. Deputy Speaker: We are on Government amendment No. 81, which is grouped with other amendments. Perhaps I dealt with it in too telescoped a manner, but the group includes amendment No 82. The hon. Gentleman is in order to speak to it, and I shall call him now if he wishes to do so.

Mr. Bermingham: I seek not to speak on any particular amendment. I am saying that a matter of principle is involved. After amendment No. 81 has been agreed to, we then move on to Government amendments Nos. 82 to 87. If the Government wish to move them formally, I have no objection to it, but it sets a precedent. It is just sloppiness. We have had enough problems on the Bill as it is. I seek merely to have each amendment put in turn.

Mr. Deputy Speaker: It is a well-established procedure. The grouping of amendments is on the Amendment Paper, which the hon. Gentleman no doubt has. It has been in the No Lobby for some time. I do not wish to rush the House, but it is customary, if a Minister moves an amendment

formally, for me to see whether anyone rises. No one rose. I do not want to embarrass the hon. Gentleman. Again, I invite him to speak on any of this group of amendments. If he wishes to do so, I shall be glad to hear him.

Mr. Bermingham: I am grateful to you, Mr. Deputy Speaker. I merely wanted to say this. Amendment No. 146 is the last of the group. I wanted to ask the Minister why it was necessary to table the amendment. It is as simple as that.

9 pm

Mr. Norman Lamont: Amendment No. 146 is consequential on amendment No. 81. Amendment No. 81 slightly changes the wording of a provision that enables apportionments to be made where the predecessor company ceases to carry on only part of its trade and continues to carry on the other part. The amendment replaces the reference to "necessary apportionment" by a reference to

"such apportionments . . . as may be just."

Mr. Bermingham: What worries me is when a large conglomerate with some subsidiaries decides to fold one to the advantage of another. Who would determine what was necessary and what was not?

Mr. Lamont: As I said, the question of necessity will not arise, but obviously there are ways in which the loans—which are the object of the hon. Gentleman's question—can be apportioned between different companies to continue the losses that are to be available for tax relief purposes. Amendment No. 81 is a relieving provision. It does not make it more restrictive. I would be treading in difficult territory if I attempted to define

"apportionments . . . as may be just,"

but those are the words that are written into the Bill.

Mr. Bermingham: I thank the Minister for that reply. Perhaps he will see the point that I am driving at. By the very apportionment of loans between companies A, B and C, it is possible to shift tax losses, or reliefs, perhaps to the most profitable sector, to the detriment of the Revenue. I hope that the Revenue will keep that matter very much under observation.

Mr. Lamont: Of course we will. The purpose of this series of amendments is to restrict the relief that has been available. It is also designed to discourage the double counting of relief in those situations.

Amendment agreed to.

Amendments made: No. 82, in page 139, line 23, leave out 'and'.

No. 83, in line 24, after 'successor' insert—

'and which, in a case where the predecessor was the predecessor on a previous application of section 252 above, were not by virtue of section 252(8) above apportioned to a trade carried on by the company which was the successor on that application'.

No. 84, in line 34, leave out 'and'.

No. 85, in line 35, after 'successor', insert—

'and which in a case where the predecessor was the predecessor on a previous application of section 252 above, were not by virtue of section 252(8) above apportioned to a trade carried on by the company which was the successor on that application'.

No. 86, in page 140, line 16, leave out

'attributable to the trade and'.

No. 87, in line 24, at end insert—

'3. The following shall be inserted after sub-paragraph (5) of paragraph 17 of Schedule 9 to the Finance Act 1981 (restriction of carry forward of unused relief)—

"(5A) Where an amount for which a company is entitled to relief by virtue of section 252(3) of the Taxes Act (company reconstructions: successor's entitlement to carry forward predecessor's loss) is reduced by virtue of section 252(3A) of that Act, the part of the amount in respect of which, by reason of the reduction, there is no relief shall for the purposes of this paragraph be taken to consist—

(a) first of capital allowances for accounting periods of the predecessor ending not earlier than 14th November 1980;

(b) next of relief under this Part of this Schedule, taking relief in respect of a later period of account before relief in respect of an earlier one;

(c) next of losses incurred in the trade in accounting periods of the predecessor ending not earlier than 14th November 1980 (calculated without regard to capital allowances or relief falling within paragraphs *(a)* and *(b)* above) and including any losses treated under section 254(5) of the Taxes Act as incurred in such accounting periods;: and

(d) lastly of other losses, capital allowances and reliefs.

(5B) In sub-paragraph (5A) above "the predecessor" has the same meaning as in section 252 of the Taxes Act.".'.—*[Mr. Norman Lamont.]*

Schedule 12

PENSION SCHEME SURPLUSES

Amendment proposed: No. 89, in page 148, line 2, leave out 'Where' and insert

'Subject to paragraph 6A(4) below, where'.—*[Mr. Ian Stewart.]*

Mr. Deputy Speaker: With this it will be convenient to take Government amendments Nos. 91, 92, 94 to 97 and 101.

Dr. McDonald: I should like the Minister to confirm that amendment Nos. 89 and 91 are designed to improve the drafting, and that amendment Nos. 96 to 98 and 101 are technical amendments. Amendment No. 92 enables the Inland Revenue to ask an actuary to explain his valuation of a pension fund's assets and liabilities, and to provide background information. The amendment also lays down procedures for negotiations between pension scheme administrators and the Revenue. Why does that amendment appear at this stage? It seems to be obvious that such procedures should be in place.

Mr. Ian Stewart: The hon. Lady has interpreted the amendments correctly. The answer to her question about why the amendment has been included at such a relatively late stage is that the procedure for which the amendment provides is likely to be unusual. It was therefore not one of the first aspects of the scheme that came to mind. However, I agree that once one alights on the point it is obvious. I am glad that we have been able to include it.

Amendment agreed to.

Dr. McDonald: I beg to move amendment No. 90, in, page 148, line 31, at end insert

'except that the method prescribed in paragraph *(a)* shall only be a permitted way of reducing the excess if the other ways set down in paragraphs *(b)* to *(f)* are to be utilised to the fullest extent as is reasonable in all the circumstances.'.

Mr. Deputy Speaker: With this it will be convenient to consider amendment No. 93, in page 148, line 38, at end insert—

'The Board shall not approve any proposals which include repayments under sub-paragraph *3(a)* above unless the

[Mr. Deputy Speaker]

administrator has provided in the submission explanations which in the view of the Board satisfactorily explain why the other permitted ways set out in sub-paragraphs 3*(b)*,*(c)*, *(d)*, *(e)* and *(f)* cannot reasonably be used, or further used, to reduce the excess'.

Dr. McDonald: The purpose of the amendment is to make the repayment to the employer of pension fund surpluses the last resort. This will effectively force the employer to adopt other ways of eliminating surplus such as suspending contributions or meeting benefits.

In essence, contributions to pension funds by employers are part of the pay package and it is suggested that, other things being equal, they are used to depress the level of current pay. It seems correct therefore that the surplus belongs effectively to the present and past generations of employees, allowing that a raid on the fund does not inevitably recognise that.

The issue of surpluses is not only that the tax benefits of pension funds might have been overused, but that the resources of employers for enhancing pay deals has been incorrectly allocated. Obviously the best way—and this is what we want to see happen—to deal with surpluses would be to enhance the benefits, as this would redress both the erstwhile excess use of the tax efficient regime and the fact that employee's pay has been unduly restricted.

The withholding of employers' contributions should logically be preferred to withdrawals from the fund as these are more likely to be taken into account both by employees and employers in the determination of the amount and shape of remuneration packages. It enhances the opportunity of trade unions negotiating better terms than simply being able to point to a refund which the employer could say belongs to the past rather than to the current generation of employees. Additionally, the fact that the withholding of contributions is more likely to be spread over a number of years reinforces the link between a continuing negotiation on pay and conditions and the available resources.

The amendment is in two parts: the addition at line 31, and the consequential addition to line 38 which gives to the board the obligation not to approve proposals which give unreasonable priority to other means of dealing with surplus pension fund. We recognise that the amendment is not entirely satisfactory because it equally gives precedence over "*(a)*" to permitted ways under "*(f)*" as well as "*(b)*" and "*(d)*" although "*(f)*" is the undefined category. We are moving the amendment to ensure that where there is a surplus employees should benefit and that the repayment of any surplus to the employer should be the last item that is taken into consideration.

Mr. Ian Stewart: The hon. Member for Thurrock (Dr. McDonald) has raised a matter which we discussed in a slightly different context in Committee in relation to the pension provisions in the Bill. She has candidly explained her amendments, saying that they might not be perfect. Treasury Ministers never complain that Opposition amendments are perhaps less than perfect and it would be churlish of me to make any such suggestion. I shall take the point for its substance, not its detail, and I hope that she would like me to proceed in that way.

However one defined the provisions of the type the hon. Lady has described, it would be difficult if a requirement were placed on the Inland Revenue to judge whether certain matters had been adequately fulfilled by the trustees before the Inland Revenue was willing or able to sanction repayment or refund to the company. Purely regarding mechanism, I must repeat that the Inland Revenue is not a suitable body to exercise judgmental decisions about the adequacy of pensions or how money is distributed by trustees of pension fund schemes.

As I explained in Committee, there are three main options. The first is that an excessive surplus in a pension fund scheme can be reduced by increasing benefits for the members of the scheme. The second is that the contributions of the employer and employee can be reduced. Indeed, they can be fully suspended for a period, if need be, as a means of causing an immediate recalculation of the commitments of the scheme which would do away with the whole or part of the excess over-funding. The third option is a refund to the company.

The hon. Lady's amendments are designed to ensure that the third option was not available, in effect, until one or other or both of the other two options had been exhausted. I understand and have some sympathy with her feelings that schemes should try to do as well as they can for their members as beneficiaries, and that it may in some cases be suitable both for the company as an employer and for the members of the scheme as employees not to have to pay any money into the pension scheme for a period. Obviously, that is the case.

However, I must stop at the idea that in no circumstances should a company be allowed to have a refund unless it has used the scope of those two alternatives to the limit. A reason for that is that if a pension fund on valuation is shown to be underfunded, there will be a requirement on the employer to top it up to a level where it will meet the commitments it faces. There were cases in the 1970s when, because of a negative return on gilt edged securities, the level of the stock market and the difficulty of calculating future income streams from companies in which pension funds were invested, some trustees found that their schemes were insufficiently funded to meet their commitments. Therefore, companies often made substantial extra payments into those schemes to meet the shortfall.

It seems wrong that if in better times the pension scheme recovers and finds with hindsight that the extra money paid in to meet the emergency is not needed the company should not be able to obtain a refund of the extra money that it had to pay in. Given that there are such circumstances, it would be wrong to accept the amendments, although I understand the spirit in which the hon. Lady moved them.

9.15 pm

Sir Brandon Rhys Williams: As my hon. Friend has been kind enough to refer to the speech which I made earlier and has touched upon his difficulties, as a Treasury Minister, in trying to make policies in the area of occupational pensions, I should like to take the opportunity of drawing his attention to the remarks made this year by Professor Moore in his presidential address to the Institute of Actuaries.

Professor Moore took the trouble to emphasise that there does not appear to be any Government Department with overall control of policy governing these schemes. He pointed out that it is partly an Inland Revenue matter and partly a Department of Health and Social Security matter as well as a matter for the Department of Employment, the

Occupational Pensions Board and the Government Actuary. I consider that the Treasury must have an overall interest in this because of the important part that these schemes play in striking a balance between consumption and saving in the economy.

What my hon. Friend has said seems to reinforce my suggestion that there should be a serious and early inter-departmental study of the way in which these schemes are operating, the tax provision and aspects of the law connected with occupational pension schemes. In that way the Government can make known a policy which is satisfactory to those who put money in and also to those who rely on the money that comes out of these schemes at the end of their careers.

Mr. Ian Stewart: I remind my hon. Friend the Member for Kensington (Sir B. Rhys Williams) that I shall be conferring with my right hon. and hon. Friends in the Department of Health and Social Security about these matters. In a recent survey of opinion relating to pension funds it was suggested that almost two-thirds of the schemes would probably choose to improve benefits rather than the other methods. We welcome that.

Dr. McDonald: I am glad that the Minister is prepared to consider the issues which have been raised in the amendments I tabled.

I accept the Minister's point regarding employers paying an extra contribution when there was a negative return on investments during the 1970s. Nevertheless, the rights of employees as contributors to such schemes are being overlooked. When there is a surplus, their interests should be properly taken into account. They are, after all, deferring pay in order to receive a pension in the future. Part of an employee's pay goes into a pension fund and it is time that proper weight was given to this when we consider the disposal of pension fund surpluses.

I accept that the Board of Inland Revenue may not be the best possible mechanism to use. Tabling this amendment has given us the opportunity to air these important issues. Much thinking still needs to be done about pension schemes and the way in which they operate to ensure that they benefit those who contribute.

We wish to highlight that importance. I am glad that the Government will consider this matter, and we on this side of the House will certainly give a great deal of attention to these issues. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 12

Pension Scheme Surpluses

Amendments made: No. 91, in page 148, line 34, leave out 'If' and insert

'Subject to paragraph 6A(4) below, if'.

No. 92, in page 148, line 38, at end insert—

'6A.—(1) Where a valuation has been produced under paragraph 5 above, the Board may serve on the administrator of the scheme a notice requiring him to furnish the Board, within a prescribed period, with such particulars relating to the valuation as may be specified in the notice.

(2) Where a certificate has been given under paragraph 5 above, the Board may serve on the administrator of the scheme a notice requiring him to produce to the Board, within a prescribed period, a written valuation such as is mentioned in paragraph 5(2) above.

(3) Where a valuation has been produced in compliance with a notice served under sub-paragraph (2) above, the Board may serve on the administrator of the scheme a further notice requiring him to furnish the board, within a prescribed period, with such particulars relating to the valuation as may be specified in the notice.

(4) Where a notice is served on the administrator of a scheme under sub-paragraph (1) or (2) above, paragraph 6(1) and (5) above shall cease to apply.

(5) In section 98 of the Taxes Management Act 1970 the following shall be inserted at the end of the first column of the Table—

"Paragraph 6A of Schedule 12 to the Finance Act 1986".

6B.—(1) Where particulars have been furnished under paragraph 6A above, or a valuation has been produced under that paragraph, the Board shall, within a prescribed period, serve on the administrator of the scheme a notice—

(a) stating that they accept the valuation produced under paragraph 5 or, as the case may be, 6A above, or

(b) stating that they do not accept the valuation so produced, and specifying their estimate of the value of the liabilities of the scheme at the relevant time and their estimate of the value of the assets held for the purposes of the scheme at that time.

(2) For the purposes of sub-paragraph (1)*(b)* above, the relevant time is the time specified in the valuation produced under paragraph 5 or 6A above as the time by reference to which the values of the assets and liabilities are determined.

(3) Where—

(a) in a case falling within sub-paragraph (1)*(a)* above, the valuation shows that the value of the assets exceeds the value of the liabilities by a percentage which is more than the prescribed maximum, or

(b) in a case falling within sub-paragraph (1)*(b)* above, the value of the assets as estimated by the Board exceeds the value of the liabilities as so estimated by a percentage which is more than the prescribed maximum,

the administrator of the scheme shall within a prescribed period submit to the Board for their approval proposals which comply with paragraph 6(2) to (4) above.

(4) If the administrator of the scheme fails to submit proposals to the Board within the period mentioned in sub-paragraph (3) above, or if proposals submitted to them within that period are not approved by the Board within a further prescribed period, paragraph 8 below shall apply.'.

No. 94, in page 148, line 40, after '6(1)' insert 'or 6B(3)'.

No. 95, in page 148, line 41, after '6(5)' insert 'or 6B(4)'.

No. 96, in page 149, line 9, after 'specified' insert— ' *(a)*

No. 97, in page 149, line 10, after 'above' insert— ', or *(b)* where a valuation has been produced under paragraph 6A above, in that valuation,'.

No. 98, in page 149, at end insert—

'(3A) Sub-paragraphs (3B) to (3E) below shall apply where a percentage has been so specified, securities are transfered in the relevant period, and the transferor or transferee is such that, if he became entitled to any interest on them, exemption could be allowed under section 21(2) of the Finance Act 1970.

(3B) Paragraph 32(1) and (2) of Schedule 23 to the Finance Act 1985 (accrued income scheme) shall not apply.

(3C) Where, in consequence of sub-paragraph (3B) above, section 73(2)*(a)* or (3)*(b)* of the 1985 Act applies, the sum concerned shall be treated as reduced by an amount equal to the specified percentage of itself.

(3D) Where, in consequence of sub-paragraph (3B) above, section 73(2)*(b)* or (3)*(a)* of the 1985 Act applies, the relief concerned shall be treated as reduced by an amount equal to the specified percentage of itself. (3E) For the purposes of section 74(5) of the 1985 Act, the amount of interest falling to be reduced by the amount of the allowance shall be treated as the amount found after applying section 21(2) of the Finance Act 1970.

(3F) In sub-paragraphs (3A) to (3E) above expressions which also appear in Chapter IV of Part II of the 1985 Act have the same meanings as in that Chapter.'.

No. 100, in page 149, line 27, leave out 'sub-paragraph (3) above' and insert 'this paragraph'.

[Dr. McDonald]

No. 101, in page 149, line 32, at end insert—

'9.—(1) The Board may make regulations providing that an appeal may be brought against a notice under paragraph 6B(1)*(b)* above as if it were notice of the decision of the Board on a claim made by the administrator of the scheme concerned.

(2) Regulations under this paragraph may include—

(a) provision that bringing an appeal shall suspend the operation of paragraph 6B(3) and (4) above;

(b) other provisions consequential on the provision that an appeal may be brought (including provisions modifying this Part of this Schedule).

(3) The power to make regulations under this paragraph shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.'.—*[Mr. Ian Stewart.]*

Clause 47

BUILDING SOCIETIES

Mr. Ian Stewart: I beg to move amendment No. 18, in page 42, line 41, leave out 'in subsection (2)' and insert

'subsection (1A)

(which was inserted by the Finance Act 1985 and enables the Board to make regulations requiring societies to account for amounts representing income tax on certain sums) shall have effect and be deemed always to have had effect with the insertion after the words "in accordance with the regulations" of the words "(including sums paid or credited before the beginning of the year but not previously brought into account under subsection (1) above or this subsection)".

(2) In subsection (2) of that section'.

As my right hon. Friend the Member for Wanstead and Woodford (Mr. Jenkin) has tabled an amendment to amendment No. 18, I shall introduce the amendment briefly so that I can listen to his comments.

Amendment No. 18 clarifies a technical point arising from the Income Tax (Building Societies) Regulations 1986, which were laid by the Board of Inland Revenue last March under powers conferred by section 40 of the Finance Act 1985. They set out the detailed rules for the new composite rate scheme for building societies which came into force earlier this year.

Doubts have been expressed about the validity of the regulations. The Government's legal advice has been and still is that the power conferred by last year's legislation is adequate and that the regulations are validly made. To avoid prolonged uncertainty, however, I am proposing the amendment to make it clear once and for all that section 40 of the Finance Act 1985 achieves the intended result.

Mr. Patrick Jenkin (Wanstead and Woodford): I beg to move amendment *(a)* to the proposed amendment, in line 6, leave out 'brought into account' and insert 'charged to tax'.

I am grateful to my hon. Friend the Economic Secretary to the Treasury for explaining the purpose of Government amendment No. 18. I hasten to say that some of the criticism about the amendment is to my mind misconceived. There is only one issue on which it is right to question the Treasury Bench — the issue of double taxation, or the raising of additional revenue by subjecting the same stream of income of building societies to taxation twice over.

I agree with my hon. Friend about retrospective legislation. It is perfectly legitimate to correct a potential misdrafting of a power in an earlier Finance Act to restore the law to what was intended. Nor do I accept that there is anything improper in trying to make unnecessary legal proceedings which are intended to show that the regulations are ultra vires.

The only question is whether the Government, when shifting from the previous to the new system of taxing interest on deposits, are instituting double taxation. I should like to emphasise the Chancellor's original intention when he wanted to put the building societies on the same basis as the banks in regard to payment of interest. In his Budget statement on 19 March 1985, he said:

"On 6 April, the banks will move over to the composite rate system for the payment of tax on bank interest. I now need to legislate to put the corresponding composite rate payments by building societies on a similar footing, starting next year."

This is the most important sentence of all:

"This will not produce any additional revenue." — [*Official Report*, 19 March 1985; Vol. 75, c. 797.]

It is no secret, because it has been widely commented upon in the press and I understand that there was an item about it on the radio this morning, that some societies, notably the Woolwich building society and the Leeds Permanent building society have complained that, contrary to the Chancellor's intention, there is substantial extra revenue, and they are having to pay it. The Woolwich has estimated that the provisions will cost it £65 million. I have seen it suggested that the extra burden on the entire building society movement may be in excess of £400 million.

We must ask how that lies with the Chancellor's intention that there should be no additional revenue. I think that I should explain how it arises. I shall take the example of the Woolwich building society, which has been most assiduous in ensuring that people understand its case. We are talking of a composite rate tax which is charged on interest paid to depositors in building societies, which is then deducted by the societies when they make interest payments to depositors, and which then has to be handed over to the Revenue.

In the old system, that tax was deducted by the societies when the interest was paid to the depositors and an amount was subsequently paid over to the Inland Revenue based on the interest paid in the society's accounting year ending in the tax year in question, sometimes called the basis year. In January of this year the Woolwich building society paid about £138 million to the Inland Revenue —this was the tax for the tax year 1985-86—based on the interest paid to depositors in the 12-month accounting period to 30 September 1985. Had the system remained unchanged I understand that there would be no dispute

whatever between the Revenue and the society that the payment last January discharged the society's liability for the full tax year 1985-86, that is, to 5 April 1986.

Now that the system has changed, that is where the problem arises. The purpose of the change, which no one challenges, is to secure that tax in future should be paid quarterly in arrear on the actual payments made by the society to its depositors, and these payments will be made at the end of February, May, and November in each year. However, there is a transitional problem involved in moving from the old to the new system.

I would remind my hon. Friend that when this happened to the banks—and it happened a year earlier—the simple solution was taken of dropping out a year. No attempt was made to tax any interest twice. When the system moved from the preceding year basis to the actual basis, the banks simply had one year's interest dropped out of the system.

With the building societies, the Treasury has chosen to adopt a different tactic. The regulations, to which my hon. Friend referred, took the device of deeming some of the interest that had been paid to have been paid later than the dates on which it was actually paid and then to take that interest and tax it under the new system even though—this is the point that the societies make, to which I am bound to say I have not seen a convincing answer—it has already been covered by the tax paid under the old system.

My hon. Friend in his discussions with the society says that what he is doing is bringing forward the date of the society's liability to hand over the tax due. What the regulation does—and this is the point where my hon. Friend may be misdirecting himself—in the case of the Woolwich is to take the interest payments for the period 1 October 1985 to 28 February 1986, even though all basic rate income tax liability upon them has been fully discharged by the payment made last January, and deems them to have been made at a later date for the purpose of taxing them again.

By any normal interpretation of the words, that is double taxation. I ask my hon. Friend to bear in mind that, although the tax is collected vicariously from the building societies, it is in fact a tax upon building society investors in respect of the interest received by the investors. On the occasion of the first payment of tax, the investors duly received the appropriate credit, namely, the discharge in full of their basic rate income tax liability on the interest. On the occasion of the second taxation which the transitional provisions now impose, the second interest payment, of course, being entirely fictitious, the investors get no extra credit. This is, therefore, extra taxation.

I call in aid the fact that, in order to support amendment No. 18, the Treasury tabled a Ways and Means resolution, because of course it is raising extra tax. Without the Ways and Means resolution, it would have no power to do this. The House considered that on 8 July.

Where does this leave us? The Inland Revenue, for reasons that may well be imagined, instructed the draftsman to effect the transition in such a way as to defeat the Chancellor's expressed intention that

"This will not produce any additional revenue."

The way that the draftsman has done that is by using the words, found in line 6,

"not previously brought into account."

That will allow the Revenue to claim, in the case of the Woolwich, that the interest that it paid for the period between 13 September and 28 February this year has not been brought into account and so can be taxed further by the deeming system under the new arrangements.

9.30 pm

That is wholly misconceived and it is entirely wrong in principle. The principle of taxation has been clear for many years. In the well-known case of Fry *v.* The Burmah Corporation in 1930, the judge said

"You do not tax the years by which you measure; you tax the year in which you tax"—

in this case 1985-86—

"and measure by the years to which you refer."

In consequence of the general principle of income tax law, the payments of tax made by the Woolwich and all other building societies on or at 1 January this year represented tax on all the interest received by their investors during the whole of the year of assessment ending 5 April 1986. Any attempt to bring some of those interest payments back into charge a second time is double taxation; yet that is precisely the effect of the words "brought into account" in the amendment. It effectively subjects that income to tax twice over at a cost to the Woolwich of £65 million.

Is that really my hon. Friend's intention? It seems to sit uneasily alongside the expressed intention of my right hon. Friend the Chancellor of the Exchequer in the Budget last year. He has assured me that it is not his intention, but I can equally assure him that the words of amendment No. 18 mean that that will happen. I and my right hon. and learned Friend the Member for Dover (Mr. Rees), who has considerably more experience in these matters than I have, and my hon. Friend the Member for Beaconsfield (Mr. Smith) have sought to remove those offending words "brought into account" and instead insert the words "charged to tax".

Those five months of interest have been charged to tax and, as I understand it, the Treasury does not dispute that. In his letter to the Woolwich of 11 March, my hon. Friend the Economic Secretary wrote:

"We agree that the payment of tax made by the Society at the beginning of this year [1986] satisfied its liability for the 1985-86 tax year."

That appears to be common ground. They should not be taxed again, and our amendment will ensure that there is no double taxation; that my right hon. Friend the Chancellor's intention of no extra revenue is achieved; and that the Woolwich Equitable building society does not have to find an extra £65 million on top of the tax that it has already paid.

It is the job of the House to see that the Inland Revenue does not, in the words of yet another former Treasury Minister, my noble Friend Lord Bruce-Gardyne writing in the *Sunday Telegraph* this week, indulge

"in two bites at the self-same cherry."

Without sub-amendment (a) that is precisely what the Government's amendment will do. With it, we shall avoid having two bites at the cherry.

Mr. Michael Meadowcroft (Leeds, West): Appearing in unaccustomed garb as a Treasury spokesman, I am encouraged by being on the same side of the argument as the distinguished Members whose names are attached to the secondary amendment, namely, the right hon. Member for Wanstead and Woodford (Mr. Jenkin), the right hon. and learned Member for Dover (Mr. Rees) and the hon. Member for Beaconsfield (Mr. Smith). The problem

[Mr. Michael Meadowcroft]

affects not only the Woolwich but particularly in my case the Leeds Permanent which finds itself in exactly the same uncomfortable position.

When a Government change the basis for assessing income tax two dangers arise. One is that some items will be taxed twice, and the other is that during the transition the new tax may fall more heavily upon some taxpayers than others even though equal taxable amounts are involved, usually because of different dates of accounting. That is happening in this case. Both dangers are present in the amendment that has been proposed by the Treasury Minister.

The amendment is based on the view that the taxpayer has to bear the transitional cost. Surely that is a reversal of previous Government practice. For instance, when PAYE was introduced, the Exchequer bore the cost of the transitional period. We are not talking about small amounts. For building societies the cost will be between £500 million and £600 million.

I want to use the Leeds Permanent building society to give an example of the effects of the Government amendment. Up to now the Leeds Permanent has paid income tax on 1 January every year to discharge its liability up to 5 April. Under the new scheme some liability will have to be met at 1 October because the Leeds Permanent accounting year ends on 30 September. Therefore, the amount which had previously been taxed up to 5 April will become the basis for a second, duplicated tax liability under the new scheme.

As the right hon. Member for Wanstead and Woodford said, the amendment will create in effect a new six-month liability. I am aware that if things progress normally for building societies the actual cash will not be paid over. However, the point is that the new six-month liability will hang over the head of the building society in the event of the tax account being finally squared off. As I understand it, it is analogous to an individual with a private telephone paying the telephone rent in advance. Normally he could claim a rebate if he ceased to have the telephone, but under the Government scheme he would still be liable for the amount that had been paid in advance.

Because of their legal basis, building societies cannot take the same risk as an individual in regard to a small amount, such as telephone rental. Therefore, what had previously been a reserve on a building society's balance sheet will become a liability. The Leeds Permanent, for example, will have to sacrifice some £74 million of reserves. For the individual investor in the Leeds Permanent that is equal to a reduction in reserve backing of £31. The whole sum is equal to a quarter of the society's total reserves. It represents a fall in the society's reserve ratio of just over 1 per cent.

As the right hon. Member for Wanstead and Woodford said, unfairness is being perpetrated on certain building societies. It depends capriciously upon the accounting year of each society. For instance, the Halifax, the largest building society in the world, with an accounting year ending on 31 January, will escape most of the double taxation.

It is important to point out that none of us wishes to terrify investors in building societies because their reserves are massive and well able to cope. I am sure that the right hon. Member for Wanstead and Woodford would want to make that point about the Woolwich. We wish to avoid any sensational reporting of the possible effect of the double taxation. Nevertheless, I should have thought that the large number of investors in the Leeds Permanent and the Woolwich would cause the Government to think again.

The Government should accept the amendment proposed by the right hon. Member for Wanstead and Woodford, otherwise there will be few courses of action open to them. One would be for them to take on the cost of the transitional period themselves. That would enable the change to come into effect without its being unfair to some societies.

Another aspect is important. Despite vigorous representations to the Treasury, including those of my hon. Friend the Member for Colne Valley (Mr. Wainwright), who would have spoken tonight had he not been in America with a Select Committee — that is a salutary reason why I am performing in a less adequate way than he would have done — there has not been a response that the societies regard as adequate.

The Leeds Permanent and the Woolwich have commenced a High Court action to seek to have the relevant statutory instruments declared ultra vires. Yet Government amendment No. 18 will pre-empt that court action by giving explicit powers to the Government to make a statutory instrument. That suggests that the Government feel vulnerable to the court action in process, and that that amounts to retrospective taxation.

It is unfair for the Government to make the building societies bear the cost of the transition. If they must do so, it is absolutely crucial that it be done in a manner that affects all building societies equally, which is not the case under the present system. I hope that, if the House divides, hon. Members will support the secondary amendment.

Mr. Tim Smith (Beaconsfield): My name appears in support of amendment (a) to Government amendment No. 18. Sometimes when we consider taxation, people say that it is just a technical matter. This is a technical amendment. On the other hand, £65 million worth of tax is at stake for the Woolwich building society. A substantial amount is also involved for the Leeds Permanent building society. It is a technical matter. On the other hand, a substantial amount of revenue is at stake.

I think that my hon. Friend the Economic Secretary to the Treasury is aware that I have taken an interest in the matter for some time. A few months ago, he kindly agreed to see Mr. Cumming of the Woolwich building society to discuss it. I do not want to enter into a debate about the merits of that. I was encouraged by the fact that my right hon. and learned Friend the Member for Dover (Mr. Rees), who is an expert in such matters, felt that substituting the words "charged to tax" for the words "brought into account" would put the matter beyond doubt.

I hope that it will be possible, if the Woolwich wishes to do so, to challenge the matter in the courts and for the courts to be able to determine whether there is double taxation. Although I am an accountant, I do not feel qualified to comment on that. I am not a tax specialist. I think that the Woolwich should be given that opportunity. That is why I support amendment (a).

Dr. McDonald: I support the amendment moved by the right hon. Member for Wanstead and Woodford (Mr. Jenkin). From the extent to which I have considered this

complex matter and the advice that I have received not only from the Woolwich but from the Building Societies Association. I believe that there could be an element of double taxation involved in the way in which the regulations which govern the transitional period for the change and the way in which the composite rate of taxes is charged to building societies are framed. A figure of £65 million has been cited for the Woolwich. I think that it is about £40 million net. The overall figure for building societies over the next three years, beginning with this year, is about £450 million.

As the story unfolded, I could not help but wonder whether the Government, having lost various possible sources of revenue this year, such as the sale of water authorities, might have thought that it could gain more revenue over the next two or three years by this measure. I am sure that that is not the case—that there is some misunderstanding with the regulations or that the regulations have been ill conceived so that they impose the burden of double taxation which is quite unfair. That did not happen to the banks when the same tax regime was imposed on them. It is unfair that this should happen to the building societies.

There are two further problems. I understand that the matter has been discussed for a long time between the Economy Secretary to the Treasury and the Building Societies Association and the Leeds Permanent and Woolwich building societies separately. Last year the Building Societies Association had many discussions with the Inland Revenue. It made representations to, and had meetings with, Treasury Ministers. The council of the association recorded its grave concern about the effect of the transitional arrangements, but it concluded that the point had been pursued as far as possible.

9.45 pm

In pursuing the point with the Treasury, the problem that faces the Building Societies Association is that this affects building societies unequally. The accounting periods and the dates for the end of the accounting periods differ from one building society to another. Some building societies are little affected by the change. Others—in particular, the Leeds and the Woolwich building societies which have long accounting periods that finish at the end of September—are particularly hard hit by the double taxation element in the transitional provisions.

Therefore, I understand why it was difficult for the Building Societies Association to pursue this matter to the limit. The Economic Secretary knows that the Leeds and the Woolwich building societies were due to pursue it through the courts by means of a judicial review. They had applied for leave, leave had been granted, and proceedings were due to commence on 15 July. They fear that, if passed, the Government's amendment will preclude the possibility of pursuing the matter in the courts. They regard it as entirely unfair that the Government should have tabled this rather hasty amendment which precludes them from pursuing their action to any real effect.

In order to clarify the issue and to rule out, once and for all, the possibility of double taxation during the transitional period, I hope that the Economic Secretary will accept the amendment of the right hon. Member for Wanstead and Woodford. It would clarify the point and leave the Woolwich and the Leeds building societies to pay the right amount of tax due in the transitional period, but they would not have to pay double that amount. I hope that the Economic Secretary will accept the amendment. If he merely gives an assurance that double taxation will not be imposed, that will not be sufficient. What stands as part of the Bill when it becomes law is, as the Economic Secretary knows, what is significant, not what is said by way of comment on the meaning of amendments during a debate. By accepting this amendment, any injustice that is caused to building societies during the transitional period will be entirely avoided.

Mr. Ian Stewart: I shall try to respond to all the points that have been raised. I appreciated the balanced manner in which my right hon. Friend the Member for Wanstead and Woodford (Mr. Jenkin) introduced his amendment more than I have appreciated some of the comments on the subject that have been aired in the last few days.

My right hon. Friend suggested that some of the criticism was misconceived. Apart from retrospection, I hope to deal with the legal question before coming to the substance of the timing of the taxation.

I agree with my right hon. Friend that to introduce in the amendment words which ensure that a provision in last year's Finance Bill has the import that was intended is not retrospective legislation. He asked me about the point of a Ways and Means resolution. I asked exactly the same question, and I was told that if anybody had any doubt about it, it could conceivably require a Ways and Means resolution. The fact that the Government did not have any doubt about it did not seem to matter, but I bow to legal advice on that.

Mr. Patrick Jenkin: With the greatest respect, that does not dispose of the argument. The fact that whether an additional tax is being levied is in doubt, and the fact that my hon. Friend was advised that to put the matter beyond doubt he should have a Ways and Means resolution suggests that there is a prima facie case that there is an additional tax. Perhaps my hon. Friend should address himself to that.

Mr. Stewart: I note what my right hon. Friend says, but I do not accept that our amendment enlarges the ability of the Revenue, through regulations, to raise tax. Nevertheless, because there is a widening of scope, which in theory could enable regulations to be introduced of a wider form than might have been possible before, a Ways and Means resolution is apparently required. I only say what the position is as I am advised. However, I would not rely on that point.

In addition to the fact that the amendment makes sure that the section in last year's Finance Act operates as was intended, it was known at the time how the regulations should be formulated. That was widely discussed with the Building Societies Association. Although detailed provisions could be introduced into any Finance Bill saying that regulations shall provide A, B, C, D, all the way through to Z, if the basis and substance of the regulations are already known, there is a correspondingly lesser need to spell out so much in detail. The point on detail has now been raised, and that is why we are introducing it.

My hon. Friend the Member for Beaconsfield (Mr. Smith) touched on the legal question, as did other hon. Members. The purpose of the amendment is purely to ensure that the regulations as promulgated are within the

[Mr. Stewart]

vires of the power in last year's Finance Act to make them. It is not related to the content of the regulations on other grounds.

I have been told by a senior officer of one of the societies involved that the Government would be wrong to suppose that by means of the amendment we would be protecting ourselves from scrutiny of the regulations by the courts. I accept what I am told, but the amendment is directly addressed to the relationship between the section in last year's Finance Act and the regulations that follow.

Let me come to the substance and the claim of my right hon. Friend the Member for Wanstead and Woodford of double taxation. My first point on that is that the whole system of the transition has been designed to bring in, following the words of my right hon. Friend the Chancellor, which my right hon. Friend the Member for Wanstead and Woodford quoted, the same amount of money to the Revenue in 1986-87 as would have been brought in if there had been no change in existing practice. As far as I know, that is what the system will achieve. There is no question of this provision, through the regulations, increasing revenue to the Exchequer this year. It merely accelerates the payments made by some societies. The hon. Member for Thurrock (Dr. McDonald) pointed out that not all societies are affected equally; it depends on their year end.

If the Woolwich or, for example, the Leeds Permanent building society has, say, £60 million involved in the period between the end of its financial year and the end of the fiscal year, that amount would fall out of tax altogether if it were not for these provisions. That tax, although applicable to interest and dividends paid, would not be accounted for. It has been said that if we stated "charged to tax", *instead of* "brought into account", that would solve the problem for the Woolwich. It might do, although I do not know whether it would, but it would deprive the Revenue of a substantial sum. I do not know what the figure is exactly, but we are talking about hundreds and millions of pounds. I said that it "might" rather than that it "would", because we are talking, not about the society's tax, but about a tax on the investment income of depositors. There is a difference between the tax that a society or company pays itself, and a tax that is accounted in respect of interest paid. There is, indeed, a crucial difference.

In the case of the banks, there has not been such a scheme before, and so no comparison can be drawn. The money was paid gross to the recipients, and they paid income tax through their own assessments. Let us suppose that the tax regime of a building society, such as the Woolwich, had ceased — without going into these transitional arrangements — to be done through the composite rate of tax at the end of September 1985, and that gross payments had been introduced from that date. The amount of tax payable by the Woolwich in 1985-86 would have been identical, but there would have been income tax to pay on interest and dividends from October to March by investors and members. That money would have had to be paid to the Revenue.

The fact that a composite rate tax is being used means that it is collected on behalf of those investors and depositors, and subsequently paid to the Revenue. If the existing system had continued that would have been the amount of tax payable in relation to composite rate tax during the fiscal year 1986-87. We have had to do a bit of catching up. In order to put the building societies on a footing with the banks, with quarterly payments, they will have a rather smaller time lag between the time of collecting the composite rate and the time that it is paid.

Clearly, different societies will be affected differently. The longer the period before the end of the fiscal year that a society has its own year end, the more it has to catch up. The Woolwich and the Leeds Permanent building societies are having to catch up more, because their year end at 30 September is much earlier than that of the bulk of building societies, at 31 December.

The new scheme will merely provide, in the case of a 30 September society, that in the fiscal year 1986-87 the tax for which it accounts at the composite rate of tax on investments and deposits will be not only for the 12 months from October 1985 to September 1986, which it normally would have been under the old system, but for the five extra months to February 1987. Of course, I accept that this means——

It being Ten o'clock, the debate stood adjourned.

It being Ten o'clock, MR. SPEAKER *proceeded to put forthwith the Question which he was directed by paragraph (1) of Standing Order 19A (Questions on Voting of Estimates &c.) to put at that hour.*

ESTIMATES 1986-87

Resolved,

That a further sum not exceeding £44,636,349,000 be granted to Her Majesty out of the Consolidated Fund to complete or defray the charges for the service of the year ending on 31st March 1987, as set out in House of Commons Papers Nos. 259, 269, 284 and 439.

Bill ordered to be brought in upon the foregoing Resolution, upon the Resolutions [24 June and 9 July] relating to Estimates 1986-87, and upon the Resolution [10 July] relating to Supplementary Estimates 1986-87, by the Chairman of Ways and Means, the Chancellor of the Exchequer, Mr. John MacGregor, Mr. Norman Lamont, Mr. Ian Stewart and Mr. Peter Brooke.

CONSOLIDATED FUND (APPROPRIATION) BILL

Mr. Norman Lamont accordingly presented a Bill to apply a sum out of the Consolidated Fund to the service of the year ending on 31 March 1987, to appropriate the supplies granted in this Session of Parliament, and to repeal certain Consolidated Fund and Appropriation Acts. And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 211.]

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Motion relating to the Channel Tunnel Bill may be proceeded with, though opposed, until any hour.—*[Mr. Cope.]*

Finance Bill

Not amended in the Committee and as amended (in the Standing Committee), again considered.

Mr. Ian Stewart: I was dealing with the difficult technical question of the composite rate tax payments during the fiscal year 1986-87 in relation to the building societies, whose affairs we have been discussing. I do not

deny that during the fiscal year 1986-87 they would need to account for the tax on interest and dividends of more than 12 months. Twelve of those months would have come into account in the ordinary way because that is how the old scheme operated. In addition, to catch up, tax must be paid for the subsequent months at the end of the fiscal year 1986-87. The problem with the Woolwich and other 30 September societies is that they have enjoyed a considerable advantage over other societies because of the difference between their year end and the end of the fiscal year. On average, they have had a delay of between 10 and 11 months in handing over the composite rate tax. To catch up with the others and to bring those societies into line with banks the delay has been reduced to between three and four months. Obviously, the societies are therefore required to pay a greater amount of composite rate tax to catch up time during the transition period. We have introduced transitional arrangements so that this is spread over a period. The transitional relief is more generous the longer the time before the end of the fiscal year that the society's financial year ends.

This does not affect the amount of tax collected. It merely affects the timing. In 1986-87 the later months of that fiscal year are added to the normal period when composite rate tax would have been collected under the old system.

Mr. Patrick Jenkin: My hon. Friend appears to have conceded two points. The first is that undoubtedly extra taxation will be paid in the years 1986-87, and also in 1987-88 under the spreading arrangements. This will bring in revenue to the Treasury greater than that which would have been received from the societies had there been no change in the system. Therefore, in respect of those two years, this is clearly contrary to the intentions which my right hon. Friend the Chancellor expressed to the House last year in his Budget statement.

Secondly, my hon. Friend seems to have conceded firmly that, although payments made in January by the societies discharged their liability in full for the fiscal year 1985-86, they will have to pay more tax on interest which they have paid in the last five months of that year. Why is that not double taxation?

Mr. Stewart: The answer is, very simply, because it is a catching-up process. They have had a longer lag in passing over composite rate tax to the Revenue than most of their competitors, and when they have to catch up they have further to go. That is why they have to pay over more during 1986-87. It is not double taxation, it is merely that they have had to pay tax in respect of a longer period for the fiscal year 1986-87 than they would if the old system had continued. Of course it is uncomfortable for them, but I repeat what I said earlier, that there is no increase in the estimated yield from composite rate tax during this current fiscal year over the previous year. The whole of the transitional arrangement and the move to the new quarterly payments is based on the undertaking that my right hon. Friend the Chancellor gave.

It does not bring extra tax to the Revenue. Because of the timing of the quarterly payments, the amount of flow into the Revenue during the fiscal year 1986-87 will, we calculate, be, as near as possible, equivalent to what it would have been if the old system had continued. All that happens is that some of those payments are made earlier than they otherwise would have been. In the case of societies such as the Woolwich, it is earlier by a greater amount because its financial year ended substantially earlier than that of its competitors. Therefore, there is no double taxation, and I hope that my right hon. Friend will accept that.

Mr. Jenkin: It would greatly help me if my hon. Friend could reassure the House on the point made by my hon. Friend the Member for Beaconsfield (Mr. Smith) and the hon. Member for Thurrock (Dr. McDonald), that there is nothing in the Government's amendment that will preclude the societies, if they so wish, from pursuing their case in the courts on the ground that it is double taxation. My hon. Friend may say that they are wrong and that they will lose. However, if he could reassure me that that opportunity will remain open and that it is not his intention to close it off, I would feel a little happier.

Mr. Stewart: I can only give my right hon. Friend the same assurance as I gave to my hon. Friend the Member for Beaconsfield. The amendment addresses itself purely to the connection between the clause in the Finance Act 1985 and the regulations. It does not address itself to the substance of the regulations, and I am advised by one of the societies that it is contemplating further action in relation to the substance.

Clearly I could not advise any taxpayers that they could or should challenge the law or the regulations on any particular points. However, I can say that I do not believe that it amounts to double taxation, and I am advised that one of the parties which considers itself to be aggrieved by it is contemplating a different kind of action, which may or may not follow.

Mr. Jenkin: My hon. Friend is clearly not going to accept my amendment but, I think, is leaving it open to the societies to pursue this in the courts. It would be wrong of me to try to press this to a Division, although I am tempted to do so. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment No. 18 agreed to.

Schedule 13

Mineral Extraction: The New Code of Reliefs

Amendments made: No. 102, in page 151, leave out lines 18-29.

No. 103, in page 157, line 12, after 'assets', insert 'is disposed of or otherwise'.

No. 104, in page 157, line 17, after second 'the', insert 'disposal or, as the case may be'.

No. 105, in page 157, line 18, at end insert—

'(1A) If, at any time after a mineral asset has been acquired by any person, it begins to be used (by him or any other person) in a way which constitutes development but is neither existing permitted development nor development for the purposes of a trade of mineral extraction carried on by him, the asset shall be treated as having permanently ceased, immediately before that time, to be used by him for the purposes of that trade; and for the purposes of this sub-paragraph, "existing permitted development" means—

(a) development which, prior to the acquisition, had been or had begun to be lawfully carried out; and

(b) any other development for which planning permission is granted by a development order made as a general order and in force at the time of the acquisition;

and sub-paragraph (3) of paragraph 16 below applies for the purposes of this sub-paragraph as it applies for the purposes of sub-paragraph (2) of that paragraph.'

No. 106, in page 157, leave out lines 35 to 37.

[Mr. Jenkin]

No. 107, in page 159, line 4, at end insert 'disposal or'.

No. 108, in page 162, line 14, leave out from 'Where' to second 'a'.—*[Mr. Norman Lamont.]*

Clause 56

AGRICULTURAL LAND AND BUILDINGS

Mr. Harry Cohen (Leyton): I beg to move amendment No. 19, in page 50, line 32, leave out from '1986' to end of line 39.

I am pleased to move this amendment and I am grateful to Mr. Speaker for inserting it in his selection of amedments. Amendment No. 19 seeks to delete the definition of "husbandry" in clause 56 which

"includes any method of intensive rearing of livestock or fish on a commercial basis for the production of food for human consumption."

My amendment seeks to delete those words because they refer to intensive farming methods. I have taken expert opinion, and I am advised that those involved in intensive farming methods will get tax allowance benefits as a result of the insertion of those words in the clause.

I looked up the definition of the word "husbandry" in Harrap's dictionary in the Library. It refers to the "rearing of animals on a farm."

The definition also states:

"to look after carefully/not to waste . . . resources".

In the context of the good use of resources, that implies care for the animals' health and welfare. Much present-day intensive husbandry does not do that. Animals are denied very basic freedoms—to stand up, lie down with ease, turn around, walk and mix with their own kind. The Government are providing financial inducements to take away those freedoms and encourage intensive farming methods. The insertion of those words in the Bill is another such inducement.

Among the people who will benefit are those who operate battery cages. Those cages measure approximately 18 in × 20 in, and house five laying hens, each hen having a wingspan of about 32 inches. It is an offence under the Protection of Birds Act 1954 to keep a bird in a cage where it cannot stretch its wings properly, but that does not apply to poultry. In addition, the hens cannot indulge in other natural behaviour such as nesting, dust bathing and scratching at the earth. Instead, they stand on wire mesh in their controlled environment housing, and never see the light of day. As the Farm Animal Welfare Council said,

"the extreme confinement in a physically barren environment denies or seriously restricts the birds' freedom to express natural patterns of behaviour. The birds may be subjected to chronic discomfort."

Those who do that will benefit under the clause as drafted.

Those who use veal crates will also benefit. Veal calves are kept in appalling conditions, in solitary wooden crates, in which bedding is denied. The shed is kept in semi-darkness. The calves are fed an unnatural diet: a high fat, low iron milk mixture, solely for the purpose of producing white meat.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food said in 1983 that her welfare code for cattle would get rid of the crate, but it has not. In that same year, Compassion in World Farming, to which I pay tribute for the work that it does, lost a test case in the courts although it showed that some 600 calves were chained by the neck and unable to exercise or even turn round. They could not stretch out their limbs when lying down, had no straw to lie on and were fed on an all-liquid diet devoid of fibre, which is essential to ruminant animals. Although the organisation produced that evidence, it lost in court because the code is not enforceable under the law.

Those who keep pigs in dire and unnatural conditions will also benefit. Straight after birth, the pigs are put into a dark box on a concrete floor with possibly no separate dunging area. The sows are ill-treated throughout their 16-week pregnancy in dry sow stalls or tether stalls. The dry sow stall is a cage with metal bars which is just large enough to hold one sow. In this cage the sow stands on concrete unable to take more than one step forward or one back. The sows are generally tethered by a girth strap or chain. I produce one here to show to the House as an example of the type of horrendous monstrosity that is used. I have the authority of Mr. Speaker to produce it tonight and I thank him for allowing me to show the House this terrible object. Some 2,000 sows are tethered under these conditions. I would not even wish to see the worst Tory Member wearing such a girth and it should not be used on a pregnant sow.

10.15 pm

The sows are kept in a barren environment against their natural instincts and are physically and mentally deprived. The Select Committee on Agriculture stated in 1981

"notice should be given that close confinement would be phased out over a reasonable but defined period . . . financial grants should be so directed as to provide positive support to producers using the small group system; they should not be given to those using the close confinement methods which we have criticised."

This part of the Finance Bill flies in the face of the recommendations made in that Select Committee on Agriculture report. What is worse, the Bill actually encourages the opposite. It encourages more farmers to adopt these cruel methods of intensive farming. It is not just intensive farming methods which will receive a tax boost under this clause. Intensive farming relates to the environment. For example, slurry tanks are used instead of a natural mixture of dung and straw which makes up a healthy manure compost. There is no straw in the tanks and the contents of a slurry tank are put on the land, very possibly containing disease and making the local air unbreatheable for local residents. Slurry tanks are known to leak and pollute local rivers and streams.

The system is also bad for human health. As consumers, we eat the food produced on intensive farms. We eat meat which has been pumped with fat and hormones and the animals are more likely to be in a state of ill-health. That ill-health can be transferred to us and is a factor in the excessive rate of heart disease that exists in this country. The public realise this, and that is why the trend is for more naturally produced food. That goes against the prevailing official ideology and the hard sell by producers.

Intensive farming methods, which the clause encourages, are in themselves appallingly wasteful. They are especially wasteful in terms of jobs in the face of the current level of high rural unemployment. Factory farming is essentially a labour saving device. So essentially, through their tax allowances for intensive farming methods, the Government are providing allowances for farmers to set against labour costs which encourages rural employment.

Intensive farming is also wasteful in land use. Much arable land is turned into prairies of barley grown specifically for animal feed. Alongside that, it is wasteful in Third world terms because intensive farming animals do not graze in fields. Their food has to come to them rather than the other way round. Much of that is imported from countries which can ill afford to produce it. In 1984 when the famine in Ethiopia was at its height, the United Kingdom imported £1·5 million of animal feed stuffs to feed the intensively farmed animals in the United Kingdom. That is a scandalous disgrace. On top of that, the meat is subsequently accumulated in the common market food mountains. That is a disgrace.

Many farmers, however, use humane methods. They do not want to use battery cages, crates and stalls. They allow animals in their care to conform to their natural behaviour patterns. Those farmers are true husbanders. They prefer not to practise intensive farming but often find themselves under pressure because of the financial inducements and incentives for intensive methods which are dangled before them. This part of the Finance Bill is another example of that. It is the Government's responsibility or irresponsibility which is the key factor in farmers' decisions in this respect. The Government should encourage natural farming methods through their tax allowances rather than the opposite which is their policy at present.

The Labour party intends to encourage more natural production. A resolution passed unanimously at the last Labour conference states:

"This Conference calls on the National Executive Committee to draw up a programme to introduce a controlled reduction in intensive farming methods in Britain, and also to start planning a programme of alternative, natural, ecologically acceptable and more humane methods of farming to return more workers to the land, which can realistically be encouraged and introduced by the next Labour Government."

Mr. Gow: Will the hon. Gentleman give way?

Mr. Cohen: I have nearly finished. I have only one more line to go.

Hon. Members: Give way.

Mr. Gow: Since the hon. Gentleman has given the text of a resolution passed at the last Labour party conference, could he remind the House of how many votes were cast in favour of the resolution and how many against it?

Mr. Cohen: I think that the resolution was passed unanimously, but I can check that immediately.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. That is not relevant to the matter under discussion.

Mr. Cohen: I accept your ruling, Mr. Deputy Speaker. That is a worthwhile resolution for a future Labour Government which I hope will be improved on at future Labour party conferences. When it is implemented, Labour Treasury Ministers will not allow their Finance Bills to boost factory farming, as is the case with this Bill.

Mr. Tony Blair (Sedgefield): The House will welcome the opportunity afforded by my hon. Friend the Member for Leyton (Mr. Cohen) in his amendment to have a brief debate on these important matters. I should like to pay tribute to my hon. Friend, who has been a vigorous campaigner for animal welfare and rights since he came to the House.

Two questions arise when we consider taxation in relation to intensive farming. First, do we wish to encourage intensive farming? Secondly, if we conclude that we do not wish to encourage intensive farming — the weight of evidence is on that side — is it right that the taxation system should encourage it?

Various reports, not merely Government-sponsored reports but also a report of the Agriculture Select Committee in 1981, have been virtually unanimous in their desire to move away from intensive farming. Indeed, the Brambell report commissioned by the Government reported in 1965 and recommended five basic freedoms. They included the freedom of movement, to be able to get up and turn around, for an animal to groom itself, to lie down and to stretch its limbs. We are now 20 years on and none of those is enshrined in statute.

The articles of the European Convention for the protection of animals kept for farming purposes makes specific reference to the welfare of animals which are kept under intensive farming conditions. Article 3 states:

"Animals should be housed and provided with food, water and care in a manner which—having regard to their species and to their degree of development, adaptation and domestication — is appropriate to their physiological and ecological needs in accordance with established experience and scientific knowledge."

A Select Committee report in 1981 recommended in relation to the three main items of intensive farming that there should be an early end to veal calf rearing in crates, measures to end the close confinement of sows and the phasing out of battery hens over a five-year period.

Again, it is fair to say that little has been achieved in relation to those specific recommendations. If one studies the answers to parliamentary questions, even as recently as April 1986, it is clear that in relation to veal crates and battery hens there has been little progress.

It is right to ask the Chief Secretary to explain what are the Government's policies. The Government are not merely signatories to the European Convention. EEC council directives have discussed the welfare of animals which are reared in intensive farming conditions. It is a little difficult not to reach the conclusion that legislation in this respect is long on aspirations but that the Government are short on the action needed to turn those aspirations into reality. The only firm legislation in this area is the Agriculture (Miscellaneous Provisions) Act 1968. That set out, as an offence, the causing of unnecessary pain or distress to animals. I should like to know how many prosecutions there have been because of that legislation — I suspect precious few. I suspect that agricultural Ministers are curiously reluctant to vigorously prosecute.

There is a wide body of scientific and public opinion which considers some aspects of intensive farming as unacceptable. The European Convention for the protection of animals kept for farming purposes is against it. The Select Committee on Agriculture and many hon. Members are opposed to such farming. Indeed, the Government are committed to taking action on animal welfare and intensive farming. It is reasonable to conclude, therefore, that the House and Government's of all political persuasions are committed to action. What should be the taxation position in relation to intensive farming?

At the present time, I understand that there are extra statutory concessions which have the effect of giving capital allowance relief to intensive farming. The purpose of the provisions in clause 56 is to replace the extra statutory concessions with expressed laws written into section 68 of the Capital Allowances Act 1968.

[Mr. Tony Blair]

My hon. Friend the Member for Leyton has legitimately asked whether this is something we should encourage. If capital allowances are given, there is no doubt that it encourages such farming. There is no actual discrimination in favour of intensive farming but it has been pointed out in previous debates that if one was to change from crated veal to grass-fed veal one may buy or rent fields in order to feed that veal yet there is no tax relief available to do so. Such grass-fed veal production is a more acceptable type of farming. There are also taxation allowances available for industrial farming.

The Select Committee on Agriculture and frequent reports on this subject consider that the tax system should play some part in stating what the position of the public should be towards intensive farming. When the Chief Secretary replies, I trust that he will say whether he agrees with the recommendations of the 1981 Select Committee on Agriculture. That Committee asked that the Government should undertake a review of taxation to see if it was possible, through the taxation system, not merely to cease to encourage intensive farming but to find ways of discouraging it.

A short time ago I remember the Chief Secretary told us that it was in the interests of agriculture to diversify — we all agree on that. It is right that the Chief Secretary should state whether, as part of that diversification, he thinks that it is correct there should be a move away from intensive farming and towards a better system of farming which had been recommended on many occasions.

I notice that the Minister of Agriculture is here and that he has been muttering away in the corner. I must point out to him that the Farm Animal Welfare Council, which is a Government sponsored body, has made it quite clear that many of the arguments that we have put forward this evening should have the support of the Government. I find it curious that the Minister should come to the House and mutter against them. We should have some sign of the Government's thinking.

This is a matter in regard to which Government action is lagging somewhat behind public opinion. There are growing consumer pressures, not to mention pressures from the animal welfare lobby, asking for a re-examination of the system of intensive farming and the relevant taxation. I pay tribute to my hon. Friend the Member for Leyton for raising this subject, and I hope that the Chief Secretary will shed some light on it.

10.30 pm

The Chief Secretary to the Treasury (Mr. John MacGregor): I quite understand why the hon. Member for Leyton (Mr. Cohen) wishes to raise these matters, and I congratulate him on managing to initiate a debate on the Floor of the House as well as in Standing Committee. When we debated the matter in Committee, I warned him that, if we debated this again on the Floor of the House, I should have to focus on the narrow point regarding taxation.

I shall not go into the wider issues which the hon. Gentleman raised, which are the responsibility of my right hon. Friend the Minister of Agriculture, Fisheries and Food, who is here and has listened to the debate, because I do not think that I should go into animal welfare, the rearing of livestock and the relevant regulations. These are matters on which the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food, my hon. Friend the Member for Medway (Mrs. Fenner), often speaks in the House, and they are matters for her to respond to.

The hon. Member for Leyton said that, under clause 56, people with buildings that are used for intensive livestock production will get tax relief. He described it as another inducement, as though we are making a change and encouraging intensive livestock production by applying capital allowances to them. That is not true. He is labouring under a misapprehension. There have always been such allowances for these purposes. We are not changing the law in any way in regard to agricultural buildings allowances.

As the hon. Member for Sedgefield (Mr. Blair) said, there has been an extra-statutory concession for many years. It has applied under successive Labour Governments. When we made a change in the agricultural buildings allowance—we are making a modest change in another direction in clause 56—it seemed appropriate to put the extra-statutory concession into primary legislation, as the House wishes, and not leave it as an extra-statutory concession.

We are merely applying the change in clause 56 and schedule 15 relating to balancing adjustments to buildings used for intensive livestock production, like all other agricultural buildings. We are not giving any extra incentives to intensive livestock rearing. If we accepted the amendment, we should reverse the practice of many years. That was never the point of clause 56 and schedule 15. If we want to debate their purpose, as the hon. Member for Sedgefield suggested, that would be a matter for a different occasion.

We should not make a major change to agricultural practices at this late stage in our consideration of the Finance Bill, and I cannot commend the amendment to the House.

Mr. Cohen: The issue will not go away and we will raise it again. Nevertheless, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Schedule 15

Agricultural Land and Buildings

Mr. MacGregor: I beg to move amendment No. 109, in page 172, line 20, leave out 'with' and insert 'on the first day of'.

Mr. Deputy Speaker (Mr. Ernest Armstrong): With this it will be convenient to consider Government amendments Nos. 110, 111 and 112.

Mr. MacGregor: Schedule 15 includes a set of rules that govern the amount of the annual allowance that is to be given to the vendor and purchaser when there is a sale or other transfer of the relevant interest in the agricultural or forestry land on which the qualifying building or works stand, but no election for a balancing adjustment is made. In cases of this kind, the purchaser takes over the balance of allowances to which the vendor would otherwise have been entitled.

Although the rules as presently drafted would be adequate to deal with many such sales or transfers, our attention has been drawn to the fact that the present wording will give rise to difficulty when, for example, one unincorporated farmer sells to another unincorporated farmer who has a different accounting date.

In such cases, the rules as they stand are not as clear as they might be on the amount of allowances which the two parties to the transaction should receive at the time of the change of ownership. An additional long-term effect could be that full relief for the original capital expenditure might not have been given to the purchaser by the end of the 25-year writing-down period.

This is an area of considerable technical difficulty, but we believe that the proposed amendments, although somewhat lengthy, will put matters right.

Amendment agreed to.

Amendments made: No. 110, in page 174 , leave out lines 11 to 16 and insert

'the former owner shall not be entitled to an allowance under this Schedule for any chargeable period of his after that related to the acquisition and the new owner shall be entitled to allowances under this Schedule for the chargeable period of his related to the acquisition and for subsequent chargeable periods falling within the writing-down period.

(1A) If, in a case falling within sub-paragraph (1) above, the date of the acquisition occurs during a chargeable period of the former owner or its basis period, he shall be entitled only to an appropriate portion of an allowance for the chargeable period related to the acquisition and, similarly, if the date of the acquisition occurs during a chargeable period of the new owner or its basis period, he shall be entitled only to an appropriate portion of an allowance for the chargeable period (of his) related to the acquisition'.

No. 111, in page 174, in line 18, leave out 'sub-paragraph (1) and insert 'sub-paragraphs (1) and (1A).

No. 112, in page 174, line 41, at end insert—

'(4A) If, by virtue only of the operation of the preceding provisions of this paragraph and, where appropriate, section 75(2) of the Capital Allowances Act 1968, the total allowances which, apart from this sub-paragraph, would fall to be made under this Schedule in respect of any expenditure during the writing-down period appropriate to it would be less than the amount of that expenditure, then, for the chargeable period in which that writing-down period ends, the allowance in respect of that expenditure shall be increased to such amount as will secure that the total of the allowances equals the amount of that expenditure'.—*[Mr. MacGregor.]*

Schedule 17

Securities: Amendments of Finance Act 1985

Amendments made: No. 113, in page 191, line 2, leave out '(5)' and insert '(6)'.

No. 114, in page 191, leave out from beginning of line 3 to end of line 8 on page 192 and insert—

'(2) In sub-paragraphs (2) and (3) for "the unrealised interest" there shall be substituted "amount A".

(3) For sub-paragraph (4) there shall be substituted—

"(4) Where the transferee receives an amount by way of the unrealised interest (amount B) and that amount falls to be taken into account in computing tax charged for the chargeable period in which it is received, it shall for the purposes of the Tax Acts be treated as reduced by an amount (amount C) equal to —

(a) nil, if amounts have been previously received by the transferee by way of the unrealised interest and their aggregate is equal to or greater than the value (on the day of the transfer to the transferee) of the right to receive the unrealised interest,

(b) amount B, if that value is equal to or greater than amount B (aggregated with other amounts previously so received, if any),

(c) that value, if no amount has been previously so received and that value is less than amount B, or

(d) so much of that value as exceeds the aggregate of amounts previously so received, in any other case."

(4) In sub-paragraph (7) for "the amount of the unrealised interest" there shall be substituted "amount A".

(5) In sub-paragraph (7A) for "the amount of the unrealised interest" there shall be substituted "amount C".

(6) The following shall be substituted for sub-paragraph (8)—

"(8) In this paragraph 'amount A' means, in case where the transferor acquired the securities by a transfer on or after 28th February 1986 with the right to receive unrealised interest, —

(a) an amount equal to amount D less amount E, or

(b) if amount D is equal to or less than amount E, nil

(9) In this paragraph 'amount A' means, in a case not falling within sub-paragraph (8) above, an amount equal to amount D.

(10) In this paragraph 'amount D' is an amount equal to the value (on the day of the transfer by the transferor) of the right to receive the unrealiaed interest.

(11) In this paragraph 'amount E' means, in a case where the transferor (as transferee) has received in respect of the securities an amount or amounts falling within sub-paragraph (4) above,—

(a) an amount equal to amount F less the total received, or

(b) if amount F is equal to or less than the total received, nil.

(12) In this paragarph 'amount E' means, in any other case, an amount equal to amount F.

(13) In this paragraph 'amount F' means an amount equal to the value (on the day of the transfer to the transferor) of the right to receive the unrealised interest.

(14) In determining for the purposes of this paragraph which securities of a particular kind a person has transferred, he is to be taken to have transferred securities of that kind which he acquired later before securities of that kind which he acquired earlier.

(15) Where the unrealised interest is payable in a currency other than sterling—

(a) any amount received by way of the interest is for the purpose of this paragraph the sterling equivalent on the day it is received of the amount it would be apart from this sub-paragraph, and

[Mr. MacGregor]

(b) the value (on the day of a transfer) of the right to receive the interest is for the purposes of this paragraph the sterling equivalent (on that day) of the value it would be apart from this sub-paragraph;

and for this purpose the sterling equivalent is to be calculated by reference to the London closing rate of exchange for the day concerned.".'.—*[Mr. MacGregor.]*

Clause 96

LIFETIME TRANSFERS POTENTIALLY EXEMPT ETC.

Amendments made: No. 20, in page 85, line 20 leave out from 'tax' to end of line 21.

No. 21, in line 25, after 'transferor', insert—

'*(dd)* making provision with respect to the application of relief under Chapter I (business property) and Chapter II (agricultural property) of Part V of the 1984 Act to such transfers'.

No. 22, in page 86, line 1, after 'effect' insert 'subject to Part II of that Schedule'.—*[Mr. MacGregor.]*

Schedule 19

INHERITANCE TAX

Sir Brandon Rhys Williams: I beg to move amendment No. 115, in page 201, line 9, leave out 'otherwise than as settled property'.

Mr. Deputy Speaker: With this it will be convenient to take the following amendments:

No. 116, in page 201, leave out lines 14 and 15.

No. 117, in page 201, line 32, after 'provision', insert 'other than section 52'.

No. 120, in page 205, line 20, leave out paragraphs 13 and 14.

No. 203, in page 205, line 26, at end insert—

'13A. After Section 52 there shall be inserted the following section—

"52A. (1). This section applies to a transfer of value of settled property where:—

(a) by virtue of a potentially exempt transfer made after 18th March 1986 ('the original transfer') a person other than the settlor ('the life tenant') becomes beneficially entitled to an interest in possession in the settled property immediately after the settlement commenced; and

(b) within seven years of the commencement of the settlement the life tenant's interest comes to an end whether during the life tenant's lifetime or on his death; and

(c) the transfer of value of the settled property then made ('the relevant transfer') is not a potentially exempt transfer or if the relevant transfer is made on the life tenant's death would not have been a potentially exempt transfer if it had been made during the life tenant's lifetime.

(2) Where this section applies the tax chargeable on the relevant transfer shall be the greater of:—

(a) the tax which would be chargeable on the relevant transfer apart from this section; and

(b) the tax which would have been chargeable on the original transfer if such transfer had not been a potentially exempt transfer less the tax (if any) which proves to be chargeable on the original transfer.

(3) References to the commencement of a settlement shall be construed in accordance with section 60 of this Act.".'.

Sir Brandon Rhys Williams: The Budget introduced a significant new departure in regard to the tax treatment of outright gifts: they will be entirely free of tax if the donor survives for seven years. That is intended to be, and will certainly constitute, a very strong encourgement to people with money or property to bequeath to hand it over well before they come to the end of their days. I feel some doubt about the extension of the period of risk to seven years, but the reform has been widely welcomed and is an important part of the Budget.

There is a matter of concern to many people who want to make prudent dispositions of their personal assets, including a number of my constituents in Kensington, not only people of very substantial personal wealth, but people with shares in family businesses or simply with spouses or dependants for whom they want to provide without running the risk that their assets after their time might be dissipated by immature or inexpert management.

The Government's proposals are also causing acute concern to the professional advisers who are responsible for helping such people, as I am sure my hon. Friend is well aware. This is because under the Budget proposals an element of discrimination is now introduced against trusts which create a life interest, technically called interest in possession trusts. This type of trust has been the classic vehicle for centuries for conveying family assets from generation to generation, and has played a recognised and entirely respectable part in maintaining continuity and stability in the control of personal wealth, including family businesses and agricultural estates.

To legislate in such a way as to put families that rely on this method of ensuring that their assets are competently managed and preserved over long spans of time would be entirely contrary to the Government's policy and damaging to the public interest. In disposing of their property, many people will now be advised to avoid the use of this sensible and satisfactory method of settlement; and trusts already in existence may be wound up prematurely when it would have been more prudent to have let them continue.

That, however, is the effect of what presently stands in the Bill. Outright gifts are to be made entirely free of tax if the donor lives for seven years, but if money is put into an interest in possession trust on the way to the very same beneficiary, or if it has already been put into such a trust, it will continue to be caught for tax on the transfer of the capital. This new departure is a breach of the established principle that outright gifts and gifts through interest in possession trusts should be treated on all fours for tax purposes.

Many people have relied on that principle and with good reason. The Capital Transfer Tax Act of 1984 makes the point in section 49, which provides:

"A person beneficially entitled to an interest in possession in settled property shall be treated for the purposes of this Act as beneficially entitled to the property in which the interest subsists."

The Act was merely repeating, without any change, the provisions of schedule 5 to the Finance Act 1975. That provision has thus been part of statute law for a considerable number of years and many people have relied on it. There could not be a more specific statement in statute that outright gifts and interests in possession trusts are seen as having equal tax status.. Many trusts have been set up in reliance on that statement. Now the settlors find, retrospectively, that they appear to have made a mistake.

The matter was raised in Committee on 10 June by my hon. Friend the Member for Corby (Mr. Powell), but his amendments were rejected with a somewhat far-fetched argument from my hon. Friend the Minister. He introduced the bogey of a man of straw, who he felt might be brought into the matter to assist in creating a tax fiddle. Professional people who know this subject well found this suggestion surprising. In so far as there is a risk to the Inland Revenue, it could easily be overcome. My amendments include a provision that would make it profitless to bring a man of straw into the sequence of beneficiaries. There would be no risk that the donor could get money into a discretionary trust on the cheap, which is what my hon. Friend is afraid of. Other answers could no doubt be devised, but I recommend amendment No. 203 as the simple answer to the bogey that the man of straw might give rise to undesirable tax avoidance.

The tax implications of my proposal would be very small, if not nil, for the simple reason that people with assets to transfer will now take advantage of the freedom from tax available through outright gifts, and will cease to use the sensible and hitherto widely used device of an interest in possession trust. To leave the Bill as it stands would be pointlessly damaging and entirely unnecessary. I have tabled, with the benefit of highly professional advice, amendments that would restore the status of interest in possession trusts without opening up any risk of a new type of tax abuse. I hope therefore that the Treasury will accept my amendments.

Mr. Brooke: My hon. Friend the Member for Kensington (Sir B. Rhys Williams) has returned to the specific subject of trusts which we discussed in Committee. It was good of him to welcome the main thrust of the Government's provisions in this sector. Amendments Nos. 115, 116, 117 and 120 seek to exempt lifetime transfers into and out of interest in possession trusts from an immediate tax charge—that is, to make them potentially exempt transfers in the same way as transfers between individuals. Thus, they cover much the same ground as more detailed amendments on the same topic that were discussed in Committee, when I explained in some detail why the Government were unable to accept the amendments.

10.45 pm

We believe that an effective trust regime must be retained as protection for the death charge. Without it, inheritance tax would become a voluntary tax and we do not intend to allow that to happen. As I explained, we have decided to retain the existing trust regime for that purpose. It was introduced in 1982 after extensive consultation and has become widely accepted as a proper method of changing trusts. We believe that it must be kept intact if it is to remain effective.

In particular, we believe that we must retain the charges that affect interests in possession. Trust interests can easily be altered, and if we exempted transfers involving interests in possession without substantial new anti-avoidance provisions we should greatly assist those who already regard the trust regime as a major factor in their tax planning. Although my hon. Friend expressed disbelief in the man of straw, there is no doubt that that is a potential device for circumventing the death charge and the intent that lies behind the Government's present legislation.

Our decision has been criticised as a departure from the capital transfer tax concept of giving interests in possession parity of treatment with outright ownership. That was a conscious decision and I make no apology for it. Capital transfer tax has now gone. The Government's purpose in changing to inheritance tax is to remove obstacles to unfettered lifetime giving while protecting the death charge. My hon. Friend was good enough to praise the basic intent.

Trust giving may now be more expensive than unfettered outright giving. But trusts are no worse off than they were under capital transfer tax; indeed, they may do rather better, because absolute gifts outside the period of seven years before the donor's death will not now influence the trust tax rates. If we had proceeded differently so as to keep slavishly to the old concept of parity, we would have needed to create a new trust regime with a complicated network of anti-avoidance measures. We believe that that would have been unwelcome, not least because it might well have made trust giving more expensive.

My hon. Friend then referred to amendment No. 203 and indicated that it would provide a device to respond to the Government's misgivings about providing relief to the trust regime in this area. Amendment No. 203 attempts to counter the trust-based avoidance that could occur if interests in possession were treated in the same way as outright interests. It seeks to provide that if property passes through an interest in possession trust into a discretionary trust, the rate of tax payable when the discretionary trust comes into existence will be that which would have been applicable to the original CTT law. In principle, obviously this is a sound approach if one accepts that the old capital transfer tax parity should be retained, but, as I explained, Ministers do not accept that.

Even on its own merits, amendment No. 203 is not sufficiently refined. It fails to deal with the routeing of property through a temporary interest in possession for a spouse or with any other case where the original transfer into trust exploits an inheritance tax exempt transfer provision. It expires illogically after seven years. It creates anomalies and it fails to address such issues as the effect on cumulations. It may have been unintentional, but it even starts a day too late—after 18 March instead of on 18 March.

I mention these things to illustrate the point that I made both in Standing Committee and a moment ago that a panoply of legislation would be needed to prevent avoidance if we were to adopt the approach proposed by the amendments. My hon. Friend is an example to the whole House in the manner in which he goes into these things. He may care to consider the detailed supportive provisions that apply when conditional exemption of heritage property is clawed back. They are in sections 33 and 34 of the Capital Transfer Tax Act 1984 which are amended by schedule 19.

A simple provision drafted on to existing legislation would not do. It would be necessary to undertake a major review and revision of all the trust provisions in the inheritance tax legislation and to construct a fresh code, complete with appropriate anti-avoidance provisions. Even if my hon. Friend were able to consider sections 33 and 34, I do not promise him that all the complications would be dealt with. That road would be complicated. We have decided not to go down it. For that reason, I ask my hon. Friends to reject the amendment.

Sir Brandon Rhys Williams: This short debate has served a useful purpose, because it has elicited from the

[Sir Brandon Rhys Williams]

Treasury a more specific argument than that which we had in the Standing Committee in support of the Government's intention. We should all be grateful to my hon. Friend the Minister of State for the trouble that he has taken to analyse the reasons as precisely as he has. As he is aware, he has left himself open to the extensive correspondence that will inevitably follow when people have had time to consider all that he has said. For the time being, I thank him for taking the matter so seriously. In view of his remarks, especially those concerning my amendment No. 203, I will not press the matter. However, I hope that, in due course, the House will consider it again. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendments made: No. 119, in page 205, line 13 at end insert—

'11A. In section 35 (conditional exemption on death before 7th April 1976) in subsection (3) for the words "section 33(7) above, the reference" there shall be substituted "section 33(7) and (8) above, references", and for the words "includes a reference" there shall be substituted "include references".'.

No. 121, in page 206, line 22, leave out 'section' and insert 'sections'.

No. 122, in page 207, line 19, at end insert—

'(5A) Where any shares owned by the transferee immediately before the death in question—

(a) would under any of the provisions of sections 77 to 86 of the Capital Gains Tax Act 1979 be identified with the original property (or part of it), or

(b) were issued to him in consideration of the transfer of a business or interest in a business consisting of the original property (or part of it),

they shall be treated for the purposes of this section as if they were the original property (or that part of it).

(5B) This section has effect subject to section 113B below.'.

No. 123, in page 207, line 27, at end insert

'or, where on the transfer the original property became or remained settled property in which no qualifying interest in possession (within the meaning of Chapter III of Part III of this Act) subsists, the trustees of the settlement'.

No. 124, in page 207, line 27, at end insert—

'Application of section 113A to replacement property

113B.—(1) Subject to subsection (2) below, this section applies where—

(a) the transferee has disposed of all or part of the original property before the death of the transferor; and

(b) the whole of the consideration received by him for the disposal has been applied by him in acquiring other property (in this section referred to as "the replacement property").

(2) This section does not apply unless—

(a) the replacement property is acquired, or a binding contract for its acquisition is entered into, within twelve months after the disposal of the original property (or, as the case may be, the part concerned); and

(b) the disposal and acquisition are both made in transactions at arm's length or on terms such as might be expected to be included in a transaction at arm's length.

(3) Where this section applies, the conditions in section 113A(3) above shall be taken to be satisfied in relation to the original property (or, as the case may be, the part concerned) if—

(a) the replacement property is owned by the transferee immediately before the death of the transferor; and

(b) throughout the period beginning with the date of the chargeable transfer and ending with the death (disregarding any period between the disposal and acquisition) either the original property or the replacement property was owned by the transferee; and

(c) in relation to a notional transfer of value made by the transferee immediately before the death, the replacement property would (apart from section 106 above) be relevant business property.

(4) If the transferee has died before the transferor, any reference in subsections (1) to (3) above to the death of the transferor shall have effect as a reference to the death of the transferee.

(5) In any case where—

(a) all or part of the original property has been disposed of before the death of the transferor or is excluded by section 113 above from being relevant business property in relation to the notional transfer of value referred to in section 113A(3)*(b)* above, and

(b) the replacement property is acquired, or a binding contract for its acquisition is entered into, after the death of the transferor but within twelve months after the disposal of the original property or part, and

(c) the transferor dies before the transferee,

subsection (3) above shall have effect with the omission of paragraph *(a)*, and as if any reference to a time immediately before the death of the transferor or to the death were a reference to a time immediately before the death of the transferor or to the death were a reference to the time when the replacement property is acquired.

(6) Section 113A(5A) above shall have effect in relation to the replacement property as it has effect in relation to the original property.

(7) Where a binding contract for the disposal of any property is entered into at any time before the disposal of the property, the disposal shall be regarded for the purposes of subsections (2)*(a)* and (5)*(b)* above as taking place at that time.

(8) In this section "the original property" and "the transferee" have the same meaning as in section 113A above.".'.

No. 125, in page 207, line 28, leave out 'section' and insert 'sections'.

No. 126, in page 208, line 5, after 'period",' insert

'and is not at the time of the death subject to a binding contract for sale'.

No. 127 in page 208, line 35, at end insert—

'(5A) Where any shares owned by the transferee immediately before the death in question—

(a) would under any of the provisions of sections 77 to 86 of the Capital Gains Tax Act 1979 be identified with the original property (or part of it), or

(b) were issued to him in consideration of the transfer of agricultural property consisting of the original property (or part of it),

they shall be treated for the purposes of this section as if they were the original property (or that part of it).

(5B) This section has effect subject to section 124B below.'.

No. 128, in page 208, line 47, at end insert

'or, where on the transfer the original property became or remained settled property in which no qualifying interest in possession (within the meaning of Chapter III of Part III of this Act) subsists, the trustees of the settlement'.

No. 129, in page 208, line 47, at end insert—

'Application of section 124A to replacement property.

124B.—(1) Subject to subsection (2) below, this section applies where—

(a) the transferee has disposed of all or part of the original property before the death of the transferor; and

(b) the whole of the consideration received by him for the disposal has been applied by him in acquiring other property (in this section referred to as "the replacement property");

(2) This section does not apply unless—

(a) the replacement property is acquired, or a binding contract for its acquisition is entered into, within twelve months after the disposal of the original property or, as the case may be, the part concerned); and

(b) the disposal and acquisition are both made in transactions at arm's length or on terms such as might be expected to be included in a transaction at arm's length.

(3) Where this section applies, the conditions in section 12A(3) above shall be taken to be satisfied in relation to the original property (or, as the case may be, the part concerned) if—

(a) the replacement property is owned by the transferee immediately before the death of the transferor and is not at that time subject to a binding contract for sale; and

(b) throughout the period beginning with the date of the chargeable transfer and ending with the disposal, the original property was owned by the transferee and occupied (by the transferee or another) for the purposes of agriculture; and

(c) throughout the period beginning with the date when the transferee acquired the replacement property and ending with the death, the replacement property was owned by the transferee and occupied (by the transferee or another) for the purposes of agriculture; and

(d) the replacement property is agricultural property immediately before the death.

(4) If the transferee has died before the transferor, any reference in subsections (1) to (3) above to the death of the transferor shall have effect as a reference to the death of the transferee.

(5) In any case where—

(a) all or part of the original property has been disposed of before the death of the transferor or is subject to a binding contract for sale at the time of the death, and

(b) the replacement property is acquired, or a binding contract for its acquisition is entered into, after the death of the transferor but within twelve months after the disposal of the original property or part, and

(c) the transferor dies before the transferee,

subsection (3) above shall have effect with the omission of paragraphs *(a)* and *(c)*, and as if any reference to a time immediately before the death of the transferor were a reference to the time when the replacement property is acquired.

(6) Section 124A(5A) above shall have effect in relation to the replacement property as it has effect in relation to the original property.

(7) Where a binding contract for the disposal of any property is entered into at any time before the disposal of the property, the disposal shall be regarded for the purposes of subsections (2)*(a)* and (5)*(b)* above as taking place at that time.

(8) In this section "the original property" and "the transferee" have the same meaning as in section 124A above'.

No. 130, in page 209, line 9, at end insert

'(3) After that subsection there shall be inserted the following subsection—

"(2A) Where so much of the value transferred as is attributable to the value, or agricultural value, of the transferred property is reduced by any percentage (in this subsection referred to as "the appropriate percentage") in accordance with Chapter I or Chapter II of this Part of this Act, references in subsection (2) above to the market value of the transferred property at any time shall have effect —

(a) in a case within Chapter I, as references to that market value reduced by the appropriate percentage; and

(b) in a case within Chapter II, as references to that market value less the appropriate percentage of the agricultural value of the transferred property at that time."'.

No. 131, in page 211, line 9, leave out 'subsection' and insert 'subsections'.

No. 132, in page 211, line 13, leave out from 'which' to end of line 21 and insert—

'is owned by the transferee immediately before the death of the transferor (or, if earlier, his own death).

(1B) In subsection (1A) above "the transferee" means the person whose property the qualifying property became on the transfer or, where on the transfer the qualifying property became comprised in a settlement in which no qualifying interest in possession (within the meaning of Chapter III of Part III of this Act) subsists, the trustees of the settlement."

(2) In subsection (5) of that section after the words "subsection (1)*(b)* above" there shall be inserted "other than a case within subsection (1A) above where the transferee dies before the transferor".'.

No. 201, in page 212, line 14, after 'subsection', insert '(1) or'.

No. 133, in page 212, line 17, at end insert

'(except where the Board think fit to entertain the application at an earlier time after the death)".'.

No. 134, in page 213, line 35, at end insert—

'37A. In Schedule 6 (transition from estate duty) in paragraph 4(3) after the words "sections 33(7)" there shall be inserted the words "and (8)".'.

No. 135, in page 215, line 14, at end insert—

'44. Notwithstanding anything in section 3A of the 1984 Act, a transfer of value which is made on or after 1st July 1986 and which, by virtue of subsection (4) of section 49 of the Finance Act 1975 (transitional provision relating to estate duty deferment in respect of timber etc.), brings to an end the period during which estate duty is payable on the net moneys received from the sale of timber etc. is not a potentially exempt transfer.'.—*[Mr. MacGregor.]*

Clause 97

GIFTS WITH RESERVATION

Amendment made: No. 23, in page 87, line 12, leave out from 'unless' to end of line 15 and insert

'the policy is varied on or after that date so as to increase the benefits secured or to extend the term of the insurance; and, for this purpose, any change in the terms of the policy which is made in pursuance of an option or other power conferred by the policy shall be deemed to be a variation of the policy.'.

—*[Mr. MacGregor.]*

Schedule 20

GIFTS WITH RESERVATION

Amendments made: No. 136A, in page 219, line 22, leave out 'under the principal section'.

No. 202, in page 219, line 45, at end insert—

'Agricultural property and business property

8.—(1) Where there is a disposal by way of gift of property which, in relation to the donor, is at that time—

(a) relevant business property within the meaning of Chapter I of Part V of the 1984 Act, or

(b) agricultural property, within the meaning of Chapter II of that Part, to which section 116 of that Act applies, or

(c) shares or securities to which section 122(1) of that Act applies (agricultural property of companies),

and that property is property subject to a reservation, then, subject to the following provisions of this paragraph, any question whether, on the material transfer of value, relief is available by virtue of Chapter I or Chapter II of Part V of the 1984 Act and, if so, what is the appropriate percentage for the relief shall be determined as if, so far as it is attributable to the property comprised in the gift, that transfer were a transfer of value by the donee.

(2) For the purpose only of determining whether, on the transfer of value which, by virtue of sub-paragraph (1) above, the donee is assumed to make, the requirement of section 106 or, as the case may be, section 117 of the 1984 Act (minimum period of ownership or occupation) is fulfilled,—

(a) ownership by the donor prior to the disposal by way of gift shall be treated as ownership by the donee; and

[Sir Brandon Rhys Williams]

(b) occupation by the donor prior to the disposal and any occupation by him after that disposal shall be treated as occupation by the donee.

(3) Where the property disposed of by the gift consists of shares or securities falling within paragraph *(c)* of sub-paragraph (1) above, that sub-paragraph shall not apply unless—

(a) section 116 of the 1984 Act applied in relation to the value transferred by the disposal, and

(b) throughout the period beginning with the disposal and ending on the material date, the shares or securities are owned by the donee,

and for the purpose only of determining whether, on the transfer of value which, by virtue of sub-paragraph (1) above, the donee is assumed to make, the requirements of subsection (1) of section 123 of the 1984 Act are fulfilled, it shall be assumed that the requirement in paragraph *(b)* of that subsection (as to the ownership of the shares or securities) is fulfilled.

(4) In this paragraph, "the material transfer of value" means, as the case may require,—

(a) the transfer of value under section 4 of the 1984 Act on the death of the donor; or

(b) the transfer of value under subsection (4) of the principal section on the property concerned ceasing to be subject to a reservation.

(5) If the donee dies before the material transfer of value, then, as respects any time after his death, any reference in the preceding provisions of this paragraph to the donee shall be construed as a reference to his personal representatives or, as the case may require, the person (if any) by whom the property, shares or securities concerned were taken under a testamentary disposition made by the donee or under his intestacy (or partial intestacy).'.—*[Mr. MacGregor.]*

Clause 98

Treatment of certain debts and incumbrances

Amendments made: No. 24, in page 87, leave out lines 27 to 34.

No. 25, in page 89, line 11, at end insert—

'(8) In determining the value of a person's estate immediately before his death, no account shall be taken (by virtue of section 5 of the 1984 Act) of any liability arising under or in connection with a policy of life insurance issued in respect of an insurance made on or after 1st July 1986 unless the whole of the sums assured under that policy form part of that person's estate immediately before his death.'. —*[Mr. MacGregor.]*

Clause 99

Regulations for avoiding double charges etc.

Amendments made: No. 26, in page 89, line 25, leave out 'and'.

No. 27, in page 89, line 30, at end insert

'or by virtue of which property becomes comprised in a settlement of which that other person is a trustee; or

(d) the circumstances are such as may be specified in the regulations for the purposes of this subsection, being circumstances appearing to the Board to be similar to those referred to in paragraphs *(a)* to *(c)* above.'. —*[Mr. MacGregor.]*

Clause 104

Alternative valuation of light gases

Amendment made: No. 28, in page 95, line 33, at beginning insert

'This section shall be construed as one with part I of the principal Act and'.—*[Mr. MacGregor.]*

Schedule 21

Modifications of Finance Act 1982, Schedule 18 in Relation to Elections Under Section 104 of this Act

Amendments made: No. 137, in page 220, line 12, after 'election)' insert

'in sub-paragraph (2)*(b)* for the words "and not exceeding fifteen years" there shall be substituted "or in the case of an election made before 31st December 1986, beginning on 1st July 1986" and'.

No. 138, in page 221, line 22, leave out 'for the words following "but"', and insert

'in paragraph *(a)* after the word "and", in the first place where it occurs, there shall be inserted the words "which, subject to sub-paragraph (3) below" and in the words following paragraph *(b)* for the words from "is not" onwards'.

No. 139, in page 221, line 27, leave out from beginning to 'Sub-paragraph' in line 28 and insert

'sub-paragraphs—

"(3) In the case of an election which relates to light gases which are "excluded oil", as defined in section 10(1) of the principal Act, sub-paragraph (1)*(a)* above shall have effect with the omission of the words from "and which" to "date of the election".

No. 140, in page 223, line 27, at beginning insert

'then, subject to sub-paragraph (4) below'.

No. 141, in page 223, line 46, at end insert—

'(4) If, within the period of three months beginning on the date of a notice under this paragraph, the party or parties to the election give notice in writing to the Board—

(a) specifying a new price formula taking account of the manner, extent or pattern of supply by which the gases to which the election applies are being disposed of or appropriated, and

(b) containing, if appropriate, a description of the changed pattern of supply which at the time of the notice, the party or parties to the election consider most probable,

then, if that new price formula is accepted by the Board in accordance with paragraph 7 below, so much of sub-paragraph (1) above as provides that the election shall not have effect with respect to certain periods shall not apply.

(5) If notice has been given under sub-paragraph (4) above and a new price formula has been accepted as mentioned in that sub-paragraph then, for the purpose of determining, for any chargeable period beginning after the date on which the Board gave notice as mentioned in sub-paragraph (1) above, the market value of light gases to which the election applies, section 104 of the Finance Act 1986 shall have effect as if the new price formula were the formula specified in the election.'.

No. 142, in page 224, line 3, at end insert

'and at the end of paragraph (b) of that sub-paragraph there shall be inserted "or

(c) a new price formula specified in a notice under paragraph 6A(4) above";

and for the words from "were specified" onwards there shall be substituted "had been specified in, and at the time of, the election and as if the circumstances giving rise to the new price formula had been in contemplation at that time."

(2) In sub-paragraph (5) of that paragraph, after "6(5)*(b)*" there shall be inserted "or paragraph 6A(4)".'—*[Mr. MacGregor.]*

Schedule 22

REPEALS

Amendments made: No. 143, in page 227, line 25, column 3, at beginning insert—

'In section 457(1A), the words from "and does not" to the end.'

No. 144, in page 227, line 30, column 3, at end insert—

'Section 107(3).'

No. 145, in page 227, line 40, at end insert—

'1985 c.54. The Finance Act 1985. Section 49.

The repeal in section 457(1A) of the Income and Corporation Taxes Act 1970 and the repeal of section 49 of the Finance Act 1985 have effect for the year 1986-87 and subsequent years of assessment.'

No. 146, in page 227, line 46, at end insert—

'The repeal of section 107(3) of the Finance Act 1972 has effect where a company ceases to carry on a trade, or part of a trade, after 18th March 1986, subject to the application of section 42(3) of this Act with the words "the repeal does not" substituted for "those amendments do not".'.

No. 176, in page 231, line 2, after 'executed', insert—

'in pursuance of a contract made'.

No. 147, in page 231, line 13, column 3, at beginning insert—

'In section 7(1)*(a)*, the word "appropriate".'.

No. 30, in page 231, line 29, at end insert—

'PART XI

BROADCASTING: ADDITIONAL PAYMENTS BY PROGRAMME CONTRACTORS

Chapter	Short Title	Extent of Repeal
1981 c.68.	The Broadcasting Act 1981.	In section 32(9), the words "to amend sub-sections (4) and (5)". In section 34(2)*(b)*, the words from "when the" to the end. In section 35(2)*(a)* and *(b)*, the word "relevant".
1984 c. 46.	The Cable and Broadcasting Act 1984.	Section 40(3).

These repeals shall be deemed to have come into force on 1st April 1986.

—*[Mr. MacGregor.]*

10.51 pm

Mr. MacGregor: I beg to move, That the Bill be now read the Third time.

Mr. Terry Davis: It is interesting that the Chief Secretary to the Treasury should move the Third Reading so briefly. I was prepared for him to make a longer speech. However, it was not necessary, because there is so little in the Bill. I am glad that, at long last, he has conceded that the Budget is irrelevant and that the Bill is uninteresting. There has been a tacit admission that we were right.

However, some things have changed since the Budget and, therefore, the Bill—not least of which is the fall in the price of oil. We were told that the Budget and the Bill were based on the assumption that oil would be $15 a barrel for the rest of the year. It is now $9 a barrel. There has been a change in unemployment. Unemployment has risen by 60,000 since the Budget.

Everywhere we look we see that the Government's strategy is in tatters. I am not surprised that the Chief Secretary did not wish to draw attention to that by seeking to make a speech when he moved the Third Reading of the Bill.

10.53 pm

Mr. MacGregor: It was not my intention not to make a speech, because I am proud of the Bill. I thought that the hon. Member for Birmingham, Hodge Hill (Mr. Davis) wanted to make progress. As I said at the start of our Second Reading debate over two months ago, the Bill continues the Government's progress in reducing the burden of taxation and reforming the tax system, despite the constraint of an unprecedented fall in oil revenues. That achievement demonstrates the underlying resilience of the economy, the limited extent to which we now need to rely on the North Sea sector, and the value of the prudent financial and economic policies that we have pursued.

The main tax reduction in the Bill is the cut in the basic rate to 29p—the first such reduction since 1979. This improves incentives for over 20 million people of working age, and is a further step towards the long-term objective of a basic rate of no more than 25 per cent., to which my right hon. Friend the Chancellor referred in his Budget speech. The higher rate threshold changes have been structured in such a way that the benefit of this year's basic rate cut is concentrated around the middle of the income distribution.

The Bill incorporates a number of other important tax measures—the introduction of personal equity plans; the restructuring of stamp duty; and the introduction of a generous package of reliefs to encourage charitable giving. Those measures have been widely welcomed in the charity field. The change from capital transfer tax to inheritance tax, with the abolition of the immediate tax change on lifetime gifts between individuals, will be of particular benefit to family firms and family farms.

We had a very constructive and worthwhile Committee stage. During our scrutiny of the Bill, we made helpful technical changes and also a number of changes that went wider than that. Most hon. Members will be aware of those changes, and I shall not elaborate upon them. The House has considered a large number of technical and other amendments in response to representations that were made in Committee and it now wishes to make progress. The Bill reflects the Government's taxation objectives. It was thoroughly worth while in its original form, and it has benefited from careful and constructive consideration. Therefore, I commend it to the House.

Question put and agreed to.

Bill accordingly read the Third time, and passed.

Channel Tunnel Bill

10.55 pm

The Minister of State, Department of Transport (Mr. David Mitchell): I beg to move,

That it be an Instruction to the Committee on the Channel Tunnel Bill that it has power to consider alternatives to the provision which is now made in the Bill regarding the access to and egress from the terminal area by road, and that with respect to the access and egress from the terminal area by road it has power to make Amendments to the Bill if it thinks fit; and that any Petitions against such Amendments to the Bill presented by being deposited in the Private Bill Office not later than 26th September, in which the Petitioners pray to be heard by themselves, their Counsel or Agents, be referred to the Committee.

I am happy to say that I shall not need to take up too much of the time of hon. Members in explaining the background to the somewhat narrow point that gives rise to tonight's debate. As with so many aspects of the Channel Tunnel proposals as they affect Folkestone, hon. Members will recognise the hand of my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), the Parliamentary Under-Secretary of State for Trade and Industry, in terms of the matters that we are debating. Indeed, some will be familiar with that biblical quotation

"The voice is the voice of Jacob, but the hand is the hand of Esau."

In this case I have to admit that the voice is the voice of transport, but the hand is the hand of my hon. and learned Friend the Member for Folkestone and Hythe, who has pressed so strongly that the means of access to and egress from the Cheriton terminal should be altered in ways which find favour with his constituents.

As the House knows, the Channel Tunnel Bill was given a Second Reading on 5 June. In the early hours of 6 June, being a hybrid Bill it was committed for consideration to a Select Committee of Members of this House. The Select Committee was duly appointed, and on 24 June began to hear petitions from affected groups and individuals seeking amendments to the Bill, or assurances about their rights or interests.

Under the Bill's proposals, vehicular access to and from the M20 would take the form of a three-lane, dual carriageway road, approximately 1·7 km long, to the north-western corner of the terminal site. The villages of Frogholt and Newington would then lie between the terminal approach road and the motorway. The approach road would also pass between Newington and its sister village of Peene, although at this point, for a short length it would be constructed in cut and cover. This road to the terminal would also pass very close to Asholt wood, a wet wood, which is designated as a site of special scientific interest.

The construction of the approach roads would necessitate the acquisition of about 45 acres of agricultural land. A number of bodies and individuals petitioned the Select Committee in favour of certain changes to these arrangements for access to and egress from the terminal. These petitioners included Shepway district council, the authority within whose area the terminal site lies, my hon. and learned Friend the Member for Folkestone and Hythe, taking a special interest. The Kent county council and three other district councils in east Kent were also petitioners in this matter.

In seeking these changes, the petitioners have several objectives, including a reduction in the amount of open land required for the terminal, a reduction in the noise and disturbance in the villages of Newington, Peene and Frogholt and the provision of a means of encouraging visitors arriving at the terminal to visit Folkestone, Dover and east Kent instead of joining the M20 directly and heading for London and beyond.

I say in parenthesis that those who, like me, have had the good fortune to spend a number of days visiting this part of Kent have been impressed not only by the beauty and attractiveness of the constituency represented by my hon. and learned Friend but also by the number of fascinating things that there are in Folkestone and Dover to hold tourists there.

The hon. Member for West Bromwich, East (Mr. Snape), who speaks for the Labour party tonight, chuckles. I am not sure whether he has spent the time that I have in Dover and appreciates the Crabble Mill, the Napoleonic staircase, the old Roman quay, which is unfortunately still covered by sand but which can be brought alive for tourists to see, as well as the Roman look-out point on the castle. There is a host of great attractions there.

In pursuit of their objectives, petitioners lodged suggested amendments to the terminal layout that would have enabled provision to be made in respect of the road exit at the eastern end of the site, that is, adjacent to Folkestone. These options became known as the eastern egress options.

To assist the Select Committee in its consideration of these and other proposals, a working group was set up to examine possible alternatives to the arrangements in the Bill. The group included representatives of the local authorities concerned, Eurotunnel and the Department of Transport, and it has now reported. Its conclusions are that none of the eastern egress proposals are feasible but that further alternatives suggested by the Shepway district council and my hon. and learned Friend the Member for Folkestone and Hythe is worthy of further examination.

The further alternatives would involve short entrance and exit roads on the south western edge of the site and would meet many, but not all, of the objections put forward by the petitioners. I should at this point reassure some hon. Members who may have been somewhat alarmed by a report in *The Guardian* on Wednesday 16 July. It suggested that a

"motorway challenge may go to Europe".

It said that

"more than 400 residents in Cheriton, Kent, are threatening to take the Government to the European Court of Human Rights over a last-minute attempt to shift the motorway link for the Channel Tunnel."

I have to say that that is the proposal that was examined by the group and found to be defective and abandoned. It is not connected in any way by the proposition that would be considered if the House sees fit to allow the motion tonight.

Mr. Ian Gow (Eastbourne): During the journeys that my hon. Friend the Minister has made through the county of Kent to which he has just referred, to an enthralled House, was he accompanied by my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath)?

Mr. Mitchell: On a number of occasions——

Mr. Deputy Speaker (Mr. Harold Walker): Order. The House is anxious to make progress with this matter. I do

not think that the hon. Gentleman's intervention is very relevant or helpful, and I hope that the Minister will disregard it.

Mr. Gow: On a point of order, Mr. Deputy Speaker. Does not my right hon. Friend the Member for Old Bexley and Sidcup represent part of the county of Kent, and did he not live in the constituency of my hon. Friend the Member for Thanet, South (Mr. Aitken)? Is it not most relevant whether Members of this House should accompany Ministers when they make very important journeys of this kind?

Mr. Deputy Speaker: Order. I hope that the House will have regard to the motion before the House on an instruction to the Select Committee. I hope that right hon. and hon. Members will not challenge rulings from the Chair.

Mr. Mitchell: I am grateful to my hon. Friend the Member for Eastbourne (Mr. Gow) for having drawn attention to the visits that I have made to Kent. I should say that I have been accompanied on several occasions by my hon. Friend the Parliamentary Under-Secretary of State for the Environment, who has taken a special interest in the environmental implications of the project.

I should say to the House at this stage that it is by no means clear that the compromise alternative proposed is superior to the option in the Bill. Eurotunnel has expressed reservations about the revised option and strongly favours the original layout. Nor have we yet heard from local people, who may well petition against alteration of the Bill's scheme.

Although the revised option would reduce the amount of land taken for the terminal, it would involve the acquisition of certain land not currently included in the Bill. For that reason, it is necessary to serve notice on land owners and tenants and to publish advertisements in the normal way so that those affected can petition against amendments to the Bill.

If the House approves the motion, it would be our intention to advertise the proposals from the beginning of August. The closing date for petitions laid down in the motion would give potential petitioners about eight weeks to present their petitions to the House. In the light of those petitions, the evidence which the Select Committee has already heard and the report of the working group, the Select Committee will be able to determine whether the amendments should be made.

The motion is relatively simple. The procedure was first used in connection with the Park Lane Improvement Bill in 1958, so we are not breaking new ground with House procedure. The motion would enable the Committee to respond positively to the petitions which it has already heard and at the same time ensure that all the facts are available and that local people have a chance to express their opinions. I commend the motion to the House.

11.5 pm

Mr. Peter Snape (West Bromwich, East): Like the Minister of State, I can be brief. The Opposition welcome the opportunity given to the people concerned to petition along the lines outlined by the motion, and give the motion their wholehearted support.

I issue an immediate disclaimer. I did not accompany the Minister on his travels—or perhaps travails would be a better description. For a Member representing Basingstoke, his geographical knowledge was extremely commendable.

Mr. Jeremy Hanley (Richmond and Barnes): It is closer.

Mr. Snape: It is certainly closer than West Bromwich.

Mr. David Mitchell: I am sorry to interrupt the hon. Gentleman, who has only just started his speech. My hon. Friend the Member for Basingstoke (Mr. Hunter) might be a little disconcerted, because I represent Hampshire, North-West.

Mr. Snape: Well, I knew that it was a long way from West Bromwich. I do not wish to comment on speeches from any other quarter, especially before they are made.

I hope, bearing in mind your strictures, Mr. Deputy Speaker, that the House is not to be lectured by the hon. Member for Southwark and Bermondsey (Mr. Hughes) about the motion. Those of us who have the privilege of serving on the Select Committee which is examining these proposals—I shall not say anything about the Select Committee's work or I shall be ruled out of order—missed contributions from the Liberal party. They would have been welcome, given, as I understand it, that the minority parties were offered a place on the Committee but could not find the time, or perhaps did not have the inclination to serve on it. Before I arouse your understandable ire, Mr. Deputy Speaker, I should like to say on behalf of the official Opposition, who are diligently represented on the Select Committee, how much we support and applaud the motion. I commend it to those of my hon. Friends who are concerned and interested enough to be present to support it.

11.8 pm

Mr. Keith Speed (Ashford): I start by declaring an interest in that I am a director of the Folkestone and District Water Company which may well be affected by these proposals. I welcome the motion, the instruction to the Select Committee which it contains and the proposals for alternative arrangements for access to and egress from the tunnel terminal which lie at the heart of the motion.

I should like to make it plain that I discused the matter in some detail with my hon. and learned Friend, and near neighbour, the Member for Folkestone and Hythe (Mr. Howard), who, as a Minister, is not able to speak in this debate. My hon. Friend the Minister of State has already paid a considerable tribute to the true author of the motion. My hon. and learned Friend has always identified the access proposals contained in the Bill as one of the most damaging aspects, and he has made it clear that eliminating the environmental damage associated with that feature of the published scheme is one of his highest priorities. He has worked very closely with the Shepway district council in striving to identify an acceptable alternative. I know that he takes the view that the proposal that has emerged from the joint working group is an acceptable alternative.

That view is shared by the all-party fixed link executive which Shepway district council has set up to consider these matters. But since this alternative has already been the subject of widespread misrepresentation — my hon. Friend the Minister referred to this — my hon. and learned Friend the Member for Folkestone and Hythe has asked me to clarify certain aspects of these alternative

[Mr. Keith Speed]

proposals. The alternative would achieve the elimination of several specific consequences of the original proposals. It would save about 50 acres of countryside. It would avoid altogether Beachborough park and Asholt wood. It would eliminate the severance of Newington and Frogholt from Peene and the downs, which was a particularly objectionable feature of the original proposals.

But, contrary to some reports, the alternative would not involve the demolition of any property in Pine way or any other part of Cheriton or the Cherry garden area of Folkestone. It would not involve a third lane on the motorway east of the Cheriton roundabout. It would not involve the loss of any playing area attached to Harcourt primary school. It would not involve any work to the east of the Cheriton interchange. It would not bring traffic closer to the area of Cheriton and Cherry garden avenue.

Indeed, those places will continue to benefit from the reduction of traffic on the motorway in the vicinity of those areas, which is expected to be a result of the Channel tunnel proposal. The overall effect of the alternative proposal is clearly beneficial and my hon. and learned Friend the Member for Folkestone and Hythe and I commend it to the House. It is a further example of the way in which my hon. and learned Friend has been able to work for his constituents, and of the response from the Minister and the group that he has been chairing, because flexibility has been shown, and people have listened to those holding views.

The motion is a vindication of the Select Committee procedure. It proves that the Channel Tunnel Bill is not writ in stone. It can be and should be altered if a reasoned case is made, and I have every confidence that it will be. The motion also provides for adequate and reasonable time fo those who may be affected by the new proposals to petition and to make their views known to the Select Committee. I commend it to the House.

11.12 pm

Mr. Simon Hughes (Southwark and Bermondsey): I, too, on behalf of my party, welcome the motion. In response to a point made by the hon. Member for West Bromwich, East (Mr. Snape), I should say that I have no knowledge of offers made to minority parties collectively or specifically.

Mr. Snape: Perhaps I can assist the hon. Gentleman. I do not know whether the hon. Gentleman has a habit of listening to the radio 4 programme "Any Questions", but two weeks ago one of his distinguished colleagues said on the programme that an offer was made and rejected. An alliance candidate from that part of the world was acting as an agent on behalf of many petitioners, and said, I believe, that he would be putting the alliance point of view to the Committee.

Mr. Hughes: I have no knowledge of any offers made. But the hon. Gentleman is correct to say that one of our candidates is participating professionally in the Select Committee's proceedings. However, I do not propose to go into that as we are debating the motion, and the alternatives that it opens up. I have read the minutes of evidence given to the Select Committee, and I understand that the eastern exit proposal which the Minister rightly referred to, upset many people. I do not know whether the hon. Member for Ashford (Mr. Speed) was correct in all that he said—that is more a matter of opinion than of fact. But there was great concern about the eastern exit and the lack of consultation about it. Representations have been made to the Select Committee expressing the opposition of local residents. The motion permits consideration of an alternative route—made as a result of the efforts of the working group, to which the Minister referred — containing a better set of proposals, particularly better in terms of their environmental impact.

Mr. Bob Hayward (Kingswood): The hon. Gentleman described some of the points made by my hon. Friend the Member for Ashford (Mr. Speed) as matters of opinion rather than matters of fact. Will he identify those areas which he believes to be opinion rather than fact?

Mr. Hughes: I was dealing, for example, with the effects on housing and the school at Cheriton. A great deal of evidence about the original proposal was presented by local people suggesting not that the housing or school would have to disappear but simply that there would be an environmentally harmful effect because of the nearness of the road alignment. Thus, the assertion that there would be no effect on the people in the area must be a matter of opinion. I was not disagreeing with the hon. Member for Ashford about his contention under the original proposal, but there would be no need to pull down or replace schools or houses.

Mr. Speed: I chose my words with care. I echo the point made by my hon. Friend the Member for Kingswood (Mr. Hayward) in that the hon. Gentleman cannot challenge anything that I said on fact. There will, undeniably, be environmental effects on the area. We believe, as does the hon. Gentleman, that they will be ameliorated by the latest proposals. My remarks about schools and playing areas were matters of fact. If the hon. Gentleman wishes to challenge them, he should do so in detail.

Mr. Hughes: I am not challenging the hon. Gentleman's assertion that there would be no direct effect on housing or schools. The assertions about the original proposals were always about their environmental impact on the sites that the hon. Gentleman described. So whereas there may be no disagreement between us about the direct effect on the housing or schools, there may be some disagreement between us on the environmental impact on the communities concerned.

The major advantage of the motion is that it provides us with an opportunity to adopt a different exit scheme, one to which members of my party and others have contributed. The new scheme is the working group's preferred proposal, for it was clear that the original north-west and the eastern exit plan would have damaged the environment.

The problem is that, despite the motion and any amended instruction to the Select Committee, the original proposal could still be approved. I hope that we shall not find that, despite an apparent degree of flexibility in this matter, there will be an ultimate unwillingness to take into account the environmental concerns that have been expressed about the alternative exit proposals.

Now that alternatives may be considered, I hope that we shall end up with the least environmentally damaging proposal. The recent working party proposal—it is still at an early stage of public knowledge— could have that result. But the Minister will agree that it too has not been

fully tested and that it is not clear whether, at the end of the day, it will prove to be the best option. On the evidence and knowledge that I have at present, however, it would appear to be preferable.

The Government's return to the House this evening to amend the instructions to the Committee manifests above all the haste with which the entire operation was conducted from the beginning. The Bill, and the inquiry into it by the Select Committee, was based on a rapidly changing set of proposals that had not been fleshed out. I hope that the Minister will accept that had there been more time, the amendment to the instructions would have been anticipated. There had been little time for the alternative exits to be canvassed and examined. One of the consequences of the speed with which the Government have proceeded — the pace has been their choice and they have heard dissent expressed by my right hon. and hon. Friends, Labour Members and Conservative Back Benchers—is the need to alter the ground rules for the Select Committee at this stage. Had there been more time, the need to alter them could have been anticipated before the Government proceeded and the further instruction would not have been necessary.

Mr. Roger Moate (Faversham): If the hon. Gentleman is complaining about the lack of time for consideration of these matters, why did his party vote against the setting up of a public inquiry? I presume that the hon. Gentleman did so as a representative of his party.

Mr. Hughes: My party did not vote against the setting up of a public inquiry. My hon. Friend the Member for Isle of Wight (Mr. Ross) argued — there have been several debates on these matters and his speech is recorded in the *Official Report*—that there should be a short public inquiry. If I recollect correctly, he suggested specifically that the inquiry could be completed in about 20 days. That was his original view.

Mr. David Mitchell: The hon. Gentleman is complaining about the pace with which the Government are proceeding with this measure and yet at the same time he is advocating that there should be a public inquiry into a major project that will be completed within 20 days.

Mr. Hughes: The Minister is mischievously misrepresenting what I said. He might like me to have said that but he knows that I did not. He knows that my party would not have proceeded from the beginning in the way that the Government did. We would have had—this is our policy for all major proposals and projects, such as Sizewell as well as the Channel Tunnel — a public inquiry at the very beginning to determine the matter of principle.

The Government decided that the project should not be the subject of a public inquiry and that it would be governed by the timetable that had been agreed with the French. Having made that decision, the only argument left for the House to enter into—we did so in a debate that continued all through the night and I was present to ensure that the Liberal amendment, which was reached at five o'clock in the morning, was moved and discussed—was the need for maximum public participation in the work of the Select Committee. The Minister served throughout that long night and he will remember that it was my argument that the petitioners should have an opportunity to put their case as fully as possible. Tonight's proposals widen that opportunity, but they are none the less evidence of the haste with which the Government moved generally. It has been necessary for the Government to return to the House, because they failed to anticipate everything at the beginning.

Mr. Hayward: Does the hon. Gentleman recall the occasion when the hon. Member for Isle of Wight (Mr. Ross), the official spokesman —

Mr. Deputy Speaker: Order. I hope that what the hon. Gentleman is about to say will be relevant to the motion, otherwise he should not make his remarks. We are getting away from the motion and I hope that the hon. Member for Southwark and Bermondsey (Mr. Hughes) will get closer to the terms of the motion. Mr. Simon Hughes.

Mr. Hughes: I am trying to complete my remarks, but there have been several diverting interventions.

I hope that, as a result of this extension of the powers of the Select Committee, there will be consideration not just of the land needed for access to and egress from the tunnel entrance but also a revision of the total land requirements. There is some dissent about the amount of land required for the whole proposal. There is also a belief that Eurotunnel may not require all the land currently available to it. I hope that the flexibility that will be given —which, in principle, is a good thing—will also allow the Committee and in due course the House to ensure that we are not handing over more land to the project than is needed. We are worried that the Bill provides for too much land to be affected by the proposal. Obviously, the harmful envirommental impact must be reduced as far as possible.

After studying the wording of the instruction, one remaining question must be asked. As I understand it, the second clause states in relation to the Committee

"with respect to the access to and the egress from the terminal area by road it has power to make Amendments to the Bill if it thinks fit;"

I would be grateful if the Minister would confirm that that gives the Committee considerably wider powers than those required to incorporate any of the material amendments now being considered before the Committee, for example the Working Group proposal, and that the Committee now has a completely wide and open brief with regard to the amendments. As well as giving the Committee flexibility to examine the alternative proposals for exit and entrance, which are the products of the joint working group, the instruction gives the Committee an open book in considering all other possible entrances and exits and all other amendments. The instruction allows a wide opportunity for amendment to the Bill.

On a matter of precedence and of information, I should be grateful if the Minister could explain whether the consequence of the instruction—if it is passed—is that any and every amendment made by the Committee within the terms of the instruction will be acceptable if the Committee so wish it. That would permit a much wider scope for the Bill than the number and specific content of the clauses in the Bill presently before the House.

I repeat that the motion is welcome. It appears to have all party support and I hope that it will assist the Committee in its deliberations. Above all, I hope that it will produce an opportunity for the least environmental damage in Kent, which is a beautiful county, as the Minister well knows. I hope that the instruction will allow

[Mr. Hughes]

the Committee to consider more effectively the best and newest proposal to come before it, as to the place for best access and egress to the tunnel contained in the proposals in the Bill.

11.28 pm

Mr. Roger Gale (Thanet, North): I will be brief because I know that some of my hon. Friends have journeys to make home to Kent tonight along roads which are far from good.

Before I proceed, I think it is appropriate for a Tory Member to comment briefly on the contribution made by the hon. Member for Southwark and Bermondsey (Mr. Hughes). On the Conservative Benches it seems that the alliance parties are trying to have their cake and eat it. They voted to a man but one — the hon. Member for Portsmouth, South (Mr. Hancock) — who represents a channel port in favour of the project while the "candidate" — as the hon. Member for Southwark and Bermondsey referred to him, is trying to make considerable political capital in Folkestone at the expense of my right hon. and learned Friend the Member for Dover (Mr. Rees), by purporting to be against the proposals. It appears that the alliance cannot have it both ways at once. As my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) has said, that might explain the alliance's absence from the Select Committee. This is a serious matter for Kent and the Conservative party and the Labour party are taking the matter very seriously. I hope that we shall hear no more from the hon. Gentleman. The House will have registered the fact that the candidacy has been declared, and we assume that the Liberal representative will from now on record his election expenses properly.

Mr. Simon Hughes: I hope that the hon. Gentleman will allow me to correct myself. Although I may have said "candidate", clearly I meant the prospective candidate. The hon. Gentleman asked me to say this on a previous occasion, and I gladly repeat it now: the Liberal party and the SDP have always believed — the hon. Gentleman must not misrepresent that — that there should be a Channel tunnel. That has always been our position. It is the method of arriving at decisions that has always been the matter of contention.

Mr. Gale: I am extremely grateful to the hon. Gentleman, because there was some equivocation from the alliance on that matter.

In a spirit of complete conciliation, may I welcome the motion, especially its breadth and scope. We hope that the words,

"that it be an instruction to the Committee on the Channel Tunnel Bill that it has power to consider alternatives to the provision which is now made in the Bill regarding the access to and egress from the terminal area by road",

will include not only the immediate access but the access from the Thanet towns. We look forward to welcoming with an open mind my hon. Friend the Minister of State to Thanet, and I know that he received a good welcome in Folkestone and Dover. We also look forward to welcoming the Select Committee to the Thanet towns. We have no doubt that its members will go away suitably enlightened and that there will be further amendments to the Bill.

11.32 pm

Mr. Roger Moate (Faversham): I join those hon. Members who congratulated my hon. Friend the Minister of State on his lyrical exposition of his travels round Kent. May I say how much we genuinely appreciate the work that he has done. We know the efforts that he has made to understand local worries, and we look forward to the publication of "Mitchell's Rural Rides" with great interest. The motion is an attempt to introduce flexibility into the procedures and to deal with alternatives. I welcome the motion, but I hope that my hon. Friend can elaborate on one or two points.

May I take up some points that were made earlier in the debate—since they were made, they were presumably in order — by the hon. Member for Southwark and Bermondsey (Mr. Hughes). Some of us view with considerable — one uses one's language carefully — abhorrence — *[Interruption.]* I cannot use the word "humbug" because it is unparliamentary, is it not, Mr. Deputy Speaker? Perhaps I could call it the ambivalent attitude of the Liberal party——

Mr. Deputy Speaker: No; "humbug" is all right.

Mr. Moate: I am pleased about that, Mr. Deputy Speaker, because no word is more appropriate to describe the attitude of the alliance on this issue. The parties play one tune locally and the hon. Member for Southwark and Bermondsey plays a completely different tune here. Yet when he speaks in such debates he tries to pretend that it is the same tune. He and his Liberal colleagues voted against a public inquiry. On Second Reading, the Labour party tabled an amendment which declined to give the Bill a Second Reading on the ground that there had been no public inquiry, and the hon. Gentleman—assuming that he was here — voted against it. Yet now he complains that the options have not been sufficiently considered.

Mr. Snape: Unusually for the hon. Gentleman, he is not being quite fair to the hon. Member for Southwark and Bermondsey (Mr. Hughes), who has been entirely consistent. As that hon. Gentleman said tonight, the alliance is wholeheartedly in favour of this project, except where there are votes to be garnered locally by opposing it.

Mr. Moate: I am glad to receive that correction. We must all try to be fair to the hon. Member for Southwark and Bermondsey. He is passionately in favour of a Channel tunnel so long as it has no ingress and no exit, does no environmental damage and loses no vote in any street in the Folkestone area. The hon. Gentleman is laughing, but it is not funny because it is—I am glad to have free use of the word—utter humbug. Many people garner votes at every opportunity locally, yet the hon. Gentleman does not disown the campaigns mounted by local alliance candidates.

Mr. Simon Hughes: The hon. Gentleman knows perfectly well that a national party can take one view but that there may well be dissenting voices within it which are perfectly entitled to argue their corner. The alliance parties have always been in favour of a rail-only Channel tunnel, but people in Kent are entitled to take a different view and to try to minimise its impact.

Mr. Deputy Speaker: Order we are moving away from the motion before the House and should return to it.

Mr. Moate: Would it not be helpful if the hon. Gentleman would make absolutely clear that he disagrees with local alliance candidates and that the party disowns their views on the Channel tunnel?

Mr. Hughes: I have just said that the prospective local candidate and local parties are entitled to argue their case. I do not disown them. They are concerned, as we are here, to ensure that there is the least environmentally harmful impact on Kent.

Mr. Deputy Speaker: Order. Perhaps we can return to the instruction to the Committee.

Mr. Moate: Yes, Mr. Deputy Speaker. I am most grateful to you for expressing clearly the view that "humbug" is an acceptable phrase, especially in this context.

I cherish greatly the private Bill and hybrid Bill procedures. They are a great defence of the liberties of the individual. I am a little concerned about the terms of this proposition. Most hon. Members have at times served on private Bill Committees of this sort which frequently consider options. As I understand it, the Committee has the power to go beyond the options initially presented to it. As I understand it, the motion is before the House because an alternative has been proposed which affects the property and rights of individuals who would not have had a chance to petition or object under the original proposals. if that is so, we are grateful for the opportunity for those people to receive details of the proposals and to petition against them before 26 September.

However, the motion goes beyond that. It states that the Committee has

"power to consider alternatives to the provision which is now made in the Bill."

The motion does not limit the alternative to the one which we are discussing, which my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard) wants considered and which my hon. Friend the Member for Ashford (Mr. Speed) described so clearly. It is alternatives generally. What happens if this Committee, now empowered to consider alternatives generally, decides to consider other alternatives which may well be put forward by petitioners? That often happens on such Bills. The Committee is empowered by this motion to consider any alternatives.

The time limit for petitions is 26 September. What happens if the Committee puts forward alternative proposals which may involve compulsory purchase, extra noise on alternative routes and yet the dead-line for petitions is 26 September? On those grounds alone we should have some doubts about the validity of this motion. I do not want to stop the Committee from having this power — I think it is right that it should have such power — but we ought to be jealous of the scope of Committees of this kind.

I am a little puzzled because 26 September falls during the parliamentary recess and I wonder whether Parliament is empowered to receive petitions during the recess. I realise that the Committee is empowered to sit whenever it chooses—it can sit during August or September—but surely the petition is to Parliament and not to the Committee. It is up to Parliament to decide whether a petition should go before the Committee. If one of the proposers of the Bill should object to the vires of a petitioner, the Court of Referees has to decide the matter. These are matters for Parliament and not for the Committee, but Parliament will be in recess.

Mr. Deputy Speaker: The hon. Gentleman should be careful on the vires point and the Court of Referees. As this is a hybrid Bill, the vires of a petitioner is decided by the Committee and not by the Court of Referees.

Mr. Moate: I am grateful, Mr. Deputy Speaker, for your correction on that point. I did not understand the procedure. However, I am puzzled that a Committee has such powers under the procedures of a hybrid Bill. Nevertheless, is not a petition a petition to Parliament and not to the Committee? If Parliament is not sitting in September, how can it receive petitions? In principle, these options should be considered, but I have a feeling that we are broadening the options too much.

I appreciate that the access/egress to the tunnel will be of immense importance to the local inhabitants, but in the context of the whole project I understand they are of relatively minor importance. My main concern is on environmental matters, an aspect which has not been widely echoed.

Essentially this is a rail-only tunnel, but it can also be described as a rolling motorway and it will generate an immense amount of traffic. All the traffic of the south-east and further afield will go down a funnel as it approaches the Channel tunnel. The heavy lorries will do the most environmental damage to the rural areas, the rural roads and the rural rides mentioned my hon. Friend the Minister. If we accept this proposition which allows an opportunity for consideration of a variation of the access/egress of traffic into the tunnel, I ask my hon. Friend the Minister to ensure that it does not alter the fundamental proposition that the main route should be the M20 and not the M2.

If traffic is diverted to the north-east Kent coast, it may attract some people looking for jobs, but I am worried about the way in which it would divert heavy lorry traffic en masse up to the north and on to the M2. That would increase the pressure on the rural roads in my constituency which are already heavily burdened with unsuitable traffic. I would welcome the Minister's assurances on that point.

11.44 pm

Mr. Jonathan Aitken (Thanet, South): I, too, welcome the motion, although my welcome is accompanied by one or two doubts, anxieties and questions to which I shall refer in a moment, but not at any great length, so as not to detain the House.

I do not want to begin as though I want to damn the motion with faint praise, as praise is indeed due, especially and in large measure to my hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard). He is a pillar of the Government and works from within it. There is no doubt that, once again, he has done stirling work in defending the interests of his constituents by getting the instruction tabled.

There is no doubt that the Committee should be considering alternative plans to the original and what I regard as somewhat cockeyed scheme drawn up by Eurotunnel in its first view of what was needed for access to the terminal. I am glad that my hon. and learned Friend has pointed the House quickly and forcefully, and I am glad that my right hon. Friend the Secretary of State has responded sensitively and swiftly. So far, so good.

[Mr. Jonathan Aitken]

However fine the Government's intentions, if we examine the motion closely to find out what it really means, or if we stand back and take the broad view and see it in the widest possible context of the Channel tunnel project as a whole, certain doubts start to arise and multiply. The motion begins:

"That it be an Instruction to the Committee on the Channel Tunnel Bill that it has power to consider alternatives"

to the Bill and to make amendments. Some of us thought that such powers existed all along. Some 4,700 petitioners thought the same, because their petitions often began, "Please amend the Bill" and "Will the Committee please consider alternative proposals?". Why on earth does the Committee need some special instruction when it comes to access and egress roads around the terminal? Are there some sensational difficulties about them that are cast in stone so that the House of Commons has to be detained late at night just to pass a Government instruction to get the Committee to consider alternatives? That can hardly be so.

If we examine what has so far been said about access and egress roads around the terminal, we find that the Committee has considered the matter for some time. It would have been a most extraordinary Committee if it had not decided, at least in its mind, to recommend alternatives. As for what the current plans would do, I can do no better than quote Shepway district council, which said:

"In practical terms, Newington Village Hall would have to be demolished in order to allow the works to proceed."

It is clear from evidence given to the Committee that rugby and cricket clubs would be destroyed, and that the whole focus of village life would be destroyed if the original plans succeeded. That was typical of Eurotunnel's rushed and cockeyed plan—demolish a village hall here, knock out a cricket club there, ruin a site of special scientific interest somewhere else, a few woodlands should go, all for the greater glory of Eurotunnel, and all to be done as cheaply as possible for the shareholders. That is an unacceptable attitude, and I do not understand why the Committee needs a special instruction from the Government to insist that Eurotunnel does not have the right to demolish a much-loved village hall and must put its wretched access road somewhere else.

What is the role of the Select Committee, and what should its style be? There were some prophetic words—modesty compels me to admit that they came from me—in the debate in the small hours of the morning on 5 June. I said:

"It is essential for the people of Kent to feel that they can have considerable public confidence in whatever structure is created to hear their grievances and to propose amendments to the Bill.

If it was thought that a substantial number of placemen had been appointed to the Committee, that would be a great mistake. As my hon. Friend said, in a way it will be a judicial committee. I think it was Bacon who once criticised 15th century judges, saying that they were lions but lions under the throne. It would be a great pity to see a Committee of lions but lions under the Whips' Office. This must be an independent-minded Committee."—[*Official Report*, 5 June 1986; Vol. 98, c. 1238.]

Even if I had my tongue in my cheek somewhat when I was making all those jungle-type references to lions, at least I thought that we would get a Committee independent minded enough to be able to stop a village hall from being demolished in order to build a road, without a special instruction from the Secretary of State.

I think that the Committee's reputation is in danger of getting a little tarnished, not just because it is not always obviously demonstrating independence—after all, that is a quality capable of many definitions—but because it is not necessarily listening fairly to all the evidence on these issues that might lead to amendments being tabled contrary to Eurotunnel's interest.

There was an episode today that is directly relevant to what we are discussing. It concerned Kent rugby club, and a witness came before the Committee complaining that he wished to give evidence in chief, as lawyers call it, that playing fields would be destroyed by the present scheme, but he was stopped from doing so and was instructed that the evidence could not be given and that he would have to submit to cross-examination. The Chairman wielded a very strong crack of the whip. From descriptions that I have received of this somewhat ill-tempered episode—we will, of course, read the report of the proceedings tomorrow with great interest—I have no doubt that the Chairman's handling of that witness was absolutely wrong.

We are inviting the petitioners to come forward and petition against the scheme. If not just me, or the witness, or his agent, but the lawyers who were present today are saying that it is monstrously unfair that someone should not be able to come forward and give his evidence in chief without being halted by a ruling from the Chair, I say that we do not want to see the Committee engulfed in a firestorm of criticism, but a few more steps down that road and it would be.

Mr. Snape: I hope that I shall not transgress the rules of order by what I am about to say. I think that the hon. Gentleman is making a grossly unfair attack on the Chairman of the Committee. He was not present when what the hon. Gentleman has described took place. A few minutes ago he was seeking information about an incident that had been relayed to him involving a member of the Committee who had never been present during the day's proceedings. I urge the hon. Gentleman, therefore, on this issue to get his facts right for once.

Mr. Aitken: I do not think that there is any danger of the facts being wrong, because tomorrow it will all be in the report of the proceedings. I am saying that any witness must be able to come before the Committee, give his evidence and get a fair hearing.

Let me remind the hon. Member for West Bromwich, East (Mr. Snape) and, indeed, all hon. Members, that the passage that was much quoted in the debates running up to the installation and establishment of the Committee was from the Select Committee on Transport's recommendations on how the hybrid procedure should work. Paragraph 27 of the report said:

"The Committee recommends that . . . the fullest possible latitude again be allowed to petitioners, and that all those whose petitions conform to the basic requirement of relevancy be allowed to be heard."

I am simply sending down a warning signal that, if petitioners are denied the right to give their basic evidence, this controversy will rage again and again. All that observers of the Committee from the Back Benchers want is for no one to be able to say that people are not being heard fairly. Most of the time, I must say, that complaint

has not been raised, but it has been raised on several occasions. It is the Committee's own fault, because the Committee is giving the impression that what it cares most about is getting ahead and getting things done.

Indeed, the Chairman of the Committee, on 25 June, when he gave a ruling, rather bravely, forbidding lawyers to make opening speeches, said:

"We are required also by the very nature of our constitution as a Committee of Parliament to take into account the parliamentary timetable."

The House knows perfectly well that there is no such thing as a parliamentary timetable. The Government may have a timetable in their mind, but it is the Committee's duty, I submit, to hear the evidence, and by all means get on with it as fast as is reasonably possible, but to be fair.

Mr. Moate: Does my hon. Friend agree, as confirmation of the point that he is making, that there is a fundamental difference between a Government timetable and what he referred to, quoting the Chairman, as a parliamentary timetable? The enormous privilege available to Bills going through the hybrid or private Bill procedure is that they are not subject to a timetable, because of the carry-over provision that allows them to go over the year and beyond, indefinitely if the House so wishes. This privilege is not available to Government Bills.

Mr. Deputy Speaker: Order. We are going very wide of the motion. I hope that hon. Members will stick to it.

Mr. Aitken: Out of respect for your ruling, Mr. Deputy Speaker, and because we have said enough about the timetable, which is not affected by parliamentary time, I shall move on. The Government may have pressures, but the Committee does not. My hon. Friend the Member for Faversham (Mr. Moate) is right.

The terms of the motion are extremely vague, although it is well intentioned. The main fear of the east Kent towns of Dover, Folkestone, Ramsgate and Margate is that not only will their hotels and shops lose business as a result of the Channel tunnel, but that they will not have much hope of regaining any new business from the tunnel if the exit roads sweep all traffic straight back to London without an opportunity for travellers to get into the depressed towns of east Kent. Therefore, the motion which tells the Committee to investigate alternatives, will give motorists a chance to turn right into east Kent, to meander through the towns and to spend their tourist dollars. That is a justified item in the public interest, although it might be an expensive item for Eurotunnel.

Mr. David Mitchell: As I understand the proposal, it is that the motorist should turn left to enjoy the benefits of visiting Folkestone, Dover and my hon. Friend's constituency.

Mr. Aitken: I have never been able to tell my left from my right, which is no doubt why I have never become a Minister in the Department of Transport.

A vital topic is; who will pay for the costs that may flow from this instruction—the costs of the new terminal and of any new access or egress roads?

Another important point is policing costs. It has been said that new access and egress roads will need extra policing. Here I ask a question, to which there has so far been a deafening silence, to try to clarify the contradiction between what is in the Bill about policing costs and what is in the concession agreement.

The Kent police say that, to police the Channel tunnel and the roads immediately surrounding it, they will need a completely new sub-division of approximately 200 police officers and all the buildings that go with such a proposal. In the Bill it is clear that all policing costs should be paid for by Eurotunnel. In the concession agreement there is a sign that the concessionaires will not have to pay any extra costs over and above those that ferry operators have to pay for policing costs for ferries. In other words, the concession agreement can be interpreted one way, so that the Eurotunnel consortium might have to pay for only 20 or 30 police officers, while the police say that getting on for seven or eight times that number of police officers are required. The Bill says that all the policing costs should be paid by the Eurotunnel consortium. This is a contradiction that has not been clarified. It is of great interest to the people of Kent, because a police officer costs about £25,000 a year by the time his salary and operating costs have been paid.

All this talk about money and who will pay means that we might be entering the world of make-believe. The Eurotunnel consortium has failed miserably to raise the first £200 million of equity for the £6 billion project. Its excuses for not doing so are extraordinary, ranging from the fact that it is the summer holiday to, as my hon. Friend the Minister suggested, new issues for international banks. The real reason, which has sneaked out, is problems with the construction contracts, which are relevant to access and egress roads, particularly with regard to the bill for them. Next week the Committee will hear explosive evidence about the finances of the Channel tunnel. It will demonstrate yet again how much credibility has been lost and how unlikely the projeect is to go ahead, for sheer reasons of money alone.

The text for this short debate should be the opening lines of one of Shakespeare's great soliloquys from "As You Like it":

"All the world's a stage,
And all the men and women merely players:
They have their exits and their entrances".

This debate is not just about exits and entrances, slipped of course into the Euro jargon of ingresses and egresses. To debate the motion we have had to enter three make-believe plays in advance. We have had to make believe that the Committee needs an instruction to do this work. We have had to make believe that the Committee is doing an absolutely fair job in hearing every witness impartially. Above all, we have had to make believe that we are debating something that is real, which it is not until the money is there. As long as the money is missing, it is a fantasy and a nonsense. July is a mad month for Parliament. We are debating a non-necessary instruction about what I think will be a complete non-event.

12.1 am

Mr. David Mitchell: As I said earlier, the need for this debate has arisen because a number of petitioners have suggested that alternative access arrangements for the proposed Cheriton terminal would be preferable. This is a practical demonstration that both the Select Committee and the Government take local views seriously. Equally, serious account will need to be taken of the interests of any people who are liable to be detrimentally affected by the alternative access arrangements. The Government propose that they should have eight weeks to present petitions.

[Mr. David Mitchell]

The hon. Member for Southwark and Bermondsey (Mr. Hughes) sought to make an interesting assertion on behalf of the Liberal party that he knew not of the opportunity for his minority party to serve on the Select Committee. I find that extraordinary, because hon. Members will recollect that we spent considerable time during the night of 5 June, well into the morning of 6 June, discussing the composition of the Committee. The hon. Gentleman was in the Chamber. I know that he dozed off at one point. We teased him about it, but I do not wish to be unfair to him because it was late. During the time that I took it that the hon. Gentleman was alert and interested in the debate we were discussing whether there should be eight or nine members on the Committee. The main point that was made was that having a ninth member would ensure that minority parties would be represented. Therefore, there was the astonishment that hon. Members have referred to when the Liberal party did not seek to take up the opportunity offered on that occasion. However, the hon. Gentleman accepted that there is a case for consideration of a change of route, so there is no difference between the Liberals and the Government on the motion before the House.

The hon. Gentleman asked how extensive are the variations to access and egress that can be considered by the Select Committee. The answer is, as wide as the variation in the advertisements that the Department of Transport will place. I shall come back to that in a moment because it is relevant to the points raised by other hon. Members.

My hon. Friend the Member for Faversham (Mr. Moate) asked whether the Select Committee had power to go beyond the powers contained in the Bill. The Standing Orders require the deposit of further plans and the issue of notices to landowners affected by this limited scope of alteration. The Committee may then consider the petitions against the specific amendments advertised. I make it quite clear to my hon. Friend that that does not affect north Kent. He mentioned the balance of traffic between the M2 and the M20. This is only concerned with access from the M20 to the terminal and immediately within the adjacent area of the terminal.

My hon. Friend inquired about the closing date of 26 September. He drew attention to the fact that that was in the parliamentary recess. He asked whether petitions will be valid if they are made when Parliament is not sitting. The answer is, yes; they will be perfectly valid. The motion ensures that that is so.

My hon. Friend the Member for Thanet, South (Mr. Aitken) asked why a special instruction was thought necessary. He thought that the Committee already had the necessary power. I understand his point. The whole purpose of the Select Committee is to consider alterations and alternatives. The Select Committee can reduce the powers contained in the Bill in respect of land acquisition, but it cannot increase them. We are changing a proposition in the Bill that takes the road round the side of the villages at the foothills of the escarpment and moves it nearer to the M20. While that would result in the reduction of one piece of land, it would result in the addition of a smaller piece of land at another site.

The Select Committee could recommend that there be a reduction. It does not have the power to add the additional piece of land. We seek to enable the Department to advertise the identification of the precise piece of additional land so that those who would be affected if that land-take took place have the opportunity to petition the Committee in a counter-petition to those who seek that it should be incorporated. The Committee can then consider the pros and cons. The Committee must consider the pros and cons of the two alternatives. Many things can be said in favour of the alternative that we shall be advertising in due course, but there are arguments the other way. Eurotunnel may wish to draw the Committee's attention to certain arguments the other way.

My hon. Friend also asked who will pay the cost of revised access. That will form part of Eurotunnel's costs in exactly the same way as the initial access. He asked me about the police and the costs. The concession provides for Eurotunnel to contribute as for airports.

My hon. Friend asserted that Eurotunnel was having difficulty in raising the necessary funds. I believe that my hon. Friend enjoys a certain mischievousness in such matters. He has allowed his imagination full reign on this occasion. Eurotunnel has had no difficulties in raising the necessary finance. All that has happened is that it formed the judgment, on the basis of professional advice, that it would be more appropriate to raise the money after the holiday season. We must bear in mind that this is a joint funding with the French. The French holiday season falls somewhat earlier than ours. It is for that reasonable reason that Eurotunnel's professional advisers have suggested an alternative date for the funding.

Mr. Aitken: My hon. Friend seems to have assumed, rather rashly, the role of financial spokesman for Eurotunnel. I am interested to draw him out on that point.

Mr. Deputy Speaker: Order. I am sorry that I allowed the matter to go so far. It is clearly outside the motion before the House. Mr. Mitchell.

Mr. Mitchell: I apologise, Mr. Deputy Speaker, if I strayed outside the bounds of order. I was merely seeking to redress the balance in an area where there might have been misunderstanding. I should not wish my hon. Friend the Member for Thanet, South to be in the position, which I am sure he would not relish, where people took seriously the mischievous remarks that he has enjoyed making during these debates.

The purpose of the motion is to follow through the Government's frequently expressed intention that the Select Committee should be no mere cipher in the democratic process. It should be able, in the light of representations made to it, to take real decisions and to make real improvements to the principle of the Bill, decided on Second Reading. We do not know whether the alternative access arrangements which have been studied will, on balance, be perceived locally as an improvement. That will be for the Select Committee to judge. This debate is about giving the Select Committee the powers to take that decision, if it so chooses.

The motion should offend no one and could result in a better project. For that reason, I hope that the House will give it full support.

Question put and agreed to.

Ordered,

That it be an Instruction to the Committee on the Channel Tunnel Bill that it has power to consider alternatives to the provision which is now made in the Bill regarding the access to and egress from the terminal area by road, and that with respect to the access to and egress from the terminal area by

road it has power to make Amendments to the Bill if it thinks fit; and that any Petitions against such Amendments to the Bill presented by being deposited in the Private Bill Office not later than 26th September, in which the Petitioners pray to be heard by themselves, their Counsel or Agents, be referred to the Committee.

STATUTORY INSTRUMENTS, &c.

Motion made, and Question put forthwith pursuant to Standing Order No. 79(5) (Standing Committee on Statutory Instruments; etc.).

CIVIL AVIATION

That the draft Air Navigation (Noise Certification) Order 1986, which was laid before this House on 7th July, be approved.

BURIAL

That the Local Authorities' Cemeteries (Amendment) Order 1986, a copy of which was laid before this House on 2nd July, be approved.—*[Mr. Peter Lloyd.]*

Question agreed to.

Mr. Jeremy Hanley (Richmond and Barnes): May I ask you, Mr. Deputy Speaker, whether time is to be allowed to debate the Air Navigation (Noise Certification) Order?

Mr. Deputy Speaker (Mr. Harold Walker): The Question was put forthwith. The hon. Gentleman should consult the Order Paper.

East Surrey District Health Authority

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Peter Lloyd.]*

12.16 am

Mr. Jeremy Hanley (Richmond and Barnes): On a point of order, Mr. Deputy Speaker. I rose on both occasions to speak on the Air Navigation (Noise Certification) Order, but I was not given the opportunity——

Mr. Deputy Speaker: Order. I heard the hon. Gentleman the first time and drew his attention to what is written on the Order Paper. In both cases he will read that these matters are

"To be decided forthwith, pursuant to Standing Order No. 79(5)."

That means that they cannot be debated and that the hon. Gentleman cannot speak.

Mr. George Gardiner (Reigate): I am most grateful, Mr. Deputy Speaker, for this opportunity to raise the question of resources for the east Surrey district health authority on the Adjournment of this House. In doing so my purpose is twofold. First, I wish to voice the concern of my constituents about the fact that, despite all the Government's increased expenditure on the National Health Service—by no less than 24 per cent. in real terms since 1979—the actual service available to them over the coming months is likely to diminish; and, second, I shall suggest that some conclusions might be drawn from east Surrey's experience that are of more general relevance to the Health Service, explaining in part why there is such a wide gap between the Government's knowledge of the increased resources being poured into the Health Service and the public's perception of the quality of the end product available to them.

The east Surrey health authority covers the major part of my Reigate constituency, the major part of the Mole Valley constituency to the west and all of the east Surrey constituency. It serves a total population of 180,000 and it has a management record of which we can be proud. By reorganising patient services and selling surplus property, it has made possible the construction of a new district hospital of the highest standard, which was opened by my right hon. Friend the Prime Minister nearly two years ago. In some instances there was public opposition to the closure of small local hospitals, but there can be no doubt that the quality of medical care provided by the new east Surrey hospital is of a far higher order, one example being in ophthalmology.

Since that hospital was completed, the authority has raised nearly £5 million from the disposal of surplus properties, and planning consents have been obtained on further land and buildings. That should yield an additional £6 million. These capital receipts open the way to a number of exciting new developments. Construction of phase two of the east Surrey district hospital, effectively doubling it size, is scheduled to start next year. Work has already begun on a residential unit for the young severely disabled at Harrowlands, in Dorking, which will be the first of its kind in Surrey, sharing its facilities with patients from the neighbouring mid Surrey health district.

There is already a new day unit at Caterham Dene, and new day hospital facility for the elderly at Oxted. In Redhill, facilities for elderly long-stay patients have been

[Mr. George Gardiner]

upgraded. I cite these simply as examples of significant improvements in Health Service provision that have been and are being made possible through skilled management of the district authority's capital resources. Meanwhile, in an older hospital building at Dorking, we have a regionally funded orthopaedic unit that has won international acclaim for its hip replacement work, and where one surgeon performs 25 per cent. of the hip replacements in the 13 health districts of the south-west Thames region.

I turn next to the authority's management of its current resources, with particular reference to acute hospital services. For some years it has been evident that the east Surrey district was, and would continue to be, a loser under the RAWP system for securing re-allocation of Health Service resources throughout the United Kingdom. I shall return to that matter in greater detail in a moment. The obvious conclusion to be drawn form this was that, if an acceptable service was to be maintained, much more efficient use would have to be made of the modern hospital facilities to which I have just referred. That greater efficiency has undoubtedly been achieved.

Over the four years from 1981 to 1985, the number of beds in our acute unit hospitals decreased by 20 per cent. and the number of staff serving them decreased by 13 per cent. Yet the number of in-patients treated increased by nearly 10 per cent. while the number of out-patients treated increased by 8 per cent. Thus, over these four years the east Surrey authority can point to a productivity gain approaching 33 per cent. This faster throughput of patients and more efficient use of available beds has had its effect on the authority's in-patient waiting lists.

On 31 March last year the Secretary of State published the numbers on the waiting lists for every district health authority, which revealed that east Surrey's lists were among the shortest in the country. Today that total on its waiting list is easily the lowest in the entire south-west Thames region, while all our major surgical specialties achieve throughput levels above the regional and national averages. Thus in the efficient management of acute hospital resources the story from east Surrey is one of success. Yet, as I shall show shortly, for that success we are having to pay a bitter price.

This brings us face to face with the RAWP system, which is intended to secure a fairer distribution of Health Service resources between the different regions of the United Kingdom, ending the former concentration on London and the south east. This in itself is not an unworthy objective, and it is apparent, even within the south east, that many of the cases which at one time would have been referred by GPs to consultants at the London teaching hospitals are now treated within their own districts.

In view of the political capital that some seek to make from the consequent cuts in hospital provision in the south east, it is worth reminding ourselves that the RAWP system was introduced in 1976 by Mrs. Barbara Castle, when Minister of Health, and that it was advocated enthusiastically by her Parliamentary Secretary, the right hon. Member for Plymouth, Devonport (Dr. Owen), who is now, of course, leader of the Social Democratic party.

The RAWP system has been continued by the present Government, though it is now under review. I can only comment that such a review is long overdue, and I hope that the east Surrey experience that I now describe will be taken on board by those conducting the review. The evidence is that the operation of RAWP, while increasing the health resources in many regions, is at the same time penalising increased efficiency in the "loser" districts.

Until early this year the authority was working to a planned £450,000 per annum reduction in its revenue allocation under RAWP — which, as I have already indicated, represented a very considerable constraint. However, in May it was informed that this saving or "cut" was being increased to £700,000 per annum — a horrendous additional burden to be imposed on what was already a decreasing expenditure programme. In the acute unit alone, £442,000 had already been trimmed from the budgets over the past year, and this sum withdrawn from the allocation available for this year. Yet, unless services were curtailed further, there would still be a substantial overspend by the end of the current year. Immediate further economies had to be effected while consideration was given to more radical long-term options.

Accordingly, on 4 July, a letter was sent to all GPs in the district detailing a rolling programme of overlapping acute unit ward closures for a month at a time during the summer. At the East Surrey hospital, three wards handling cases of general surgery, urology, orthopaedics, general medicine and rheumatology are each closing for one month; at Redhill hospital, two wards providing gynaecology and ophthalmology; at Dorking, one ward handling general medicine; while at Oxted surgical specialties are being withdrawn for a month while the operating theatre is upgraded. Throughout the summer, cases coming under these headings will be able to be treated elsewhere in wards that are open, but the inevitable result of these temporary closures will be to increase waiting lists and postpone for many patients the day when they had expected to get the treatment or surgery they require. Meanwhile, at Netherne psychiatric hospital a ward closure has been brought forward. All these, of course, are short-term measures, while the authority investigates what more severe economies will have to be made.

Thus, the east Surrey authority is paying a high price for its own success; for the fact is that the RAWP system makes no allowance for the increased total of per patient costs that accrue from achieving a faster throughput of patients and making more efficient use of the system. Yes, of course, with faster throughput the bed costs and nursing costs per patient are lower, but the total cost of what we might call the fixed overheads per patient rise—the costs of X-rays, pathology, drugs, blood and so on. The sad conclusion facing the east Surrey administrators is that their authority would be in a better financial position today if they had not increased efficiency in the way that they have, but simply allowed the waiting lists to grow. I ask my hon. Friend the Minister to consider also the effect that this must have on staff morale.

In our case, it is already difficult enough to recruit staff, especially those with professional qualifications, on the same nationally approved salary scales as apply in other parts of the country with significantly lower housing costs than we encounter in Surrey. In east Surrey's case, there has been until now the stimulus of joining a team that is improving performance in patient care and making a significant impact on waiting lists. But when that goes, what is left? What incentive is there for a young person

trained in medicine to join an authority in which his or her scope for securing improvement must continually be curtailed?

I submit that all this points to a major defect of the RAWP system—that it gives no incentive to increasing efficiency within those health districts that are "losers". Ministers say a lot about getting value for money within the NHS—an objective that I entirely support—yet the manner in which RAWP operates has precisely the opposite effect. I must in all honesty relay to my hon. Friend the Minister a theory put to me by one hospital administrator in the course of my inquiries—that the most prudent way to proceed was to avoid glaring inefficiency on the one hand, while eschewing notable efficiency on the other. As he put it, somewhat sadly:

"The best way to survive in the Health Service today is through mediocrity."

I therefore ask my hon. Friend the Minister to ensure that the current review of the operation of RAWP takes this serious flaw into account; and that it considers the merits of a system whereby "the money follows the patient", wherever he or she happens to be treated. Furthermore, I ask my right hon. Friend the Secretary of State, through him, to ensure that significant changes are made soon, before many more of the achievements of health districts such as east Surrey's are destroyed.

12.25 am

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Ray Whitney): I am grateful to my hon. Friend the Member for Reigate (Mr. Gardiner) for raising this matter. I should like to offer some general remarks, but if, on studying his comments, I find that I should provide more details, I shall write to him. I shall carefully study his points about the RAWP formula.

Nationally, regional targets are set which aim to give a fairer distribution of the available resources between regional health authorities, based on such factors as age, morbidity and patients' movement across health authority boundaries for treatment. At regional and district level, the emphasis of the redistribution of resources is to provide equality of access to services. In essence, this means enabling those parts of the country which have inadequate facilities to look after the health care needs of their population to build these up. On the other side of the coin, some districts which have until now enjoyed a much more favourable level of provision are asked to take part in a fairer sharing out of the cake. I hope that my hon. Friend will accept that as a general principle, albeit taking cognisance of the problems of the policy to which he referred.

The Government have a duty to make sure that the way public money is divided up in the NHS works as well as it possibly can. Although we firmly believed in the RAWP process, we recognised the feeling that the methodology used in the calculations was ripe for a critical review. My right hon. Friend the Secretary of State for Social Services therefore announced last December that he was setting up a review of RAWP which would include an examination of the appropriate factors to be considered. Requests have been made that a report of the review should be with Ministers before the end of the year.

The effect of resource redistribution at the district level means that some districts have to face the fact of lower expectations. East Surrey is indeed one of South-West Thames' "losers". I hope that my hon. Friend agrees that, put in context, the picture may not be as bad as it appears.

When the South-West Thames regional health authority produced its 10-year resource assumptions for its 13 districts in 1985, East Surrey was considered to be over target and expected to take a drop of £4·5 million in annual revenue relative to other districts by 1993-94. So far, the district's rate of movement towards its long-term revenue target has been as originally planned. It is no worse off than it expected and has an additional £2·25 million pay an price uplift this year—no more than other districts in the region got, but certainly no less. The recent recalculations look at first sight to make East Surrey worse off, but the fact is that some corrections which were done to the calculations of the district's long-term commitment for providing care for old long-stay patients from outside its boundaries showed that it would have fewer patients than had earlier been thought. An appropriate amount was therefore deducted from its revenue target, but this was fully compensated for by a real reduction in the amount of care it would need to plan for. In fact, I understand that the district will be slightly better off in real terms.

East Surrey has not missed out on new developments. As my hon. Friend said, only two years ago the Prime Minister opened a new district hospital in Redhill, built at a cost of £17 million, and I was glad to hear my hon. Friend's remarks about the high quality of service being provided in that hospital. A further phase of development is now under consideration, costing about £12 million, and the regional health authority has agreed to try to bring forward a start on this block to allow the district to achieve more savings through rationlisation. All this is helped by Government injections of capital resources and our policy on land sales, which gives districts the benefit of proceeds from sales to develop their services in the best way for the local population.

South-West Thames regional health authority has calculated that the East Surrey district is over-targeted in revenue terms, and will give it a slightly decreasing share of the region's resources over the next seven or eight years. This, in turn, will allow those parts of the region which are under-provided and below target to build up services for their local populations. We acknowledge that this causes problems in districts such as East Surrey, and we understand the pressures, especially where the district is already efficient, and my hon. Friend gave examples of the district's efficiency.

Improvements in activity rates in recent years are clear, and I acknowledge them. The staff involved deserve recognition of their hard work and dedication. A few striking examples are patient throughput rates in trauma and orthopaedics, which are in the top 10 per cent. nationally; they have high levels of district nurses to attend the elderly and a high rate of contact with these patients; they are doing well in providing mental handicap community unit beds and community mental handicap nurses; and the ratio of direct care staff—those involved in treating and caring for patients—to indirect care staff is well above average.

But East Surrey is not the only health district in South-West Thames—let alone in the country—which is making improvements and achieving higher levels of performance. Every district has been asked to review its efficiency levels and to use the available resources in the

[Mr. Ray Whitney]

most cost-effective way it can. They are using performance indicators to show up areas where improvements can be made, and their cost improvement programmes are helping to release cash to pay for service developments.

Whether a region or district is set to gain or lose, it is vital for the health authority to make every penny count. The purpose of the NHS is to treat and care for patients. The more economy and efficiency measures that can be introduced, the more money will be available and the more patients can be treated.

While I congratulate my hon. Friend's local health authority on its fine achievements, I must stress that there are fields where there is room for improvement, such as savings from competitive tendering for house-keeping services, where as yet less than half of the services have been put out to tender. Progress has been made, but it has some way to go with its laundry services and it must make a start on the catering. There is need to look at the use of day care treatment, which seems lower than elsewhere. In some specialties, day case rates are less than one-fifth of the national average. The length of stay of elderly patients also seems high, and that, too, could be looked into.

I wish to place the situation in east Surrey against the background of what this Government are doing for the NHS nationally, efforts to which my hon. Friend paid tribute. The Government have recently added an extra £50 million to health authority cash limits in England, following decisions on this year's pay awards. Of that money, more than £16 million will go to the Thames authorities and to the special health authorities in London; £7 million will go to the north western and Mersey regions; £5 million to the west Midlands; and over £3 million to the Yorkshire and Northern regions. Those are substantial additions.

That has been achieved in a year in which we have already allocated about £650 million more to hospital and community health services in England. That represents a 6·7 per cent. increase nationally on revenue to the NHS. With the extra £50 million, we are talking about growth in real terms of well over 3 per cent., the highest figure since 1980-81.

Health authorities throughout the country plan to release a further £150 million this year, with more planned increases in activity and productivity within existing resources. Health authorities are benefiting also from the fall in general inlation that has been brought about by the Government's policies. There will be a real increase in spending of 24 per cent. after allowing for inflation. That is the Government's proud record since coming to office. I know that my hon. Friend recognises that, and I hope that he will accept that the public's perception is that there have been improvements in the service. My hon. Friend —who better than he?—will understand the difficulty of putting across the achievements of the Health Service. I remind him of a recent study that was carried out independently of the Government which showed that about 87 per cent. of those polled were very satisfied or fairly satisfied with the treatment that they had received within the NHS. It is important to remind ourselves that those who have experience of the Health Service, as opposed to relying for their knowledge of it on the media, understand that significant improvements have been achieved since 1979.

Capital spending programmes and improvements in hospitals continue to be undertaken, and it is right that we should claim credit for using the public's resources wisely and effectively. We recognise, however, that the policy of redistribution causes strains, especially for RAWP losers such as East Surrey. I hope that my hon. Friend will recognise that East Surrey has enjoyed a higher level of provision than some of its neighbours. It has shown already that it is capable of rising to the challenge and finding ways of saving money which do not reduce patient care. I hope that it will be encouraged to believe that still more can be done in that direction on the lines that I have suggested. There is still scope for cost improvements within virtually every health authority and I am sure that all authorities will want to exploit them to the full. I do not believe that East Surrey is an exception and I hope that the authority, with the co-operation of the staff, to which I pay full tribute, will be able to continue to use the resources which are being made available to ensure that the health care that is delivered to my hon. Friend's constituents will continue to improve and not deteriorate.

Question put and agreed to.

Adjourned accordingly at twenty-two minutes to One o'clock.

House of Commons

Friday 18 July 1986

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITION

Clinic (Amott Road), Camberwell

9.35 am

Mr. Gerald Bowden (Dulwich): I beg to ask leave to present a petition on behalf of 250 to 300 of my constituents who are concerned about the future of the clinic in Amott road which looks after well women and young children. The clinic is under threat of closure by Camberwell health authority because the fabric of the building is in a rather unsatisfactory state. The petitioners urge that Camberwell health authority should consider carefully before making any changes and that a clinic should be retained in that location.

To lie upon the Table.

New Towns

9.36 am

The Parliamentary Under-Secretary of State for the Environment (Mr. Richard Tracey): I beg to move,

That the draft New Towns (Extinguishment of Libilities) Order 1986, which was laid before this House on 1st July, be approved.

The draft order gives effect to the financial reconstruction of four new town development corporations — Milton Keynes, Peterborough, Telford and Warrington and Runcorn. Powers to carry out the financial reconstruction of the new town corporations were included in the New Towns and Urban Development Corporations Act 1985, which contained two distinct powers to effect financial reconstruction of the new towns — by the extinguishment of corporations' liabilities to repay loans made by the Secretary of State, and to provide for the suspension of repayments on such loans. The power to extinguish corporations' liabilities under which this order is being made lapses on 30 September 1986.

As I have said, the Order deals with four new town development corporations, but we also propose to implement a financial reconstruction of other new town bodies—the development corporations for Aycliffe and Peterlee and for Washington and the Commission for the New Towns. The financial reconstruction of these bodies will be effected under the power to suspend payments of loans and we expect to bring forward the necessary orders in due course.

In the debates on the 1985 Act there was, I believe, general recognition in all parts of the House of the need to place the corporations on a sound financial footing. The original financial regime of the new towns was established by a Labour Government in 1946 and continued more or less unchanged until the 1985 legislation. Apart from housing, which was subject to the same subsidy arrangements as for local authorities, development corporations' main source of finance for all their activities was long-term fixed interest borrowing from the Secretary of State, who in turn drew loans from the National Loans Fund. This applied both to new investment and to deficits on revenue account which were also capitalised and met by borrowing.

The sum of the liabilities being extinguished in this order is approximately £1,688 million and is thus within the £1,750 million ceiling set in the 1985 Act.

Mr. Tony Marlow (Northampton, North): I may be wrong, and I apologise if my hon. Friend will come to this point later in his important speech, but I assume that some assets of the new towns are housing assets. If the debts are to be extinguished, and if, as we all hope, some of the houses will later be purchased by the sitting tenants, what will happen to the money that is so released? Will it come back to the Exchequer to make up the debt from which we are releasing the new towns?

Mr. Tracey: My hon. Friend raises a good point on which I can reassure him.

The sum that I have mentioned is admittedly large, and it could well be asked why it is necessary to write that off. However, it was always envisaged that the corporations' revenue deficits would continue for the early years of

[Mr. Tracey]

development, but that in due course they would be able to achieve break-even and be in a position to redeem the borrowing.

Most of the first generation of new towns achieved that. They were Basildon, Harlow in Essex, Bracknell in Berkshire, Crawley in West Sussex, Hatfield, Hemel Hempstead, Stevenage and Welwyn Garden City. There were also the new towns at Corby, Aycliffe and Peterlee.

Whereas those corporations benefited from the boom of the 1950s and early 1960s, the second and third generation new towns developed against a background of growing economic difficulties in the late 1960s and early 1970s.

Mr. Anthony Steen (South Hams): Was the money that the Government now want to write off spent primarily on infrastructure by the new towns in years gone by?

Mr. Tracey: That was an important part of the construction of the new towns but, as I have explained, under the legislation of 1946, this was the major method of financing the new towns. I covered that point earlier and I am now explaining the further developments and why we now believe that we must extinguish the liabilities.

The second generation towns were Runcorn in Cheshire, Skelmersdale in Yorkshire, Washington in Tyne and Wear, and Redditch and Dawley, which is now called Telford, in Shropshire. The third generation new towns are perhaps better known — Milton Keynes, Peterborough, Northampton, Warrington in Cheshire, and the central Lancashire new town.

Mr. Marlow: My hon. Friend mentioned Northampton which woke me up as I was dozing off.

This is a complex and important subject and, as the debate unwinds, there is a lot of information that some of us would be interested to have. It would be wrong to expect my hon. Friend to have the information at the moment, but perhaps it could be provided for him before the debate is concluded. One thing that would be of interest to myself and to my hon. Friend the Member for South Hams (Mr. Steen) is the amount of money that we are writing off that is attributable to housing assets and the interest arising from the establishment of those housing assets in the first place, and I hope that that information can be found.

Mr. Tracey: I take good note of what my hon. Friend says. No doubt he will be developing that point and posing further questions as the debate goes on. We shall seek to give him the answers that he wants.

The task facing the second and third generation towns was in many respects fairly onerous. For example, at Telford more than a quarter of the designated areas was derelict at the beginning of the operation. There was also a substantial reclamation task at Warrington, while at Milton Keynes the scale of infrastructure required was larger than anything which had previously been undertaken because of the nature of the site on which Milton Keynes is being constructed.

High rates of interest and low economic growth over the period contributed to a situation in which the deficits of the second and third generation towns spiralled inevitably upwards. Thus a number of factors worsened the financial position of the new town corporations.

Mr. William Cash (Stafford): I happen to be a member of the Ironbridge Gorge Museum Trust which has done a great deal to improve and enhance Telford's environment. I live near to Telford and I would not want any impression to be gained—I hope that my hon. Friend is not giving the impression — that there is a state of dereliction in that area. In fact, it is quite the opposite. Many would regard that area as one of the most outstandingly beautiful parts of this great British isle.

Mr. Tracey: I proceed quickly to deny that I am in any way suggesting that the state of dereliction which may have been there at the beginning has remained. Indeed, I pay tribute to the work that has been done in the Telford area were there have been great environmental benefits. My hon. Friend has noted, in an articulate way, some of them. I certainly do not want to say that there is a problem at present as great as there was when the work on the new town began.

In November 1982 the then Minister for Housing and Construction, my right hon. Friend the Member for Tonbridge and Malling (Mr. Stanley), explained that legislation would be needed to deal with the problem. As an interim measure, the Finance Act 1983 introduced a power to suspend repayments on some new town debts until 30 September this year. The order, under the powers taken in the 1985 Act, provides a long-term solution which will give the four corporations a realistic debt structure so that they are able to service and repay their debts in due course.

The financial reconstruction proposals embodied in the order have been formulated by reference to projections of income and expenditure over the next 20 years. This exercise has been carried out with the co-operation of the corporations and the results have been analysed by consultants commissioned by the Department of the Environment.

In parallel with the financial reconstruction, we are introducing other measures which should improve the financial regime which the new towns operate. New towns' capital investment in the provision of roads, which is the major item of expenditure on which there is no direct return to them will in future be eligible for grant under a provision introduced in the 1985 Act. We are also in the process of introducing an improved system of corporate planning which will provide the focus for discussion of the corporations' activities and resource allocation. Some changes will be introduced to the form of the corporations' published accounts to make them more informative and these will include a requirement for the corporations to report on their progress towards achieving cumulative break-even. Taken together, these measures will provide a sound financial basis for the corporations during the remaining period of their lives as they complete their development programmes. An essential element of this is the financial reconstruction of the corporations to establish a capital structure which they will be capable of servicing. If the house approves this order today, this will be achieved.

Mr. Marlow: My hon. Friend appears to be coming to the end of his speech. I apologise for interrupting again. I accept that we are writing off certain debts, but the new towns will still own assets. As the years unfold, how much do the Government expect to get back? How much will the taxpayer get back from the new towns?

Mr. Tracey: The aim is to conduct the exercise in the most efficient way. I cannot give my hon. Friend a figure, but we believe that by the extinguishment of liabilities and by building from a sound base we shall achieve a sound financial basis.

Mr. Ian Gow (Eastbourne): Before my hon. Friend leaves that point and moves on to the second part of his speech, will he kindly tell the House to what extent he has studied reports produced by the development corporations for the year ended 31 March 1985? These are the most recent reports available in the Vote Office. My hon. Friend knows that.

I refer my hon. Friend to the pictures on page 210. I am grateful to the Opposition for following what I am saying with such care. I wonder whether my hon. Friend has before him a copy of the report. The assiduous spokesman for the Opposition, the hon. Member for Houghton and Washington (Mr. Boyes) has a copy. Perhaps I should allow my hon. Friend time to obtain a copy of the pictures. Perhaps his private secretary, or one of my hon. Friends, can assist him.

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. I hope that the hon. Member for Eastbourne (Mr. Gow) is not making a speech. This is supposed to be an intervention.

Mr. Gow: I apologise, Mr. Deputy Speaker. I was referring my hon. Friend and the official Opposition spokesman to some pictures. I do not know whether you have a copy, but they appear on page 210. One picture is of Milton Keynes' Texas Homecare store. Is that store and the loan that applied to it included in the order?

Mr. Tracey: I cannot answer that question at the moment, but if my hon. Friend will bear with me I shall seek the information.

I was about to conclude my speech. We believe that the essential element is the financial reconstruction to establish a capital structure which the corporations will be capable of servicing. If the House approves the order, this will be achieved.

I commend the order to the House.

9.55 am

Mr. Warren Hawksley (The Wrekin): I welcome the order, but I am slightly disappointed at the way in which it was introduced. I had hoped for more detail in my hon. Friend's explanation. My concern is about Telford in my constituency. About £440 million of the capital given to that new town over the years is to be extinguished. I am shocked and surprised at the complete lack of details about the loans involved in the statutory instrument.

New town corporations should be more receptive to people's wishes and to the views of our constituents. They should tell people exactly what is happening. New towns should open their board room doors so that the public can see what is happening. It would be possible to deal with the commercial confidentiality problems which apply to new town corporations as they do to local authorities. New towns such as Telford are happy to provide publicity on matter about which they want the public to know, but that does not reveal the whole picture.

I am unable to find out what the Telford new town corporation is debating, but I believe that the board papers were available to my Labour predecessor. The Labour-controlled local district and county council chief executives are furnished with the information, so they know exactly what is happening and according to Lord Northfield, the new town corporation chairman, they are able to brief their members. It is extraordinary that a new town corporation should keep a Member of Parliament in the dark but advise officers of the local councils. After all, new town corporations are Government-supported bodies.

I hope that the Government will persuade the corporations to be more forthcoming in the advice and information that they pass on to Members of Parliament. Board members have asked for me to be furnished with papers, but that request has been refused by the chairman of the corporation.

Mr. Cash: Were any reasons given for the information not being disclosed? My constituency is next to my hon. Friend's constituency, and I have an interst since many of my constituents work in Telford.

Mr. Hawksley: I have not been given a satisfactory explanation. Lord Northfield told me that he had taken advice from the Department before refusing my request for the papers.

Mr. Gow: I am sure that my hon. Friend will accept that it is not necessary to have a constituency which abuts his own to take a keen interest in this matter. He will find if he studies the order that the powers exist as a result of the New Towns and Urban Development Corporations Act 1985, and some of the members of the Committee which considered that measure did not have new towns in their constituencies.

Mr. Hawksley: I thank my hon. Friend for reminding me of that fact, which I admit had slipped my mind.

I turned to the draft statutory instrument with hopes that I would be able to ascertain exactly what the Telford development corporation had been doing with the large sum that we shall write off today. Unfortunately, the order provided no clues. We are asked in respect of all four new towns to accept the writing-off of nearly £1,750 million without one word about what the money has been spent on. I was so worried that last week I tabled a question to my right hon. Friend the Secretary of State for the Environment. I asked him whether he would give details of each of the advances from T1 to T409, which appear in the order. I thought that that would provide helpful information for the House to have when debating this important issue. I received a reply on Wednesday 16 July 1986. The written answer stated:

"Long-term loans from the Secretary of State have been the principal source of finance for the new towns programme. Individual loans cannot be linked to specific activities or items of expenditure."—[*Official Report*, 16 July 1986.]

That is an extraordinary answer.

Mr. Cash: Does my hon. Friend think it possible that some of the money to which he has referred went into the fine new public house that is known as Quenchers, or the sophisticated night club and disco complex that is called Cascades? We are told the Cascades has lost no time in becoming the local "Talk of the Town".

Mr. Hawksley: I should declare an interest because I was involved in the opening of one of those premises. There are good facilities within my constituency. The town centre is currently owned by the development corporation and we may well find that some of the money has gone that way. It is frightening that an answer to a parliamentary

[Mr. Hawksley]

question fails to list the items of expenditure. The House will be aware that T399 is one item of expenditure of £27 million, and presumably the Department passed that sum over Telford development corporation. I find it frightening that the answer to my question does not tell us what the items of expenditure were.

I must assume that the items that we are debating, which are listed in the order, cover all the expenditures of the Telford development corporation. They seem to appear as half-year expenditure groups, and we must assume that the expenditure in the new town has come from these funds. I hope that I shall be in order when I try to deal with some items of the expenditure which I believe need discussion.

When I was elected the hon. Member of Parliament for The Wrekin in 1979 I said in my maiden speech that I believed that the new town corporation should be supported by the Government. I said also that I believed that the Government could and would give the help that was needed. I never dreamt that the Government would give so much help and do so much for the area. The opposition in this place and at local level in the district council is The Wrekin deride on many occasions the Government's expenditure plans, but I believe that this instrument puts to rest the charge that the Government are not spending the money that should be expended in the area.

When my hon. Friend the Minister introduced the order he talked about the state of Telford when the corporation was set up. There were old quarries and old collieries. There was much reclamation to be done. Although it has not been finished yet, much has been done. I welcome the expenditure that has allowed that to happen.

It should be remembered that in 1979 Telford had no hospital and no motorway. Telford was in a worse position than previously because of the closure of the Cosford hospital. There was no accident or emergency cover in the east of the county. There were no motorway connections to the M6, which all the industrialists in the area told us were essential. We went into a third inquiry because the previous Labour Government kept changing their mind. We had no development status and there was no station in central Telford.

What is the position now? Thanks, presumably, to some of the money that we are talking about, we shall have a new hospital. That hospital is almost built. I suppose that the roads approaching it have been financed by the new town's money. The M54 is open and it is bringing jobs to the area. The Government have given the area intermediate status, which gives it money from Europe as well as from our Exchequer. We have an enterprise zone and a station has been built and opened. This is all good news.

Jobs are being created in the town. Although we have an unacceptable level of unemployment at 21 per cent., 3,000 jobs have been created in the past year within the new town of Telford, thanks to the Government's help. We have international firms and many of them have come to the area with Government money. These include Maxell, Ricco and Tutung. Local companies such as Brintons and Blockleys have been expanding quickly. This has happened in Telford because of the facilities that have been provided by the new town corporation.

The Government have given every support for which we could possibly ask and I am upset that the creation of 3,000 extra jobs has been hailed by certain Socialist councillors as the 'sham of Telford'. I welcome an additional 3,000 jobs. It reflects great credit on Telford that at this time it has been able to create that number of jobs, even with Government help.

I address myself to a couple of the outstanding issues that will arise if we pass the order. One has been mentioned already by my hon. Friend the Member for Northampton, North (Mr. Marlow). Housing transfer is an important issue in Telford. The demise of the corporation is envisaged in the early 1990s and we are talking of housing being transferred to housing associations, the district councils or to trusts. I welcome the decision to allow tenants to have their views listened to and I want to know when the Government will ask for their views. I hope that my hon. Friend the Minister will confirm that housing may be transferred legally to authorities other than district councils. I know that some district councils claim that that cannot happen and that they must have first option. Perhaps my hon. Friend will be able to clarify the position.

To repeat the question my hon. Friend the Member for Northampton, North asked, what will happen to the proceeds that are received as a result writing off these assets today? I wish to put on record my appreciation of the hard work that the chairman of the corporation, Lord Northfield, carries out on behalf of the new town. He spends money wisely and takes a great personal interest in every housing scheme. I have in mind especially the Admaston scheme. The corporation encouraged and persuaded a developer to design houses that would be appropriate for that area, which is one of outstanding beauty. Lord Northfield was personally and closely involved with the choice of the builder and the way in which a decision was arrived at. The land did not go to the highest bidder. It went instead to the one which, it was thought, would produce the right sort of development.

Mr. Gow: Will my hon. Friend tell the House what discussions he has had with Lord Northfield on this important matter? If Lord Northfield were a Member of this place instead of the other place, would he vote for the order?

Mr. Hawksley: I assume that my hon. Friend is correct. I have not discussed the order with the noble Lord. I believe that he would welcome the proposals. I know of his great interest in housing. The matter that creates, great concern in Telford. As the House knows, the noble Lord is the paid chairman of Consortium Development, which is a consortium of building companies such as Barretts, Wimpey, Tarmac, Brosely and Christian Salvesen. My constituents are worried that there may be a conflict of interest in his chairmanship of the new town corporation.

Mr. Deputy Speaker: Order. The hon. Member must confine his remarks to the order. He must not stray as wide as he is doing at the moment.

Mr. Hawksley: I thank you, Mr. Deputy Speaker, for that warning. Respecting your decision, I wonder whether the payment of the chairman and the expenditure and the policies that he implements in the corporation have not something to do with the items of expenditure that we are writing off and about which we have been told so little. The Government should advise us whether they are happy

that the chairman of their corporation, which is allocated a large sum of money, has a conflict of interest as chairman of a consortium that has interests in the town. That is the important point, because nearly all those building companies do work in Telford.

I gather that there is a precedent. When the Docklands board was set up, it had a chairman who was involved in housing. It was decided that his companies could not operate in Docklands. Will the same happen in Telford? Is the land sold to private builders to be excluded from companies in the consortium of which the noble Lord is chairman? We want to know the answer to that important point. If we cannot solve this conflict to the satisfaction of my constituents and many builders in the area who are not members of the consortium of which his Lordship is chairman, his Lordship may have to resign, or he may have to be replaced.

Mr. Gow: In a most interesting speech, my hon. Friend has referred to the advances to the Telford development corporation. I have studied the expenditure closely, as I know my hon. Friend the Member for Milton Keynes (Mr. Benyon) has. Will my hon. Friend direct his formidable intellect to the final line of page 9 of the order, which has puzzled my hon. Friend the Parliamentary Under-Secretary as it has puzzled me. What has happened to the sum of £373·26, which is the difference between the sum in the first column and the sum in the second column? Will my hon. Friend address himself to that problem? He has not got round to doing so.

Mr. Hawksley: I thank my hon. Friend for drawing that to my attention. I am sure that the Minister heard the question. I hope that, whith the advice of his civil servants, he will be able to answer that in reply. My hon. Friend has raised an interesting point. It shows the lack of information that we are receiving on this important order.

My hon. Friend the Member for Stafford (Mr. Cash) spoke of his personal involvement with the Ironbridge Gorge Museum. That museum was set up with finance from the corporation. It was a Museum of Europe a few years ago. It is the leading tourist attraction in Shropshire. It is doing a good job for the area. If we are to write off loans, we should be told what the Government believe should happen to the sites of the museum that are currently owned by the Telford development corporation. We should be interested to know whether the Government intend to give continued support to the museum to ensure that it has the resources it needs and which are now channelled through the new town corporation of Telford. We must support and welcome the museum and its development, because it has an important part to play within the ambit of the Telford development corporation.

I turn to a further item of expenditure in the order. As I do not have the details, I am unable to pinpoint the number of the item. It concerns the purchase, in the late 1960s, of land at Nedge Hill. That involves a scandal of frightening proportions. I believe that the corporation has wasted £500,000 of public money, and that it is hiding that fact. The corporation purchased the land, with vacant possession, with money that was given in the late 1960s for the purchase. The corporation then offered to let the land back to the farmer.

The corporation has found, now that it wants the land back, that instead of giving a 364-day licence, it gave a full agricultural tenancy. The corporation is now having to pay anything up to £500,000 to get its own land back. In view of the fact that the corporation bought the land with vacant possession, I believe the public would view the expenditure of an extra £500,000 ill spent.

I believe that there should be an inquiry by Ministers into the reason why the expenditure is necessary. It may be, as the corporation has implied, that the last Labour Government, as a policy decision, insisted that the land was let back to the former owner. On the other hand, it may be that the officers of the corporation made a mistake when they issued the licence for an agricultural tenancy. In any case it is scandalous that £500,000 could have been wasted.

Mr. Kenneth Hind (Lancashire, West): Perhaps my hon. Friend would consider the importance of getting the matter that he has raised — the purchase of land for £500,000 — cleared up following the extinguishment of liabilities and the handing over to the corporation and the district council. In Skelmersdale, we found that many projects that needed to be sorted ur were left over. I urge my hon. Friend to consider, when he advises the local development corporation what to do, to ensure that all the loose ends are tied up so that the problems will not continue into the future, as was the case in the north-west.

Mr. Hawksley: I thank my hon. Friend for those words. It is essential that the matter be sorted out quickly. The corporation wants the land for its own use. However, a similar position may apply in respect of other land in the Telford area. The public should be told whether the corporation has put other land that it bought with vacant possession under an agricultural tenancy that it must buy back when it wants to use the site.

Mr. Marlow: I wonder whether it is proper to point out at this stage that, in this important debate about new towns, apart from the hon. Member for Houghton and Washington (Mr. Boyes) and the hon. Member for Linlithgow (Mr. Dalyell)——

Mr. Deputy Speaker: Order. The hon. Member should not intervene. It has nothing to do with the order before us.

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Deputy Speaker. Until the last election I represented the Deans and Knightsridge area of the new town of Livingston. As I understand it, I would be ruled out of order if I raised the problems of Livingston in this debate.

Mr. Hind: Further to the point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker: Order. Hon. Members know very well that they do not have to represent a new town in order to take part in a debate or be interested in what goes on in the House.

Mr. Hind *rose*——

Mr. Deputy Speaker: The hon. Member must not pursue this matter because it is out of order.

Mr. Hind: It is a separate point of order, Mr. Deputy Speaker. There are a number of hon. Members present who do not represent the new towns which are listed in the order but who represent other new towns. Would it be proper to raise the problems that occur in those other new towns that are similar to the problems that will be created in the new towns listed in the order?

Mr. Deputy Speaker: It is not for me to give advice to the House. If an hon. Member is out of order, I shall say so. I shall decide when an hon. Member is speaking whether he is in or out of order.

Mr. Hawksley: Thank you, Mr. Deputy Speaker.

I remind the House that I began by praising the Government for their support for Telford. They are not given, locally or nationally, the credit that is deserved for the size of the expenditure on all the new towns, especially on Telford.

The Telford development corporation built an ice skating rink in the Telford town cenre. Many of my constituents welcomed that project. But the corporation gave that rink away—it would probably claim that it was sold—to the Wrekin district council for £1 towards the cost of building the rink. I hope that my hon. Friend the Under-Secretary of State will clarify how the budgeting was done in charging for that item. I wonder whether this is one of those items that are being written off.

It is interesting that The Wreckin district council, having taken over the rink for £1 and having said that it would break even on running costs, succeeded in the first year in incurring a loss of amost £200,000. That is not very good. I know that the district council is aware of the problems and is trying to correct them. Credit must be given to the Government, the TDC and Ministers for giving Telford an ice skating rink for £1. My electors appreciate that. Credit should go where it belongs—to the Government for having provided those resources.

Mr. Gow: Will my hon. Friend please direct his mind to the specific problems revealed between pages 7 and 14 of the order? Has he noticed that it is the Telford development corporation, not the development coroporation of any of my hon. Friends, which has the largest number of items—419? Will my hon. Friend explain how we are supposed to know to which item each number relates? In my respectful submission, we cannot debate this matter properly unless we know to which items those numbers relate. Can my hon. Friend tell me one of those 419 items that relates to a specific project?

Mr. Hawksley: I am afraid that my hon. Friend is right. I cannot give one item with a specific expenditure against it.

Mr. Gow: Not even one?

Mr. Hawksley: Not even one. The reason is, to quote from the parliamentary answer to one of my questions,

"Individual loans cannot be linked to specific activities or items of expenditure."—[*Official Report*, 16 July 1986.]

It is frightening that in this document there is a large number of items, which my hon. Friend the Member for Eastbourne (Mr. Gow) rightly highlights, which are attributable to Telford, yet we do not know what any of them are. I hope that we shall be enlightened before the end of the debate as to the exact purpose of the loans that we are asked to write off.

Mr. Gow: On a point of order, Mr Deputy Speaker. You will have been listening carefully to my hon. Friend the Member for The Wrekin (Mr. Hawksley). There are 419 items before the House which relate to my hon. Friend's new town, but he cannot identify one project that is related to an individual loan. Do you not think that a Treasury Minister or possibly my right hon. and learned Friend the Attorney-General should be present to help us in these serious matters?

Mr. Deputy Speaker: The hon. Member has been a Member for a long time and he knows very well that the presence of Ministers is not a matter for the Chair.

Mr. Hawksley: Thank you for your ruling, Mr. Deputy Speaker. I am slightly disappointed because I had hoped that the proposals of my hon. Friend the Member for Eastbourne would help the House in our proceedings on the order. I hope that we shall be advised of the details of these items of expenditure. Because we are talking of such large sums, I hope that it is possible for my hon. Friend the Under-Secretary of State to find out what at least some of the items are. I assume that the items to which I have referred in the corporation's expenditure are hidden away somewhere in those figures. I assume that I am right, because you have not yet ruled me out of order, Mr. Deputy Speaker, for dealing with the expenditure on these items.

Mr. Deputy Speaker: Order. The hon. Member must not tempt me.

Mr. Hawksley: Thank you for that second warning, Mr. Deputy Speaker.

I shall draw my remarks to a conclusion to allow my hon. Friends who represent other new towns to speak of the experiences of their corporations. It is important that we put on the record the amounts that the Government have put in to the new town corporations. I hope that the questions of vacant land, of Lord Northfield's chairmanship of the Telford development corporation and of the items of expenditure listed in the order will be clarified. Provided we are given clarification that I consider to be satisfactory I shall be only too happy to support the order.

10.26 am

Mr. Roland Boyes (Houghton and Washington): It may be helpful if I say a few words at this time.

When my hon. Friend the Member for Copeland (Dr. Cunningham) asked me whether the order should be discussed upstairs or on the Floor of the House, I advised my hon. Friend, who with others made the final decision, that it should be taken on the Floor of the House to give those hon. Members who live in, represent or are interested in the new towns an opportunity to take part in this debate in public and, as the Under-Secretary of State has done, to make constructive criticism and offer helpful suggestions and even praise.

In future I shall hesitate long before making such a recommendation if Conservative Members abuse it by talking at great length with the single objective of preventing a second Adjournment debate.

Mr. Christopher Murphy (Welwyn Hatfield): On a point of order, Mr. Deputy Speaker. Is it in order for an hon. Member to criticise other hon. Members before they have even spoken, especially those who represent new towns and therefore have a particular interest in the order? I beg you to make a ruling, Mr. Deputy Speaker.

Mr. Deputy Speaker: I am listening carefully to the preamble of the hon. Member for Houghton and Washington (Mr. Boyes) I am grateful for hon. Members' great interest in what is in order and what is not, but that is really a matter for the Chair to decide.

Mr. Boyes: I have not as yet made any criticism of any individual Conservative Member. I am saying merely that I hope that my recommendation is not abused by

Conservative Members speaking at great length with the objective, which is now well known to the House, of preventing a second Adjournment debate.

Mr. Eric Forth (Mid-Worcestershire) *rose*——

Mr. Boyes: As hon. Members know full well, I am one of the great "givers away" in debates, whether I am on the Back Bench or at the Dispatch Box, but I intend to give no assistance to those who want unnecessarily to prolong the debate.

Mr. Marlow: On a point of order, Mr. Deputy Speaker. Is it in order for the hon. Member for Houghton and Washington (Mr. Boyes) to make dire allegations about hon. Members without giving way and responding to the legitimate points that they might wish to make? This is Parliament at its worst.

Mr. Deputy Speaker: The hon. Gentleman knows that whether an hon. Member gives way or not is a matter for him.

Mr. Boyes: The hon. Member for Northampton, North (Mr. Marlow) again suggests that I am accusing Tory Members of something. I am merely suggesting that I hope they will not abuse my decision on this occasion.

This is an extremely short order, as is the explanatory note, but I shall argue that it has some important political significance. As the Minister said, the objective of the order is to extinguish, on 1 September 1986, liabilities in respect of certain advances made by the Secretary of State to the development corporations of Milton Keynes, Peterborough, Telford and Warrington and Runcorn. In section 62A of the New Towns Act 1981 there is a limit to which the liability can be extinguished, but the figure of approximately £1·7 billion is well within that limit.

As I have said, this debate is of interest to people regardless of whether they represent or live in a new town. My experience of new towns is extremely wide. I have lived in Peterlee in the north-east of England for 25 years and represented it at local authority level. I now represent the new town of Washington, having represented it from 1979 to 1984 in the European Parliament. Hon. Members on both sides of the House are aware that the new town movement is very important. When a student ccomes to write the history of the new towns, he or she will note the significant contribution that they have made to all aspects of our lives. They are one of the great post-war experiments carried out by many, at great risk. There is no doubt that the risk has been well worth while and that the new town movement is undoubtedly highly successful.

The new town movement is a great tribute to Lewis Silkin, the father of the right hon. Member for Lewisham, Deptford (Mr. Silkin), who was the great architect and innovator of the new town movement. He had the foresight to see that housing, economics and other problems would arise in the future and, most importantly and significantly, he was able to find a solution to those perceived problems. His son, the right hon. Member for Deptford, in a distinguished career in the House, has continued his father's aspirations.

The director of the Town and Country Planning Association agrees with the point that I have made. He wrote in *Town and Country Planning* in October 1985:

"I believe it amply confirms that the new towns' programme represents one of the greatest achievements of post-war planning."

It is because of the success of the jobs started by many corporations but which have not yet been finished that I am resentful of the Government's policies. The Government are putting their fingers, sticky with the glue of privatisation, into areas where they have no right to go, sometimes less openly than others. Opposition Members and others outside the Chamber have demonstrated on many occasions that sometimes their privatisation plans are carried out overtly and sometimes covertly. I shall make a few remarks about that, because the order is directly related to those privatisation plans. Privatisation of new towns may make sense in the extremely narrow ideoligical thoughts of the Government, but it makes little sense politically, economically, financially or socially for many others.

Conservative Members have already referred in speeches and interventions to economic development. The new towns have played a vital role in the generation of jobs. In the process, they have demanded billions of pounds of public investment in town centres, house building, factory site preparation and job promotion. I do not think that anyone on either side of the House can question the fact that the experiment has proved to be worthwhile and that the investment is important for those who chose to live in the new towns. That investment has also been of great help to people who live in the areas surrounding new towns. In areas of high unemployment, new towns have played a particularly important role. Although the new town that I represent and the one in which I live are not the subject of this debate, they have been essential in promoting, obtaining and protecting jobs.

No one on either side of the House believes that the new towns, run by development corporations, or by quangos with representatives appointed by the Secretary of State, should last for ever. There will come a time when the new towns will be considered to have completed their useful lives and their assets will have to be disposed of. What is of concern is that the Government appear to be hell-bent on winding up the new towns without considering their role within the region in which they exist. In particular, they are ignoring their relationship to industrial decline and the related high unemployment levels. Although those aspects are not the main subject of the debate today, they will have to be the subject of a debate in the near future.

This debate is concerned with the disposal of assets—how, and to whom. I have listened with great interest to the intervention of Conservative Members who have been trying to get more details about what this mass of figures represents. Clearly, judging by the number of hon. Members who wish to take part in the debate, they have found the order extremely interesting — I cannot say enlightening—reading.

The reports of the four new towns under discussion today, Peterborough, Milton Keynes, Warrington and Runcorn and Telford are, as the hon. Member for Eastbourne (Mr. Gow) pointed out, referred to in the "Reports of the Development Corporations," dated 31 March 1985 and, as the hon. Gentleman rightly stated, that is the latest available annual report. We expect the next one a little later in the year.

The board of each new town has expressed a desire, in its annual report, to carry on with the work that it is doing. The chairmen especially want to complete the job aspect of the new towns. I shall consider one comment from the remarks of the chairmen of the four boards.

[Mr. Boyes]

Peterborough, which has a population of 128,000, was designated as a new town in 1967. The chairman in his annual report said:

"To enhance the attractions of Peterborough — and underpin this success—more building and infrastructure are required. But for the most part, the need is to keep together, for as long as necessary, the special expertise that an established development corporation provides to promote enterprise and foster further growth."

The chairman of Milton Keynes with a population of 122,000, which was first designated as a new town in 1967, said:

"It is our emphatic view that the city should be completed with the care and attention to balance so necessary for a 'greenfield' site and that the skills of the Corporation are essential to that task. The benefits of Milton Keynes to the region and the nation, as well as to the local inhabitants, must be fully realised."

As hon. Members are well aware, Warrington and Runcorn is a combined development corporation. Warrington development corporation was designated in 1968, and Runcorn in 1964. The population at the latest known figures, was about 210,000. In his annual report, the chairman of the board said:

"A great deal undoubtedly remains to be done, if the continued development of the two New Towns and the satisfactory termination of the Corporation's role in the process are to be accomplished in parallel and with equal success."

The fourth new town under consideration is Telford, to which the hon. Member for The Wrekin (Mr. Hawksley) addressed his remarks. It has a population of about 109,000. As has been correctly stated, it was originally designated as Dawley new town in 1963. In the 22nd annual report of the Telford development corporation, the chairman said:

"My regret is that the constraints of government policies on the new towns emphasise less what could be achieved than how little time there is to do something worthwhile. It is perhaps even more regrettable that so successful an instrument of national policy should be seen as having no further role in the revival of the economic fortunes of other parts of the United Kingdom."

Whether this is the correct time to be winding up development corporations is an important matter for debate. On the other hand, each of the remarks that I have chosen from the annual reports shows that each development corporation is putting much energy, expertise, money and cash into the promotion and development of jobs. The Government's policy has led to massive unemployment, and each of those corporations sees the continuation of its existence as important in the battle to create jobs throughout the nation.

Although many people would say that the development corporations have been successful to date, there are still many problems to be solved. I note that some hon. Members in the Chamber were present at the meeting with representatives of the Association of District Councils new towns committee earlier this week. Problems were raised which will need to be discussed at great length in the House in future. Some of the problems raised related to housing assets. There was quite a good discussion about whether local authorities should be offered the houses, and whether housing associations or co-operatives should run groups of the houses. The debate was on whether the local authority should have an automatic right, or whether tenants should be consulted as to their desires about the houses in which they live. That is a vital debate, which will have to be concluded. It is of interest to hon. Members on both sides of the House.

One of the aspects of the Government's privatisation programme is to sell off the town centres in the new towns. As a former member of a local authority, I am not suggesting for one moment that the local authorities should take over and run town centres, but I believe, as do many of my collagues in local authorities, that at least the local authority should have some say in how the town centres in the new towns are disposed of.

When assets are sold, what happens to the proceeds? Surely some of the proceeds, especially in areas of high unemployment, should go to the local authorities. Surely it is not unreasonable for the local authority to have a share in something that it has been instrumental in helping to develop. The director of the Town and Country Planning Association shares that view and said in an article in *The Guardian* by the journalist John Cunningham on 10 April 1985:

"The basic idea is that the enhanced values created by the development corporations on the community's behalf should be ploughed back. It was the initial investment of the taxpayer which set them off."

If those assets went back to the local authority, the product of the assets would stay fairly and squarely in that area, where the development corporation is.

What is the order all about? Many interventions were made by Conservative Members to the Minister about that. The purpose of the order is to extinguish certain liabilities of the development corporations that are under discussion. The power to make the order was provided by section 62A of the New Towns Act 1981, which was inserted by section 8(1) of the New Towns and Urban Development Corporations Act 1985.

The hon. Member for Eastbourne, the then Minister for Housing and Construction, led for the Government when the Bill was going through the House. Some of my colleagues and I asked particularly about what is now section 8, and its consequences. To clarify the point, I shall quote from section 62A of the New Towns Act. It says:

"(1) The Secretary of State may, with the Treasury's consent, by order extinguish to such extent as may be specified in the order any liabilities of a development corporation in respect of advances made by him to the corporation under section 58(1) of the corresponding provisions of the 1946 Act or the 1965 Act.

(2) The aggregate amount of liabilities extinguished by order under this section shall not exceed £1·750."

If Conservative Members have studied the new towns annual reports for the year ending 31 March 1985, as the hon. Member for Eastbourne clearly has, they will have seen the financial statements for each of the development corporations. For those who are following closely, I refer to page 121 dealing with Milton Keynes development corporation's annual report, although a similiar paragraph is inserted in each of the new town's reports. The paragraph is headed, "Suspended Loans" and states:

"The Government has announced that it intends to take measures to produce a permanent solution to the problem of the substantial and growing revenue deficits of certain development corporations."

We are discussing that this morning.

The New Towns and Urban Development Corporations Bill was debated on 20 November 1984. The then Minister for Housing and Construction, the hon. Member for Eastbourne, explained why the provision was necessary. He said:

"clause 8 gives to the Secretary of State power to write off sufficient debt to give a capital structure which is capable of being serviced by the assets which the corporations hold."—[*Official Report*, 20 November 1984; Vol. 68, c. 165.]

That is to say that the Government wanted to achieve the objective of reaching a financial break-even point. That argument is put forward to justify the writing-off of debts and liabilities of new towns to enable further growth and expansion, and especially to attract industry and jobs as part of the immediate sub-region development.

However, other than ideological dogma—a perpetual drive fuelled by monetarist policies—it is difficult to find a justification for what the Government are doing. When the Labour party forms the next Government it should take a leaf out of the Conservative book and introduce mechanisms to write off some of the massive debts that local authorities face as a consequence of many years of Conservative Government.

Mr. Marlow *rose*——

Mr. Boyes: I shall certainly not give way to that hon. Member.

Mr. Marlow: Will the hon. Gentleman give way?

Mr. Boyes: I am certainly not giving way to the hon. Gentleman.

Local authorities suffer the same long-term debt problem as new towns, because they have had to take out loans over a 60-year period——

Mr. Marlow: On a point of order, Mr. Deputy Speaker. I regret having to raise a point of order, but the hon. Member for Houghton and Washington (Mr. Boyes) has said to every Labour local authority in the land, "Spend as much as you like. When we come into power, if we come into power, we will pay"——

Mr. Deputy Speaker: Order. That is not——

Mr. Marlow *rose*——

Mr. Deputy Speaker: Order. The hon. Gentleman must resume his seat. He knows very well that that is a matter for debate and not a point of order for the Chair. He is certainly not raising a point of order.

Mr. Boyes: The nonsense spoken by the hon. Member for Northampton, North absolutely justifies my not giving way to him. What he said about me was quite incorrect and not worth an intervention. I shall not join in the charade in which some Conservative Members are hoping to play a part later this morning. To save hon. Members rising, I say now that I shall not give way——

Mr. Barry Sheerman (Huddersfield): Will my hon. Friend please stop banging the Dispatch Box, as he might destroy it?

Mr. Boyes: My hon. Friend is worried that I might destroy the Dispatch Box because he wants to speak from it later this morning.

Mr. Sheerman: No, it is being reserved for the right hon. Member for Finchley (Mrs. Thatcher), who will be on the Opposition Benches in the near future.

Mr. Boyes: I fear that my hon. Friend's interventions are encouraging Conservative Members.

What was the motivation behind section 8? The hon. Member for Eastbourne said in the debate on 20 November 1984:

"If investment is needed, it will be met from receipts. The surplus will be used to redeem debt. In this way, the assets of the new towns will be realised as quickly as practicable for the benefit of the taxpayer."—[*Official Report*, 20 November 1984; Vol. 68, c. 166.]

There is a contradiction in terms there. It is all part and parcel of the Government's privatisation programme. The new towns are being privatised and the extinguishment of liabilities is an essential and necessary element in the process to make them more attractive to purchasers.

That is a well-known technique. As my hon. Friends know, I have been involved in the anti-water privatisation campaign. There is an interesting comparison here, as the Government are threatening to write-off £5 billion debts of water authorities, forcing them to make price increases to make abnormal profits. The Northumbria water authority has increased its profits sevenfold, and the Thames water authority, on an increased turnover of £46 million, has made an increased profit of £45 million.

Section 8 is part and parcel of the Government's programme to privatise new towns. Hon. Members should be aware that the reason for the liabilities being written-off is to make the new towns more attractive to purchasers.

If I may digress for a moment on the question of water authorities and tell the House what Mr. Watts, the chairman of the Thames water authority, said yesterday——

Mr. Deputy Speaker: Order. The hon. Gentleman really is digressing and he must address himself to the order.

Mr. Boyes: I am trying to establish a point that has not been made by any Conservative Member—the real intention behind the writing-off of new town liabilities.

During the latter stages of the 1970 to 1974 Conservative Government, the third generation new towns faced problems caused by rising interest rates and rising inflation. However, the power in section 8 was introduced for quite different reasons. As my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker) said, section 8 was clearly designed

"to whet the appetite of the private profit motive."—[*Official Report*, 20 November 1984; Vol. 68, c. 173.]

The fact that this order is to do with privatisation is echoed in an article by John Cunningham in *The Guardian* on 10 April 1985 and by Gareth David in *The Observer* on 13 October 1985. John Cunningham wrote:

"Compared with the furore over the privatisation of the aerospace, oil and telecommunications industries, the Government's disposal of the substantial national assets represented by the new towns is proceeding almost by stealth."

Gareth David wrote:

"one equally far-reaching privatisation exercise has been taking place almost unnoticed. Since 1979 the Commission for the New Towns has been selling off the assets of the 8 towns it inherited when their respective development corporations completed their work. By the end of March 1985, it had raised some £317 million."

On 10 June 1986 the hon. Member for Welwyn Hatfield (Mr. Murphy) asked the Secretary of State for the Environment if he would

"indicate the main achievements of Her Majesty's Government with respect to urban and new town affairs in the last seven years."

The Minister for Housing, Urban Affairs and Construction replied:

"The Government's policy is to bring the programme to a successful conclusion with the maximum possible involvement of the private sector."

He said that an important achievement was

[Mr. Boyes]

"The realisation since 1979 of about £1·25 billion from the sale of assets (approximately £850 million from sales of industrial and commercial property and approximately £450 million from sales of dwellings and housing land)." — [*Official Report*, 10 June 1986; Vol. 99, c. *115-17*.]

That represents a typical Government objective. Irrespective of the needs of the people and the local authorities, cash must be raised by selling assets to the private sector. Assets can be sold only once, and clearly the best parts go first. It is what Lord Macmillan described as selling off the family silver. It has created an imbalance in the economics of the new towns.

In simple terms, this order means that the four new towns — Milton Keynes, Warrington and Runcorn, Telford and Peterborough — will have enough of their debts written-off so that income from assets will balance costs. For the past three years, financially, time has been frozen. However, the premature forced selling of assets to the private sector meant that a break-even point could not be reached, so a calculation was made of how much debt needed to be written-off to balance the books.

If the objective had been financial manipulation to deal with losses related to long-term borrowing agreements with the Treasury, that would have been a logical move with which the Opposition could agree. There is little point in accumulating debt that can never be repaid. However, that was not the reason. The reason for the write-off is to make assets more attractive to private investors but, as more and more assets are sold, servicing the accumulated debts becomes more difficult and eventually impossible. Clearly the most valuable assets, producing the most income, are sold first, and the assets left cannot produce enough income to pay off the interest on the debts. That makes what is left behind less attractive to the private sector and means that fewer liabilities are extinguished.

The Minister may talk about financial reconstruction, but we in the Labour party are well aware that the Government's real objective is to move further down the road towards privatisation. They are making the new towns that have been developed over many years attractive to private investors in order to line the pockets of their friends in the City.

It being Eleven o'clock, MR. SPEAKER *interrupted proceedings, pursuant to Standing Order No. 5 (Friday sittings).*

College of the Air

The Paymaster General and Minister for Employment (Mr. Kenneth Clarke): With the leave of the House, I should like to make a statement about the establishment of the College of the Air.

In 1981 my right hon. Friend the Member for Waveney (Mr. Prior) announced the introduction and the formation of Open Tech. Open Tech was not a new institution but a series of programmes sponsored by the Manpower Services Commission designed to introduce new courses of technician training and to improve the accessibility of these courses by the preparation and the use of distance learning techniques. Distance learning enables people to undertake studies in particular subjects using books, other printed material, sound tape and video in their own homes or offices at their own speed and at a time of their choosing.

Since then we have invested some £45 million in Open Tech, enabling some 50,000 students to obtain new skills and qualifications. These programmes were often prepared in conjunction with private industry. Firms, such as Austin Rover, Lucas and ICI, among others, have taken part in the preparation of training programmes and helped in the accumulation of experience and knowledge in this modern method of training. Today the United Kingdom has taken a leading position in this field.

We now propose to build on these developments by assisting with the creation of an open college, the College of the Air. Our aim is to enlist the full contribution of radio and television to support and deliver open learning courses in all areas of vocational competence. The college will be able to assess needs and arrange, co-ordinate and promote courses. It will work through other organisations to ensure student enrolment, tutor support, work assessment and testing according to the individual requirements of the students.

We plan that the college should be a company limited by guarantee and registered as a charity. The college will be able to seek and obtain the active support and involvement of commerce and industry. It should be able to attract sponsorship consistent with the provisions of the Broadcasting Act 1981 and to establish good relations with the educational interests and the broadcasting authorities.

Once established I anticipate that at the heart of the college's relationship with the broadcasters will be an agreement with the Independent Broadcasting Authority. This agreement will as a minumum provide for regular programmes on Channel 4 devoted to college purposes commissioned from a variety of sources by the channel, and for arrangements for promotion of the college. It will set out the participation of the ITV companies in the production and transmission of college programmes and arrange for the involvement of independent local radio. The BBC, too, has expressed a willingness to provide series of programmes and course materials for the college as part of the BBC's continuing education output and there will also be some wider opportunities on daytime television. I would expect the college to pursue those opportunities.

I hope shortly to be able to announce the name of the chairman of the college whose first task will be to conclude detailed plans for the formation of the college after discussions with the Manpower Services Commission, broadcasters, educationists and the many potential

sponsors and guarantors who have already indicated their interest. The Government will be prepared to join with others in acting as guarantors of the College and in contributing to its cost until it is fully established. Our aim is to create a self-sustaining institution which will not have to rely indefinitely on the public purse.

I hope that the College of the Air will start broadcasting no later than September 1987. This is an ambitious project and I anticipate that its range of courses could, within the first five years, provide up to 1 million students with the opportunities to progress towards vocational and technical qualifications.

The establishment of the college, following the developments outlined in our recent White Paper, "Working Together—Education and Training" will offer further radical developments in our training and education systems. It will help with the introduction of courses for the technical and vocational education initiative and be of valuable assistance in the training of teachers in scarce skills. It will also assist in the introduction of enterprise training and give help to careers officers in the field. It will also build on the national vocational qualification to be introduced by the new national council for vocational qualifications. I commend the initiative to the House.

Mr. Barry Sheerman (Huddersfield): The idea of a College of the Air is a good one, and in principle hon. Members on both sides of the House will welcome it. Unfortunately, when one looks closer at the proposals, one sees some sinister motives behind its creation.

Is the Paymaster General aware that his proposals involved the privatisation of the non-advanced sector of further education? Is it not the case that the Secretary of State for Education and Science and the Paymaster General will go cap in hand to British industry, asking for sponsorship for training? That is bizarre. Is the right hon. and learned Gentleman aware of the complete collapse of industrial training since the Government came to power in 1979? We need a much bolder initiative than this. Is he further aware that the level of training has decreased from 5·9 per cent. of those working in manufacturing 10 years ago to 2 per cent. now, and that only 112,000 men, women and youngsters are in training in the whole of industry?

A College of the Air based on a voluntary system will not work. How can it be a working proposition when in the past industry has refused to pay for training? Does the Paymaster General believe that industry will suddenly come forward to sponsor the College of the Air? We in the Labour party know that the only way to train our people is to make industry pay and to levy industry.

There is a further exceedingly worrying aspect. It is all very well having television programmes on various channels, but is the Paymaster General aware that the real task of vocational training is done on the ground, face to face, by qualified tutors and teachers? Are we right in thinking that all the contracts for delivery on the ground will be open to tender from any source, whether private contractors or Johnny-come-latelys into training? Is it the case that our further education colleges, their leaders and unions have not been consulted about the College of the Air? Is the Paymaster General aware that, given the widespread despondency in the education and training world, if there has not been consultation on the document and if the Government are to create a private sector of non-advanced further education, it will be resisted throughout the teaching and training profession?

The idea of a College of the Air is a good one. Unfortunately, it will be based on private sponsorship and on the privatisation of the non-advanced further education sector. If that is the case, as we believe it to be, it will not be a success. The spectacle of the Paymaster General trying to sell this as a bold new initiative does no credit to the Government or to the House.

Mr. Clarke: Obviously I am glad that the hon. Member for Huddersfield (Mr. Sheerman) began by saying that the idea was good and that he welcomed it in principle. I found most of the rest of his comments a most curiously political reaction, and his desperate attempt to find sinister motives behind the idea particularly curious. There is no question of this being part of any privatisation programme. The college will enter into arrangements with existing colleges of advanced and non-advanced further education and with private training agencies and training organisations set up by companies for their work forces to provide contact with students and to enable them to have access to new material. The College of the Air will have a small central unit and will enter into arrangements with all these groups, including the colleges, for the use of the material by the students.

The hon. Gentleman objects to sponsorship. The companies which have so far expressed support in principle and interest in becoming involved include the Mirror Group, ICI, Prudential Assurance, Lucas, the Burton Group, Unilever and the Bank of England. The motives of these companies are not sinister. They are showing their concern about training, and their support for an idea which will have a substantial impact in opening opportunities to people presently in employment and to the unemployed to add to their skills and improve their position in the labour market.

That should have had an unqualified welcome from the hon. Gentleman. I am sorry that, having accepted that there is a need for such a scheme and that it is a good idea, he went on to produce such extremely tortuous attempts to find something to object to.

Mr. Robert Rhodes James (Cambridge): Is my right hon. and learned Friend aware that, as a strong supporter of distance learning in principle, I welcome the proposal, but it is difficult enough to get industry and business to invest in and support universities and polytechnics? This will clearly be an extremely expensive project. Will he bear in mind that, if it is carrried out at the expense of other institutions of higher education, I shall have to look at it very carefully?

Mr. Clarke: I note my hon. Friend's comments, and I appreciate that he has a strong interest and involvement in higher and further education. I assure him that the cost will not be as heavy as he expects. We are looking for guarantors for the company to support the central unit. We must ensure that the scheme does not lead to competition for funds among instituions of education. The amount of sponsorship and support that we want will be forthcoming without causing damage to other institutions. Among the main users of the College of the Air will be companies which wish to train their work forces. It will become part of their ordinary industrial costs.

Mr. Michael Meadowcroft (Leeds, West): On behalf of the Liberal party, I warmly welcome the idea and regret the somewhat mean spirit in which it was received by the

[Mr. Michael Meadowcroft]

hon. Member for Huddersfield (Mr. Sheerman) on behalf of the Labour party. However, there are those in education and broadcasting who have already expressed their concern on professional grounds about some of the strategic proposals. I hope that the Paymaster General will note the constructive suggestions from the professionals.

On funding, does the right hon. and learned Gentleman accept that the best solution to such projects is a partnership of funding between public and private bodies? Will he encourage the public education authorities and other education bodies to play a proper part, through their own funding, in the College of the Air?

On a personal note, as one who missed out completely on further and higher education at the age of 16 and who had the benefit of second-chance education later, I welcome any chance to broaden the opportunities and widen the horizons of British people. I hope that the idea works and I wish it every success.

Mr. Clarke: I am grateful for the hon. Gentleman's support for the idea and for the fact that he offered himself as an example of what can be achieved if people take advantage of such opportunities. In the discussions which have taken place so far, we have been very much involved with educationists, and we shall continue those discussions. Plainly, it is essential to have the support of those interested in education and training and to have the co-operation and support of professional bodies. Those who are engaged professionally in the colleges and in training organisations will enter into arrangements with the College of the Air to enable students to have access to the programme.

Mr. William Benyon (Milton Keynes): What role will the Open University play in this scheme? I refer especially to the spare capacity in its modern television and radio studios and to the expertise that it has in distance learning.

Mr. Clarke: I realise that the Open University has been extremely successful in developing its programmes and that it has some spare capacity. We are discussing with the broadcasting authorities access to the main television channels, promotional activity during the day, and the potential for broadcasting training videos. There is not necessarily a conflict or competition with the Open University. If we can build on the experience of the Open University where it is relevant to the project, we shall be glad to do so.

Mr. Willie W. Hamilton (Fife, Central): What will be achieved by the new college that cannot be achieved by existing educational institutions such as the universities, the Open University and the polytechnics, given adequate resources? In view of the Government's mean and shortsighted handling of the universities, does it not augur ill for any new proposition? How much additional new public money will be involved as a direct consequence of the proposal?

Mr. Clarke: The hon. Gentleman does not fully appreciate the difference between distance learning, to use the jargon, and the traditional position of students in colleges and universities that he described. Distance learning, which involves the use of material made available through video tapes, audio tapes, books and other material by students such as we describe, enables people to improve their training while they are at work. They can learn during working hours if the firm enters into the right arrangements. It enables people to acquire more training and education without having to enrol as full-time students at polytechnics, universities or colleges of education. Many people can learn only in that way. It is impossible for them to take one or two years out of their lives to become full-time students.

The proposal is not in any way a challenge to the education institutions or to the professions. It is an addition and a new facility which will support the growth of distance learning and give more opportunities to more people.

Mr. Nicholas Soames (Crawley): As one who has an honours degree in the university of life, is my right hon. and learned Friend aware that I am delighted to welcome the College of the Air? Will he take on board the warm welcome expressed by the hon. Member for Leeds, West (Mr. Meadowcroft)? Those who missed out on higher education will have an opportunity to expand their skills and learning through the scheme. Does he agree that there will be no difficulty in finding sponsorship as companies will flock to the idea? It is very much to their advantage to support the scheme. I warmly congratulate my right hon. and learned Friend on the scheme.

Mr. Clarke: I am grateful to my hon. Friend. No doubt he has a first-class degree in the university of life, which he demonstrates in his lifestyle. He also acknowledges that sometimes more tangible qualifications are required in many walks of life. The scheme will provide an opportunity for many people to acquire skills.

Mr. Dennis Skinner (Bolsover): Can the Minister explain what the sponsors will get out of this? Since big business will be involved in one form or another, and since it is involved in making profit at the expense of everyone else, what will it get out of the scheme? Will Imperial tobacco plc be a sponsor? Will any of the companies that are heavily involved in South Africa take part in sponsorship? Can he give me a guarantee that the College of the Air will not be the 18th occasion on which the Government have fiddled the dole figures?

Mr. Clarke: Big and small companies are interested in improving their competitiveness and performance and, therefore, guaranteeing their continued existence and giving added security to their work forces. What a company will get out of this scheme is the ability to give extra training to its work force, to raise the level of skill and, therefore, improve competitiveness and the job security of the workers. Big companies have expressed a general interest in the scheme and have supported it in principle. Small companies will receive assistance, if necessary, through the Manpower Services Commission's training programmes to participate in the scheme. The effect can only be beneficial, both for industry and for employment.

I shall treat the hon. Gentleman's comment about tobacco companies as a serious one and tell him that they will be governed by the usual rules that apply to sponsorship and advertising by those companies, particularly in broadcast material. Therefore, the ability of tobacco companies to participate in sponsorship would be limited. Cigarette manufacturers would be barred from

being involved in broadcast material. There would be no such sponsorship on the air; that has been banned for many years.

The hon. Gentleman's persistence in trying to find a connection with other political issues, such as South Africa and the calculation of the unemployment figures, is about as pathetic as the attempts of the hon. Member for Huddersfield (Mr. Sheerman) to link my statement with the usual political debate. The new college will be beneficial for companies and their employees and for the unemployed. It ought to be welcomed.

Several Hon. Members *rose*—

Mr. Speaker: Order. I have to bear in mind the fact that Friday provides a greater opportunity for Back Benchers to take part in debates. I will allow questions on the statement to go on for another 10 minutes and I hope that in that time everyone who wishes to be called will be called.

Mr. Tam Dalyell (Linlithgow): May I press the right hon. and learned Gentleman about the open learning courses? Would one such course be a study in depth of Select Committee recommendations in relation to the behaviour of most senior civil servants who are as close to the Prime Minister as Haldeman and Ehrlichman were to Richard Nixon? The description is "improper".

Mr. Clarke: As one who frequently has to study Select Committee reports as part of his job, I am sure that I am being educated and trained every time that I turn to one from the Select Committee on Employment or elsewhere, just as I am always educated by the hon. Gentleman's ability to make his point in the most ingenious way on what are otherwise irrelevant matters.

Sir Brandon Rhys Williams (Kensington): I congratulate my right hon. and learned Friend extremely warmly on this timely, important and imaginative initiative. May I point out, as I have sought to do in the House on previous occasions, that the value of a service of this kind is enormously enhanced if it is not confined to an English language service? We should aim to produce a world service, on the model of the English language services of the BBC.

There would be a new source of funds to finance the project if we worked with the European Community to make the project part of our contribution to the Lomé convention.

Mr. Clarke: As we must have further discussions with the broadcasting authorities, I shall bear in mind the points made by my hon. Friend. Certainly the Open University and the Open Tech have gained substantial export earnings and found substantial interest abroad in the learning material that they produce.

Mr. Nigel Spearing (Newham, South): Will the Minister tell us what significant feature is found in the new scheme, other than commercial sponsorship, that is not actually or potentially within the present structure, including the Open University and the public system of education?

Secondly, what proportion of public and private sponsorship money does the Minister expect to find for the scheme? Thirdly, when people have done their distance learning, who will provide the money for centres where machinery, plant and experienced skilled persons will top it up?

Mr. Clarke: The Open University is providing extremely good quality academic education. The Open Tech is a procurer of programmes, largely aimed at training technicians — quite a narrow field — and also achieving good quality programmes. The College of the Air will be much broader and is aimed at a wide range of education or training for skills. It will aim to provide a much wider range of qualifications and steps towards qualifications in each course. It will fill a gap and invite collaboration with a much wider range of organisations than is the case with existing institutions.

It is not intended that the College of the Air will be sustained by public funds except in the early stages, because there is no doubt that it will be of such value to industry that it will have no difficulty in attracting sponsorship. Obviously there is a political divide between us. I cannot understand why the Labour party is instinctively hostile to a scheme the moment it discovers that it is not dependent on the taxpayer for its financing.

Mr. Ivor Stanbrook (Orpington): I join in the general welcome that my right hon. and learned Friend's statement deserves and I hope that the College of the Air will succeed, but I draw attention to the fact that the statement raises again the question whether we need a Department of education and training. After all, the very name of the new institution suggests that the Department of Education and Science should be closely interested in it. The point made by my hon. Friend the Member for Cambridge (Mr. Rhodes James) illustrates the great need for co-ordination.

We are promoting an exciting new enterprise in education and training, and some public funds will be necessary, but under the existing policy we are depriving Birkbeck college of London university of funds. Birkbeck does a useful job in a related field to that about which my right hon. and learned Friend has been speaking. May we have some co-ordination to ensure that Birkbeck has a part to play in the new institution?

Mr. Clarke: Questions about the structure of Government ought to be addressed to my right hon. Friend the Prime Minister, but I am sure that she would agree with me and my hon. Friend that concentrating on the structure of Government and the shape of Government Departments is less important than concentrating on what they do. I assure my hon. Friend that there are close relationships between myself and my rght hon. Friends the Secretaries of State for Education and Science and for Employment and that we work closely in all these areas. I shall draw my hon. Friend's comments about Birkbeck college to the attention of my right hon. Friend the Secretary of State for Education and Science.

Mr. Alan Williams (Swansea, West): We were saddened to hear about the academic shortcomings of the Eton education enjoyed by the hon. Member for Crawley (Mr. Soames), but we recognise that in his case perhaps Eton is not entirely to blame.

May I return to the important matter of funding? We do not want any fudging. May we have a simple answer? What proportion of the funding of the new service will be provided by the Government? Is it true that the proportion will probably be less than 5 per cent.?

Mr. Clarke: Knowing my hon. Friend the Member for Crawley (Mr. Soames) as I do, I can vouch for the fact that his mind is as formidable as his physique.

[Mr. Clarke]

The Government will be one of the guarantors of the company when it is set up. We expect that the college will require pump-priming funding, which will be derived from the budget of the Manpower Services Commission, but we expect that the college will be self-financing. If we can start with as little as 5 per cent. public funding, I shall regard that as a virtue. We cannot be specific at this stage, because one of the first tasks of the chairman and the college will be to work out proposals in more detail, to get the costs specified, and to begin to attract sponsorship. We shall put in the public money required to get it under way. It is intended that it will become wholly self-financing within a short period.

Mr. Kenneth Hind (Lancashire, West): I congratulate my right hon. and learned Friend on the initiative. Does he agree that the concern expressed by industry about the need for employees to be trained for vocational jobs will be met by the initiative, because employers will be able to say to the College of the Air, "These are the sort of training programmes that we want and these are the skills and employees that we want you to produce"?

Mr. Clarke: My hon. Friend makes an excellent point. It is essential that training is geared closely to the needs of employers and what is required in employment. It is a positive advantage of the scheme that it will attract private sponsorship, because that will enable it to meet that essential requirement.

Mr. Edward Leigh (Gainsborough and Horncastle): I welcome my right hon. and learned Friend's statement. Many will be surprised at the carping tone of the Opposition, coming as it does from the party of Lord Wilson of Rievaulx who created the Open University; although one recalls that it was my right hon. Friend the leader of the Conservative party who, as Secretary of State for Education and Science, gave new life to it. My right hon. and learned Friend will be aware of my interest in the TVEI scheme, especially as it was pioneered in Gainsborough, as well as my interest in vocational training. How does he expect schools to benefit from the new scheme and how will the scheme be sponsored by industry as regards the perhaps 40 per cent. of children who do not receive an adequate technical training under the present comprehensive system?

Mr. Clarke: I agree with my hon. Friend's first comment, despite the barracking from Labour Members insisting that they provided the cash. The Opposition apparently welcome our proposal as a good idea in principle but insist that the taxpayer must pay for it despite the willingness of many large firms to sponsor it a most curious reaction.

I am grateful for my hon. Friend's continued support for TVEI which, to some extent, was pioneered in Lincolnshire. The College of the Air will encourage the production of programmes which could be used directly by post-16-year-old students in schools involved in TVEI. The material that we have in mind is aimed at anyone in education from 16-plus and schools may well participate in the arrangements.

Several Hon. Members *rose*——

Mr. Speaker: Order. As we are approaching the summer holiday, I will call the three hon. Members who have been seeking to catch my eye, but I ask them to be brief.

Mr. Eric Forth (Mid-Worcestershire): When the scheme achieves the success that it deserves, will my right hon. and learned Friend consider re-examining the basis on which some existing facilities such as the Open University are funded and moving them in the directon of this scheme rather than vice versa?

Mr. Clarke: I note my hon. Friend's comments. The Open University has already taken great steps to market its material and to raise a considerable proportion of its own resources to supplement the public funding and the other universities are also making great efforts to involve industry much more and to have access to the type of funding that American universities have enjoyed for years. I entirely share my hon. Friend's approach to this.

Mr. Tony Marlow (Northampton, North): What an excellent idea that is! As my right hon. and learned Friend will no doubt be looking for somewhere to locate the headquarters of this exciting scheme — somewhere central, growing, expanding, positive and energetic, with above average intelligence and possibly quite close to Milton Keynes — will he consider placing it in Northampton?

Mr. Clarke: My hon. Friend is right in saying that one of the first things to be discussed when the chairman is appointed will be the location of the central unit to start the college's work. I shall certainly note that my hon. Friend has made the first bid for the location of the unit in suggesting his own constituency.

Mr. William Cash (Stafford): I congratulate my right hon. and learned Friend on this superb initiative. With regard to the carping remarks of the hon. Member for Bolsover (Mr. Skinner) and other Opposition Members, does he agree that Oxford, Cambridge and many of our other universities were endowed by the people who had the money at that time—great merchants and others—and that without that kind of sponsorship there would be no universities of the sort now being created through my right hon. and learned Friend's brilliant initiative?

Mr. Clarke: I entirely agree. Had we announced that the scheme would be wholly financed from public funds, when Labour Members discovered the huge commercial advantage to companies in the upgrading of the skills of their work force the hon. Member for Bolsover (Mr. Skinner) and other Labour Members would doubtless have criticised the extent to which we were subsidising capitalism out of taxpayers' money. I think that they have merely latched on to the argument mentioned by my hon. Friend today for lack of any other argument to latch on to.

Mr. Sheerman: Is the Minister aware that the Opposition greet his announcement with some suspicion because it comes after seven years of dismantling education and training in this country? Like UK2000, it is yet again something that will cost the Government very little. A scheme with a large element of privatisation which will not be financed by the Government will look to most people like another example of the gimmick a day that the Government hope will keep the electorate at bay. Scheme

after scheme is being announced by the Government because they know that they are deeply unpopular in all these spheres, and the election is coming.

Mr. Clarke: I reassure the hon. Gentleman that his suspicions are groundless and I trust that they will be allayed as the details are worked out. I advise him to stick to his original comment that the scheme is a good idea which he welcomes in principle.

Royal Assent

Mr. Speaker: I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts and measure:

1. Incest and Related Offences (Scotland) Act 1986
2. Latent Damage Act 1986
3. Outer Space Act 1986
4. Patents, Designs and Marks Act 1986
5. Education Act 1986
6. Patronage (Benefices) Measure 1986

New Towns

Question again proposed.

Several Hon. Members *rose*——

Mr. Speaker: I call Mr. Christopher Murphy.

Mr. W. Benyon (Milton Keynes): On a point of order, Mr. Speaker. Four towns are mentioned in the order. Apart from my hon. Friend the Member for The Wrekin (Mr. Hawksley), I am the only Member present representing one of those towns. Why have I been banished to outer darkness?

Mr. Speaker: That is most unlike the hon. Gentleman. It is only 11.30 and he has certainly not been banished. Indeed, if he remains in the Chamber he may well catch the eye of the Chair, but I now call Mr. Christopher Murphy.

11.35 am

Mr. Christopher Murphy (Welwyn, Hatfield): The order marks another signpost on the route towards the fulfilment of the Government's welcome commitment to bring about a successful conclusion to the new towns programme. The Department's policy has rightly concentrated on the maximum possible involvement of the private sector and a disengagement which leaves self-sufficient communities able to generate their own growth without special assistance from the public sector. The new towns specifically mentioned in the order are taken further towards the achievement of those goals, but the measure arouses concern in terms of both the present and the future situation. The word "accountability" perhaps sums up that concern.

This extinguishment of liabilities gives no indication of how public money has been spent by the quango development corporations and whether it has been spent wisely. In due course, presumably, the new towns will find themselves under yet another quango authority, as the two that I represent in mid-Hertfordshire have found themselves, the corporations being transmuted into one New Towns Commission with a modus operandi that is equally hard to scrutinise.

The extinguishment of liabilities — this time to the taxpayer — will be taken on by the New Towns Commission in terms of realising the assets of the towns in its care. The success or otherwise of that operation is highly relevant to today's debate. Questions of wisdom again might well be raised, as current actions show marked contrasts; for example, Welwyn Garden City and Hatfield had only £6·5 million and £2 million of their assets sold in the last 12 months, compared with £20 million for Hemel Hempstead, a town of similar size in the same county.

With the passing of this order, the need for legislation enabling the New Towns Commission and the development corporations to be the subject of inquiries by the ombudsman becomes the more acute. At present, constituents experiencing difficulties related to the management or purchase of remaining assets are denied recourse to the ombudsman. The Government's intentions in this regard are welcome, but the necessary legislation would be even more welcome

It is to be hoped that the order, despite the problems of accountability that it raises, will assist in bringing the remaining new towns closer to the normality of being simply towns, as the winding up of the New Town Commission legislation correctly envisages. The

[Mr. Christopher Murphy]

Government can then concentrate their efforts on inner city regeneration rather then greenfield development, with the success of the London Docklands Development Corporation as the new waymark.

11.39 am

Mr. W. Benyon (Milton Keynes): I am glad to follow my hon. Friend the Member for The Wrekin (Mr. Hawksley), with one interruption from the Conservative Benches, because the figures that are involved in his new town are almost precisely the same as in mine.

I shall endeavour to put to the House a rather different appreciation of how we see matters in Milton Keynes. However, I sincerely welcome the order. It is long overdue. We were forced to borrow long when we should have been borrowing short, and the order puts us back on the right financial footing. I hope to be able to show that the Government have achieved fantastic value for their investment.

I was adopted as a candidate for the then constituency of Buckingham in 1967, the year that Milton Keynes was designated. It started building in earnest in 1973, some 13 years ago. In those days, we were a music hall joke. We were the place to which one sent one's mother-in-law, and that attitude gathered weight when we had our concrete cows.

Now, 13 years later, we have 128,000—not 122,000—inhabitants, 60,000 new jobs and a first-class infrastructure which is the envy of many other part of the country — a very good communications service with a new railway station, new roads, and all the rest of the infrastructure that is needed for a modern city. We have a flourishing commercial and retail centre, and recreational and cultural activities to go with it. We also have an energy park, which is just about to open its first development.

We have been innovative in housing design and tenure. There is more shared ownership in Milton Keynes than anywhere else in the country. We have 3,000 houses in shared ownership. In short, it is the most successful, the fastest growing community in the United Kingdom.

How has that been achieved with the money that we are now proposing to write off in the order? First and foremost, it has been achieved by a development corporation, well backed by local authorities which have put the needs of industry and commerce above everything else. As a result, over £1 billion of private investment has been attracted since Milton Keynes started. That has resulted in the success of this city. Without the jobs and the wealth creation that goes with them, that sort of growth would have been impossible.

The important thing, however, is the gearing between public expenditure on the one hand, which is what we are talking about with this order, and private investment. In Milton Keynes it is 1:4.

Mr. Gow: Does my hon. Friend recall the occasion when he kindly accompanied me on a visit to Milton Keynes? Has he not omitted one remarkable feature of Milton Keynes? Will he tell the House of the nearly 1,250,000 trees and shrubs that have been planted?

Mr. Benyon: I am grateful to my hon. Friend for reminding me of that additional investment. That is all part of the same picture. It makes the place more attractive. It makes firms want to go there, and it creates the sort of environment in which people want to live.

Mr. Gow: And birds.

Mr. Benyon: Indeed.

People sometimes complain to me that some of the investment that has been made has resulted in too few directly employed people, but they fail to realise the enormous spin-off in the service industries that comes from these investments. That is often forgotten.

The process which culminates in this order has coloured my view of the role of the state in a modern capitalist society. I see that as a pump-priming and innovative role, where the state starts things moving and then gets out. I was one of those who attended the meeting referred to by the hon. Member for Houghton and Washington (Mr. Boyes) of representatives of local authorities in whose areas new towns are situated. I was horrified that they seemed to be interested only in retaining assets in their own control and ownership. That is not the way forward for the future.

What we have managed to do in Milton Keynes and other new towns is an example that must be followed elsewhere.

Mr. Edward Leigh (Gainsborough and Horncastle): My hon. Friend says that that example must be followed elsewhere, but, I recall that when I was a member of the Greater London council we were in the process of reversing our policy of encouraging London overspill and the movement of industry out of London to the new towns on the ground that it was denuding central London of resources which London needed to survive. Therefore, does my hon. Friend, with his great experience of these matters, feel that the process should be continued?

Mr. Benyon: I have obviously not explained myself well enough. I was going on to say that the example of Milton Keynes should be followed in urban centres. It has already been followed by the urban development corporation—very successfully in the docklands and fairly successfully in Merseyside, although, obviously, the difficulties there are far greater. That example needs to be followed far more widely than by just the urban development corporations.

This sort of operation should cover the depressed urban areas of England. I suppose that what I am really asking for is an English Development Board, on the lines of the Scottish and Welsh equivalents. The order shows the way forward. I am suggesting an organisation with a finite life of, say, 20 years, with the planning powers that exist at present in urban development corporations and new town corporations and — this is essential in urban areas — it should be the only source of housing finance in those areas. Therefore, it should be able to override, if necessary, the programmes of local authorities.

How should that be funded? It should be funded initially, as were these four new towns, by the Government — the taxpayer. That is an essential characteristic. I noticed from the speech of the hon. Member for Houghton and Washington (Mr. Boyes) that the Opposition have missed the point that the Government provide all the finance for the new towns. Therefore, they are the sole shareholder in a substantial property investment.

I am suggesting that the Government should be the shareholder in this new development agency and should

also take over the assets of the new towns commission and be the repository of assets on the winding-up of new towns, so that there is a roll-over of finance. That is what I have always wanted for Britain's housing regeneration. I want an organisation which will roll over funds and will not go anywhere near the Treasury. The proceeds of what is sold should not go to the Treasury, but should be rolled over into further development in these depressed urban areas and improve them.

Local authorities are not fitted to undertake that task, and most of them admit it. Over the past year or so we have been faced with the difficulty of the winding up date for the Milton Keynes corporation. We have now been given a date of 1992. I make no secret of the fact that I should have preferred it to be later, and a future Government when it comes to consider the matter again in the 1990s will probably have to decide to go on a bit longer.

The point is that from every political party, local authority, business, trade union, and so on, the message to the Government was the same—"Look, this is a good thing. This is not something that the local authorities can take on. They do not want to do it, they do not have the resources and they want the development corporation to continue."

We are talking about a commercial operation. That is the key to the success of the new towns. It requires special skills. Most new towns are nearing completion and have a great reserve of staff with the necessary expertise. We should draw on that expertise and add to it from industry and the property world. It is a most exciting prospect. We should draw on experience in the United States of America, where enormous strides in urban renovation have been taken. The United States has been particularly successful in dealing with the problems in ethnic minority communities.

If such investment could be coupled with a new look at housing finance on the lines of the report by the Duke of Edinburgh's committee which inquired into British housing, we would be on the verge of a major breakthrough in the inner cities. The regeneration of our inner cities is by far the greatest challenge that faces the country. We should meet that challenge with all the vigour and expertise at our command.

11.51 am

Mr. Ian Gow (Eastbourne): It is a sign of the enormous importance of this debate that the Minister responsible for sport is seated on the Treasury Bench and not watching a game of cricket. It is a matter of never-ending debate whether my hon. Friend the Minister is better seated on the Treasury Bench or employed encouraging our sportsmen. There is little doubt that our sportsmen are in need of encouragement. At a time of the one-day test matches against New Zealand — which has not yet withdrawn from the Commonwealth games—I wish to pay a particular tribute to the Minister responsible for sport, even though I do not wish to judge whether he might be better employed giving instruction to the English cricket team.

You, Mr. Deputy Speaker, have had the good fortune, as I have, to listen to the whole debate. It is a matter of misfortune for Mr. speaker that he did not have the opportuniy to listen to my hon. Friend the Minister responsible for sport. However, mercifully, due to the *Official Report*, Mr. Speaker will be able to read, study and even commit to memory the Minister's introductory speech.

I must remind you, Mr. Deputy Speaker, even though you were in the Chair at the time, that the hon. Member for Houghton and Washington (Mr. Boyes) criticised my hon. Friend the Member for The Wrekin (Mr. Hawksley). That is within the recollection of all hon. Members. It was suggested that my hon. Friend was trying to prolong the debate. But what do I find? I find that my hon. Friend the Minister responsible for sport, tearing himself away from the test match, addressed the House for 19 minutes. I find that my hon. Friend the Member for Wrekin, even though he gave way with his customary courtesy to those of his hon. Friends who sought to intervene — however relevant or irrelevant those interventions were—spoke for 31 minutes. For how long did the hon. Member for Houghton and Washington delay the House? He detained the House for 34 minutes.

Mr. Deputy Speaker: Order. We are all thankful for small mercies, but we really must get on to the order.

Mr. Gow: Since it was in order for the hon. Member for Houghton and Washington to comment on the length of the speeches by two of my hon. Friends, it is surely in order for me, so that Mr. Speaker can read my response in the *Official Report*, to say that the official Opposition spokesman addressed the House for three minutes longer than my hon. Friend the Member for The Wrekin.

Mr. Forth: Does my hon. Friend recall that the hon. Member for Houghton and Washington (Mr. Boyes) was unable to give way to interventions? Does my hon. Friend agree that, if any of my hon. Friends catch Mr. Deputy Speaker's eye, we may have to make our remarks more elaborate to provide the answers which the hon. Member for Houghton and Washington did not give us.

Mr. Gow: I agree. Although the official Opposition spokesman addressed the House for 15 minutes longer than the Minister, he said in that lengthy speech a great deal less than my hon. Friend.

In the second part of my preamble I want to address myself to an issue raised by my hon. Friend the Member for The Wrekin. He referred to the chairman of the Telford development corporation who appropriately, is known not only as the noble Lord Lord Northfield but as the noble Lord Lord Northfield of Telford. I am sure that my hon. Friend did not wish to give the wrong impression. I am sure that he did not wish to give the impression that he had anything other than total confidence in the noble Lord who is the chairman of the development corporation. I hope that my hon. Friend can confirm that assumption.

I turn from those preliminary points to the order. All my hon. Friends will share my deep regret that no Treasury Minister is seated on the Treasury Bench. My hon. Friend the Member for Romford (Mr. Neubert), who is listening attentively to the debate, is not yet a Lords Commissioner, but perhaps I am wrong.

Mr. Deputy Speaker: Order. I must say that this is a very long preamble. The hon. Gentleman must discuss the order before the House.

Mr. Gow: I was asking my hon. Friend the Member for Romford, from whom we do not hear sufficiently frequently——

Mr. Tracey: I feel that it is my duty to confirm that my hon. Friend the Member for Romford (Mr. Neubert) is, indeed, a Lords Commissioner.

Mr. Gow: I apologise. I asked the question because I was not certain. We do not ask questions to which we know the answers. I am, of course, pleased that a Lords Commissioner is sitting on the Treasury Bench. He is not alone because, mercifully, sitting beside him is the Treasurer to Her Majesty's Household, my hon. Friend the Member for Northavon (Mr. Cope).

Mr. Dalyell: While the hon. Gentleman is on about Treasurers, what about the International Monetary Fund and Mr. Witteveen, about whom the hon. Gentleman used to talk in the early 1970s? Where has he gone?

Mr. Gow: I shall certainly not disappoint the hon. Member for Linlithgow (Mr. Dalyell), who I understand has one of the Adjournment debates, because I shall be coming to Mr. Witteveen. The hon. Gentleman will recall the famour letter of 15 December 1976 when the present Shadow Foreign Secretary——

Mr. Deputy Speaker (Mr. Ernest Armstrong): Order. I say seriously to the hon. Gentleman that I do not want to have to ask him to resume his seat. He must come to the matter that is before the House. The discussion so far has been wide of the order which is before the House.

Mr. Gow: It was not I, Mr. Deputy Speaker, who referred to Dr. Johannes Witteveen. It was the hon. Member for Linlithgow who was addressing the House on that subject.

I wish to comment upon the order, which was presented by the Minister with responsibility for sport. He commended the order to the House. In my opinion, there should have been present on the Government Front Bench a Treasury Minister. My hon. Friend the Member for Romford, though a Lords Commissioner, was not upon the Treasury Bench when my hon. Friend the Minister with responsibility for sport was moving the order.

Mr. Nicholas Soames (Crawley): Would my right hon. Friend——

Mr. Gow: I am not a right hon. Member.

Mr. Soames: That was an accident, and an unfortunate one. I am sorry that I was wrong in the first place. Does my hon. Friend agree with me that it is entirely appropriate that our hon. Friend the Minister with responsibility for sport should be present? One of the great shames of the new towns has been experienced recently in my constituency, and I am sure that my hon. Friend will have a great deal of sympathy with it. Land formerly owned by the Commission for the New Towns that was used to provide playing fields has been sold for development, thereby taking away land on which competitive games could be played. The use of the land for that purpose has ended and instead it will be used for the provision of supermarkets. Surely it is not inappropriate that my hon. Friend the Minister is here to take account of the punishment that we shall have to give him later on for that.

Mr. Gow: I have already paid tribute to my hon. Friend the Minister with responsibility for sport. I was trying to pay him an eloquent tribute, and it was certainly intended to be so. My hon. Friend the Member for Crawley (Mr. Soames) — his constituency used to be Horsham and Crawley — has made quite an important point because within some of the development corporation areas we have both playing fields and houses. It is interesting that my hon. Friend the Minister — we hope that he will have responsibility for sport for many, many years to come — is a member of the ministerial team of the Department of the Environment, which has responsibility for some aspects of housing, which you may think, Mr. Deputy Speaker, I am qualified to judge.

Mr. Leigh: Surely my hon. Friend the Member for Crawley (Mr. Soames) was making an extremely interesting intervention with regard to my hon. Friend the Minister with responsibility for sport. He talked about competitive spirit. Local Labour parties are in a controlling position in some of the new towns and I fear that they may soon be adopting the position of the Labour group on ILEA. I do not know whether my hon. Friend read the interesting letter that appeared in *The Times* from a master at the Oratory school. Apparently that school, which once excelled at cricket——

Mr. Deputy Speaker: Order. If the hon. Member for Eastbourne (Mr. Gow) pursues that line, he will be entirely out of order.

Mr. Gow: I shall not be led astray, Mr. Deputy Speaker, by any of my hon. Friends. I wish now——

Mr. Marlow: On a point of order, Mr. Deputy Speaker. I regret having to raise another point of order. This debate involves a considerable sum of public money. It is being spent on new towns. Much of it has been spent on the establishment of schools at taxpayers' expense, at the people's expense. How these schools are operated within new towns is surely germane to the expenditure of this public money. I should be grateful, Mr. Deputy Speaker, if you would reconsider your ruling in response to the intervention of my hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh).

Mr. Deputy Speaker: I hope that the hon. Gentleman is not challenging the judgment of the Chair.

Mr. Gow: I was confirming to you, Mr. Deputy Speaker, and I am sure to your significant relief, that I shall not be led astray by any of my hon. Friends.

I wish to direct your attention, Mr. Deputy Speaker, to page 19 of the order, the order having been moved by my hon. Friend the Minister with responsibility for sport. The notes to the order do not form part of the order. I want to make that clear to my hon. Friend the Member for Milton Keynes (Mr. Benyon). I am referring to an explanatory note, and I think that the learned Clerk will confirm that we are able to refer to the explanatory note in the debate. This matter was not mentioned even in the excellent speech of my hon. Friend the Member for Milton Keynes. Apparently, he could not make time enough to refer to it and so I want to put right his omission. I do not want to criticise my hon. Friend's speech, but I think that he is guilty of an omission.

We are invited in the order, with the presence of only my hon. Friend the Member for Romford, a Lords Commissioner, and my hon. Friend the Minister with responsibility for sport, to agree to "extinguish" — you may think that that is an interesting word, Mr. Deputy Speaker — £1,687,686,405·98. Some of my hon. Friends who are chartered accountants may wonder how 98p

found its way into a sum that is close to the limit that was laid down in the New Towns and Urban Development Corporations Act 1985.

It so happens that in an earlier incarnation I was responsible for putting what was then the Bill upon the statute book. We note the serried ranks of the Liberal party, which has taken such a keen interest in our affairs. We find that in the order we are almost up to the limit which is laid down in the Act. It is that which is causing such deep concern to my hon. Friends. It is something that I expected would excite the interest of my hon. Friend the Member for Milton Keynes. I want to refer to my hon. Friends—I cannot refer the Opposition Front Bench to this because it is empty—and especially my hon. Friend the Member for Crawley, who I see is leaving his place —I hope that he is not going too far, but if he leaves the Chamber perhaps he will find out what the cricket score is in the test match and come back to tell my hon. Friend the Minister with responsibility for sport, who may be interested—to section 8(2), which refers to the

"aggregate amount of liabilities extinguished by order under this section shall not exceed £1,750 million."

But what do we find? We find that in the first order to be made under the Act, which reached the statute book only last year, on 11 March—it is now 18 July, so barely a year has passed — the Minister with responsibility for sport, not the the Chancellor of the Exchequer, the Chief Secretary to the Treasury, the Financial Secretary to the Treasury, the Economic Secretary to the Treasury or even my hon. Friend the Minster of State, Treasury, has invited the House to write off nearly the full amount that is set out in the order. It is my hon. Friend the Minister with responsibility for sport who has done that. I mean no discourtesy to my hon. Friend—how can I?—when I say that we need not only my hon. Friend the Member for Romford, the Lords Commissioner, who was not present at the start of the debate, but my hon. Friend the Member for Somerton and Frome (Mr. Boscawen).

Mr. Leigh: The Vice-Chamberlain.

Mr. Gow: My hon. Friend is right. He is clearly well informed on these matters.

I can confirm that my hon. Friend the Member for Somerton and Frome is the Vice-Chamberlain to Her Majesty's Household, and that he does not have specific responsibilities for Treasury matters, however. I am glad to see that my hon. Friend the Member for Epping Forest (Sir J. Biggs-Davison) has entered the Chamber. He told me that he had a particular interest in new town development corporations, but it is not only that interest which is so pertinent to these proceedings. I see also that my hon. Friend the Member for Mid-Norfolk (Mr. Ryder) is in his place. My hon. Friend used to be the PPS to my right hon. Friend the Chancellor of the Exchequer.

Sir John Biggs-Davison (Epping Forest): I am grateful to my hon. Friend for giving way. He has referred to my interest in new towns. It so happens that the constituency of Epping Forest abuts upon Harlow, the centre of a new town of great beauty. I wish I could say that all of the inhabitants live up to the beauty of that environment. There is a serious matter between Epping Forest and Harlow, and the House may be aware that Harlow is endeavouring to extend its boundaries and to build houses in the green belt.

Mr. Deputy Speaker: Order. The issue that is between Harlow and the constituency of the hon. Member for Epping Forest (Sir J. Biggs-Davison) is nothing to do with the order. The extension of boundaries is not mentioned in the order.

Mr. Gow: I do not want to be led astray by any of my hon. Friends, however eminent they may be. It is difficult to think of a Member of greater eminence than my hon. Friend the Member for Epping Forest, with the possible exception of my hon. Friend the Member for Milton Keynes.

Mr. Marlow *rose*——

Mr. Gow: I shall not give way, even to my hon. Friend. I shall do so later. I want to make progress. We do not wish the debate to be protracted because the Minister wants to watch the test match. He is not the only one. I would much rather be watching it than making a speech.

It is only just over a year since the New Towns and Urban Development Corporations Act 1985—perhaps I can call it the parent Act — reached the statute book. Yet the Minister with responsibility for sport has used up almost all the authority contained in the parent Act. We are allowed to extinguish only £1,750 million worth of debt. I was surprised that my hon. Friend the Member for Milton Keynes did not address that issue. We have almost exhausted the total authority conferred in the parent Act.

Mr. Cash *rose*——

Mr. Gow: I wish to make progress. I mean no discourtesy to my hon. Friend.

I invite my hon. Friends to study the order. I have been a Member only for a short time — possibly an even shorter time than my hon. Friend the Minister. I find it impossible to relate the many figures in the order to specific items. The figures must relate to specific items, otherwise they would not be listed separately. If they do not relate to individual items, why not keep them all together and total them up?

My hon. Friend the Member for Crawley has an acute financial brain. I have just seen him studying the order with great care. He has studied with particular care the advances made to the Warrington and Runcorn development corporation. I refer my hon. Friend to page 18 of the order. I shall try to take my hon. Friends through it I invite them to turn to page 18 of the order for my seminar. You might like to join in, Mr. Deputy Speaker. The penultimate line relates to No. WA397. Can my hon. Friend see the figure of £1 million?

Mr. Soames: Yes, I can see that.

Mr. Gow: I wonder whether my hon. Friend the Member for Northampton, North (Mr. Marlow) can see it. the figure in the next column is £999,899.38. I ask the Minister what has happened to the £100.62. Am I right in saying that the difference between the two figures is £100.62? If I have got that wrong, I shall give way to any of my hon. Friends who wishes to put me right.

Mr. Cash: I refer to the debate on 20 November 1984. My hon. Friend the Member for Eastbourne (Mr. Gow), the then Minister for Housing and Construction, moved the Second Reading of the Bill. He referred to clause 8 — it is now section 8 — under which the powers are obtained. He said that the clause gave power to his right hon. Friend, his then senior Minister,

[Mr. Cash]

"to suspend sufficient of their debt to enable them to break even."—[*Official Report*, 20 November 1984; Vol.68, col. 166.]

I fail to understand how he, as the person who created the Bill, can say that there are discrepancies on the figures.

Mr. Gow: I think that the surname of my hon. Friend shows why he is able so readily to comment on the two figures. I am responsible for the debate only in the sense that I was in charge of the Bill before it was enacted. I cannot assume the responsibility, which rests on the broad shoulders of the Minister with responsibility with sport, for the order. I am happy to take criticisms from any of my hon. Friends. I shall plead guilty to almost every charge levelled at me, but I shall not plead guilty to drawing up the order because I did not do so.

Mr. K. Harvey Proctor (Billericay) *rose*——

Mr. Gow: I shall not give way. I wish to make progress. I ask the Minister what happened to that £100·62? That is the difference between the amount of the advance and the principal outstanding on 31 August 1986. The Minister is not saying that that is the amount outstanding on 18 July. He is saying something quite different. He is saying that on 31 August the amount outstanding will be £999,899·38. I find it difficult to see how the amount under WA297 could have been £1 million precisely when the advance was made. By 31 August all the test matches will have been completed and the Minister will be able to direct more of his time to important financial matters. How does he hit on that figure? I have studied the matter with the same keen interest as my hon. Friend the Member for Mid-Norfolk (Mr. Ryder). I refer the Minister to page 7 of the order. I shall take my hon. Friends through it again. Is my hon. Friend the Member for Crawley with me?

Mr. Soames: Yes, all the way.

Mr. Gow: No. T57——

Mr. Soames: It is a frigate.

Mr. Gow: It is not a frigate. My hon. Friend is the vice-chairman of the Conservative defence committee. We are discussing new towns, not frigates. It is quite difficult to distinguish between the two. The numbers chosen by my hon. Friend may have been chosen to confuse my hon. Friend the Member for Epping Forest. That is why we are happy to have the chance to explain the matters. No. T57 shows a figure of £70,000. The next column shows that the principal outstanding on 31 August 1986 is £69,423·15. I ask the Minister what has happened to the £576·85. I am doing the figures in my head. Is that the difference?

Mr. Murphy: It is £476.

Mr. Gow: I think that I was right. The figure is £576·85. I pose a question to the Minster with responsibility for sport not a Treasury Minister. My hon. Friend the Member for Milton Keynes——

Mr. Marlow *rose*——

Mr. Gow: I am trying to make progress.

What has happened to that £576·85? On which date was it repaid? What rate of interest was charged between the date when the advance was made and when it was repaid? What happened to the public sector borrowing requirement between those dates? Those are all questions to which the House will require answers from my hon. Friend the Minister with responsibility for sport.

Mr. Soames: Before my hon. Friend leaves this important matter and seeks the answers which the House must have, will he look at T8 and the advance of £13,886·21 and the principal outstanding of £12,887·77? What has happened to that £999? Will the House be given an answer to that?

Mr. Gow: That will be a matter of great hope for all of my hon. Friends. My hon. Friend the Member for Crawley may catch your eye later, Mr. Deputy Speaker. I have no doubt that, if my hon. Friend the Minister with responsibility for sport, who is one of the most courteous, well-informed and diligent of Ministers, cannot deal with all the points raised, he will write to each of my hon. Friends whose questions remain unanswered.

I wish to move from the relevant point made by my hon. Friend the Member for Crawley. One is often tempted to refer to his constituency as Horsham and Crawley, but that temptation must be resisted, as others should be. I shall now consider the principle of this matter. The speech by my hon. Friend the Under-Secretary of State — which you were lucky enough to hear, Mr. Deputy Speaker—did not show that he had discharged the duty which each of us has to our constituents when we are discussing public funds. The words "public funds" should never be used in the House because we are not talking about public money. We are talking about other people's money of which we are trustees. Each of us had a duty, which was not discharged by my hon. Friend the Minister with responsibility for sport, to ensure that we take much greater care of other people's money than of our own.

The motion was not moved in a manner that led me to believe that my hon. Friend the Minister is totally committed at all times in all circumstances to taking greater care of other people's money than of our own. The order asks us to write off a debt by development corporations to the Treasury. It is not really a debt to the Treasury; it is a debt owed to the British people. Hon. Members are invited not by a Treasury Minister but by a sports Minister to write off the debt owed to the British people.

Perhaps, to my hon. Friend the Minister with responsibility for sport, a sum of just under £1·75 billion is not significant, but it is a large sum to his hon. Friends. The "extinguishment", to use the words of the order, of a sum of that magnitude required a speech by a Minister other than the Minister with responsibility for sport. I mean no discourtesy to my hon. Friend. It is just a question whether the House has its priorities right and whether it should insist that, in considering so large a sum, a Treasury Minister who can explain these grave matters should be present.

My hon. Friend the Member for Milton Keynes who is on earlier incomation represented Buckingham, made on excellent and important speech. No hon. Member is better informed about new towns than my hon. Friend. From the gestation of planning to growth of his town, my hon. Friend has watched one of the most remarkable success stories of this century. When I was responsible for these maters, I had the privilege of being taken by my hon.

Friend around his new town. I endorse everything that he has said. I believe that my hon. Friend is a member of the Centre Forward group.—Is that what it is called?

Mr. Benyon: That is correct.

Mr. Gow: I think that my hon. Friend is a member—I do not know whether you are a member, Mr. Deputy Speaker—of what is called the Centre Forward group. It is well known that I have received no invitation to join that group, although I criticise no one for that.

The point which I am making to——

Mr. Boyes: On a point of order, Mr. Deputy Speaker. I realise that, as a distinguished Deputy Speaker, you are in some difficulty with the speech of the hon. Member for Eastbourne (Mr. Gow). We all find it sad when a distinguished former Minister has to perform in the way he has today, but that reflects what is perhaps happening to the Conservative party. The hon. Gentleman is abusing the privileges of the House. I should like you to rule whether his remarks about political grouping—revealing the splits in the Conservative party—are relevant to the order and are in order. I rise with great reluctance to raise this point of order.

Mr. Proctor: Further to the point of order, Mr. Deputy Speaker. Is not the intervention by the hon. Member for Houghton and Washington (Mr. Boyes) intolerable in view of the lack of support on the Labour Benches and the fact that there is no representative of the Social Democratic party or of the Liberal party present?

Mr. Deputy Speaker: I am listening carefully to the debate. I shall judge when comments are out of order.

Mr. Gow: My hon. Friend the Member for Milton Keynes is not always regarded as occupying precisely the same place in the political spectrum as me; yet I have found myself in warm and enthusiastic agreement with every word he uttered. I pay tribute to his knowldege, deep understanding and concern on this issue. I hope that it will not be too long before my hon. Friend the Member for Milton Keynes is sitting, not on the fourth Bench below the Gangway but on the Treasury Bench. Before long, we will be invited to vote on this order. There may not be a vote——

Mr. Soames: There will be a vote.

Mr. Gow: Well, it would not surprise me if there is a vote because the duty of protecting the public purse, the money of the people, is one of the highest duties conferred upon hon. Members. If my hon. Friend the Member for Crawley should decide to vote against this order—I will not be in the Lobby with him because, despite the reservations I have expressed, I intend to support it—I would find it perfectly in accordance with the honour and reputation for financial probity enjoyed by my hon. Friend. Therefore, I will understand if he decides to lead some of my hon. Friends into the Opposition Lobby, but I am sure that my hon. Friends would understand that I would regret it. In so far as I may have any influence with my hon. Friends, and in so far as my hon. Friend the Member for Crawley may value my advice, my advice is that they should support the Government, despite the reservations I have expressed.

12.30 pm

Mr. Nicholas Soames (Crawley): There can be few of us present this morning who have not been much seized by what my hon. Friend the Member for Eastbourne (Mr. Gow) has had to say on this important matter. I am sure that all those who have listened to what he has had to say will have to reconsider their position on this matter. It is unfortunate that my hon. Friend was not allowed to pursue the line that he used to take with Dr. Johannes Witteveen in the early 1970s. When I was not a member of the House, I remember reading avidly in *Hansard* and in the newspapers about the many opportunities that my hon. Friend had to use that correspondence in the House to devastating effect and to the great encouragement of those of us outside the House. It is a shame that we did not have a chance to develop that argument. I shall not develop it, because I want to make some serious points about the speech of my hon. Friend the Member for Eastbourne.

The spending of public funds, of other people's money, as my hon. Friend rightly said, is like marriage. It is not something to be entered into lightly or wantonly. My hon. Friend the Minister, without meaning to do so, but because of his many responsibilities over an enormous area in the Department of the Environment, which my hon. Friend the Member for Eastbourne knows well, was almost obliged to discuss this matter in a light and wanton way. We are talking about vast sums of taxpayers' money being written off under this order. There is a lack of equity in this order and I should like my hon. Friend the Minister to address himself to that.

My constituency was one of the first generation of new towns. It profited and grew enormously in the 1950s and 1960s. My hon. Friend the Member for Eastbourne wishes to see the second generation new towns repaying their debt to the British people. My constituency, I am proud to say, is repaying its debt in a major way. In some respects, it is being asked to do too much. I hope that my hon. Friend the Minster will consider the almost rapacious attitude of the Commission for the New Towns when disposing of these properties, which it is rightly charged to do by Her Majesty's Treasury.

There is an obligation laid upon the commission by the House to discharge its duties in what is called the rationalisation of these properties. I do not quarrel with the way that it does that, because it does it very efficiently, but one of the side effects in my constituency is that the small trader—an important part of the economy, the backbone of the recreation of the enormous number of new jobs for which the Government have been responsible—is being driven from his property by the Commission for the New Towns because of the enormous values being placed on these properties in the open market. I do not quarrel with that. Dr. Witteveen would not have quarrelled with that. The fact is that Crawley is repaying its debt in a significant way.

Mr. Gow: The principles, which were laid down by the then Chancellor of the Exchequer, now the shadow Foreign Secretary, are being put at risk, because it was the International Monetary Fund which insisted on the Labour party pursuing a policy of relative financial rectitude. What we are concerned about is whether in the order we may be slightly slipping from the path of total financial rectitude. I am glad that my hon. Friend mentioned Dr. Witteveen. I think that he is still alive, and I hope that he will have a very long life.

Mr. Soames: We in the House owe a great debt to Dr. Witteveen. Indeed, the Conservative Opposition in the late

[Mr. Soames]

1970s owed a particular debt to him. I have no doubt that he would have been grateful and proud of the fact that the mouthpiece of his opinion in the Chamber should have been my hon. Friend.

I return to the order. My hon. Friend is right to drag us relentlessly back to the grind of argument and the rapier thrust in the debate, which is how we are to deal with the extinguishment of these liabilities. You were not here, Mr. Deputy Speaker, for the earlier part of the debate, which has not been marred in any way by the clash of alternative views on the Conservative Benches as to the best way to handle the matter.

The order gives effect to a financial reconstruction of four new town development corporations — Milton Keynes, Peterborough, Telford and Warrington and Runcorn. I should like to say a word about Milton Keynes and my hon. Friend the Member for Milton Keynes (Mr. Benyon). I represent a new town seat. It has been my privilege to learn a great deal about the new towns movement from my hon. Friend, to whom a warm and right tribute was paid by my hon. Friend the Member for Eastbourne.

My hon. Friend the Member for Milton Keynes knows a great deal about these matters and I would be guided in the debate to a great extent by the points that he makes, but there is some inequity, with which I hope my hon. Friend the Minister will deal. I wonder why my constituency should be penalised in the most extraordinary way in the disposal of the assets imposed on it by the present shadow Foreign Secretary in his terrible and desperate attempts to pull this country's economy round after he had half bankrupted it. Why should my constituents be penalised to pay for Telford, Warrington and Runcorn and Peterborough?

That is an important point. My constituents will not easily understand why a town such as Milton Keynes, where I know an enormous amount of money had to be spent on the infrastructure, the development of the roads, and so on, and which is a successful town, should be able to have its liabilities discharged on an enormous scale, when many of them are paying hand over fist to try to secure commercial properties. Extraordinary sums of money are involved.

My hon. Friend the Member for Eastbourne will know the reason for that, because he is a learned and distinguished man. He knows my constituency and my part of the world. He will know that my constituency has the lowest unemployment rate in the United Kingdom. I discussed it only the other day with the hon. Member for Houghton and Washington (Mr. Boyes). I grieve with him over the problems that he has compared with the benefits of full employment that I have in my constituency. I wish that he could have the same in his constituency.

One of the penalties of success for my constituency has been the extraordinary value that has been attached to commercial properties. I come back to the lack of equity in the order. I wonder why these millions of pounds should be written off overnight when my constituents are carrying the can for Warrington and Runcorn, Telford, Peterborough and Milton Keynes.

I come to the burden of what I have to say. We are told that the financial reconstruction proposals embodied in the order have been formulated by reference to projections of income and expenditure over the next 20 years. What expressions of confidence will My hon. Friend the Minister make to the House today about the reliability of those forecasts? What expressions of confidence were made in the House 20 years ago about the forecasts for Warrington and Runcorn, Telford and Peterborough?

Mr. Gow: Is my hon. Friend aware that responsibility for weather forecasting rests partly with the Ministry of Defence and partly with the Department of the Environment? I say that only because the Department of the Environment has responsibility for the water industry——

Mr. Deputy Speaker (Mr. Harold Walker): Order. That clearly has nothing to do with the business before the House.

Mr. Gow: I was about to make the point about forecasting because my hon. Friend——

Mr. Deputy Speaker: Order. The hon. Gentleman is clearly raising matters that are irrelevant. I hope that he will not disregard my ruling again.

Mr. Soames: With the greatest respect to you, Mr. Deputy Speaker — and of course my hon. Friend the Member for Eastbourne will abide by your judgment — forecasting is crucial. I remind you that you were in the Chair on one occasion when I had a difficult debate with my right hon. Friend the Secretary of State for Transport about the forecasting of traffic on the M25 and where that had got us——

Mr. Deputy Speaker: Order. I remind the hon. Gentleman that the business before us concerns the financing and liabilities of the new towns named in the order. I hope that he will return to that matter.

Mr. Hawksley: It might help my hon. Friend the Member for Crawley (Mr. Soames) if I inform the House that the figures forecast for Telford 20 years ago were double the current figures. The estimation was out by more than 100 per cent.

Mr. Soames: My hon. Friend, as always, shows a perspicacity and sagacity for which he is well known in the House. It is a matter of regret to many of my hon. Friends that Government forecasting is so lamentably bad.

Mr. Leigh: They cannot even get the weather right.

Mr. Soames: That is true. Government forecasting is a matter of some concern.

I hope that my hon. Friend the Minister will be able to settle the mind of the House on this matter. I hope that he can say that his confidence reposes in the figures for financial reconstruction embodied in the order, formulated by projection of income and expenditure over the next 20 years.

We are now told that this exercise has been carried out with the co-operation of the corporations and that the results have been analysed by consultants commissioned by the Department of the Environment. I have to say, with great regret, that it was consultants commissioned by the Department of Transport who made such an awful mess of the figures for the M25. What confidence can my hon. Friend the Minister have in figures for the new towns put forward by consultants? Is he satisfied that there will not be another order in the House in 20 years' time — I know that my hon. Friend the Member for Eastbourne is concerned about this — asking for another huge sum of

money to write off these forecasts, especially when, as my hon. Friend the Member for The Wrekin (Mr. Hawksley) said, previously they have been 100 per cent. wrong?

It is alleged that these measures will provide a sound financial basis for the corporations during their remaining lives. How often have we heard the expression "sound financial basis" in this House? How many industries, enterprises and businesses controlled or administered by the state or its organisations have we been told would provide a sound financial basis? We were told that about De Lorean, Rolls-Royce in the bad old days, British Shipbuilders and British Leyland. Yet who but the taxpayers living in our constituencies has had to keep shelling out money time after time?

Mr. Jack Straw (Blackburn): You can afford it.

Mr. Soames: The hon. Gentleman glibly suggests that we can afford it — we cannot afford it. It was Opposition Members who recently tabled a motion to give a 52 per cent. increase in secretarial allowances——

Mr. Straw: When I said "you", I was in the second person singular. I was referring directly to the hon. Gentleman.

Mr. Soames: I am sure, Mr. Deputy Speaker, that you did not hear that. The hon. Member for Blackburn (Mr. Straw), who is also my friend, might like to discuss that with me later. Indeed, I know that he is a beady-eyed steward keeping a careful watch on every penny of public money that is spent. He is responsible for the scrutiny of that money in this House. I am sure he will agree that it has been said many times in this House, and claimed by Ministers of all Governments, that certain organisations and enterprises provided a sound financial basis for the corporations during their remaining lives.

Mr. Gow: Does my hon. Friend remember that when his distinguished father was an hon. Member of this House rather than of another place there was another scheme which, I think was conceived by the Labour party and called the groundnuts scheme——

Mr. Deputy Speaker: Order. The hon. Gentleman must not persist in this irresponsible way in making irrelevant observations. Let us return to the order.

Mr. Boyes: On a point of order, Mr. Deputy Speaker. In my opening preamble I said that I had asked for the debate to be taken on the Floor of the House and hoped that Conservative Members would not abuse that decision. It is now absolutely clear that my request is being wholly ignored and that the debate is being reduced to an unacceptable level. Conservative Members for reasons only known to themselves——

Mr. Deputy Speaker: Order. The hon. Gentleman need not persist. I have got the measure of the position. He can leave the chairing of the House this afternoon to me.

Mr. Soames: I am grateful to you, Mr. Deputy Speaker. To tell you the truth, I had rather forgotten the thread of my argument. I was in the middle of a major disquisition on the stewardship of public funds when suddenly there jumped up from the Opposition Front Bench an objector. I do not regard lightly the writing off of £1,750 billion of taxpayers' money. The hon. Gentleman rightly insisted that the matter should be debated on the Floor of the House because it is important. If he thinks that it is being treated with levity, he is wanting both in judgment and in the quality of his observations.

It was always envisaged that the corporations' revenue deficits would continue for the early years of development, but that in due course they could achieve break even and be able to redeem their borrowing. As my hon. Friend the Member for The Wrekin rightly pointed out in the case of Telford, those forecasts were more than 100 per cent. inaccurate. What confidence does my hon. Friend the Minister repose in the figures implied in the order? The House will demand a proper answer. By the time the order returns, my hon. Friend will be in the Cabinet, but I hope that whoever fills his job in 10 years' time will not have to stand at the Dispatch Box and take the same stick on this matter from, God willing, my hon. Friend the Member for Eastbourne, myself and other hon. Friends here assembled this morning.

Other hon. Members wish to participate. The new towns and the Commission for the New Towns have been a remarkable success. Nothing that we say about the financial side of the order should in any way alter the debt of gratitude that the country owes to those who with vision set up the new towns, bringing immense prosperity and a force for good into the United Kingdom. In these islands there are many towns which could greatly benefit from the Commission for the New Towns coming with overarching authority to sweep aside all the useless objections raised by reactionary, revisionist local authorities against any form of development or expansion and to build, develop and expand — with all the verve and vigour of youth; and with enthusiasm and desire — a bright new Jerusalem in our inner cities. There could be no finer body to do that than the new towns movement, but it is not for the House, the steward and guardian of public funds, to allow the write-off of £1,750 billion in the flicker of an eyelid or with a snap of the fingers. The taxpayer will be done out of more than £1 billion.

I am grateful to you, Mr. Deputy Speaker, for giving me this opportunity, as a Member of Parliament for a new town, to speak in the debate. My constituency is very fortunate, and we are grateful for the benefits that were conferred upon us. However, my constituents will not be pleased if today we approve an order which means that they will have to pay heavy debts for the hard work, enterprise and drive that they have put into developing Crawley, while Warrington and Runcorn, Peterborough, Telford and Milton Keynes will have their liabilities written off. What would Dr. Johannes Witteveen have said had he been here?

12.50 pm

Mr. Eric Forth (Mid-Worcestershire): It is appropriate that I should follow in the footsteps of my hon. Friend the Member for Crawley (Mr. Soames), because I wish to echo some of the points that he made and expand on some of his thoughts. We are all aware — especially those of us who have the honour to represent constituencies with new towns — of the enormous contribution made by the new towns since the war. I hesitate to use the term used earlier by the hon. Member for Houghton and Washington (Mr. Boyes) when he spoke about the new town movement. There is a tendency to attribute the word "movement" to anything, certainly on the Left of politics. One might say, "If it moves, call it a movement."

[Mr. Eric Forth]

The development of new towns since the war has been remarkable. They have made a remarkable contribution to the social and economic life and to the development of a new form of social existence. When my hon. Friend the Minister opened the debate, he mentioned the financial reconstruction that the order involves. That has rightly caused much anxiety among my hon. Friends as to the aim and purpose of the reconstruction and what might lie behind it.

I do not propose to go too far down that road, but I shall illustrate by reference to Redditch in Worcestershire the fact that we are somewhat uneasy about the development of new towns in the future. Some of us wish to know whether the new towns will continue indefinitely, or whether it may be more realistic—my hon. Friend the Member for Crawley was moving in this direction in his eloquent remarks—to say that the new towns have fulfilled their purpose and that it is time for a rapid end to them.

Mr. Soames: If I had the power to sustain a speech for as long as and in such depth I know that my hon. Friend can, I would have developed my argument along his lines. We must develop a hybrid between the Commission for the New Towns, the new towns corporations and the London Docklands development corporation, which has proved so outstandingly successful. These attitudes and skills——

Mr. Deputy Speaker: Order. I do not think that the London Docklands development corporation comes within the framework of the order. I hope that the hon. Member for Mid-Worcestershire (Mr. Forth) will not respond to that suggestion.

Mr. Forth Indeed not, Mr. Deputy Speaker. However, my hon. Friend has, as usual, put his finger on a key point.

Redditch represents the transition from development corporation to the role of the commission. We want to know what the Minister has in mind for the development of new towns. Although the development corporations have played a magnificent role in the past, and made a wonderful contribution, the transition to the rule of the commission may not bring the sort of development that we want, because it does not contain the commercial element which my hon. Friend the Member for Crawley implied in the remarks which I shall not repeat.

Redditch is a classic case. Like all the new towns referred to in the order, it started with the kernel of an established community. One can trace back the origins of Redditch many centuries, and the town has a worldwide reputation for its needle industry. After being set up in the 1960s, the new town moved rapidly from being a sleepy midlands town with a population of 20,000 to a centre with a population of 75,000. There was a remarkable development of housing, landscaping and infrastructure and the new town is a fine example of the genre.

Mr. Leigh: Is it still in debt?

Mr. Forth: That issue is not strictly relevant, as I shall explain. The relevant point is the transition of the new town and whether it should go into the hands of the Commission for the New Towns or, as some of us would prefer, move to full privatisation. I use that term without blushing. The Opposition have said many times today that there is a deep, dark secret and a sinister plot to privatise new towns. There is nothing of the sort. I hope that the Minister will confirm that privatisation is precisely what we have in mind. Surely that would be the culmination of the development of the new towns.

Mr. Gow: I know of my hon. Friend's keen interest in the European Commission and I wonder whether he will answer the point which was in the mind of my hon. Friend the Member for Crawley (Mr. Soames). Do we need the consent of Lord Cockfield before the order can be approved?

Mr. Deputy Speaker: Order. The hon. Member for Eastbourne (Mr. Gow) is doing again what I have already warned him about. I hope that he will not persist.

Mr. Forth: Far be it from me to attempt to advise such a constitutional expert as my hon. Friend the Member for Eastbourne (Mr. Gow), but I suggest that it is unlikely that the European Commission will have to be involved. I hope that recent constitutional developments will not lead us down that path, and I am fairly confident that what has happened in this House will not take us in that direction.

Mr. Deputy Speaker: Order. I hope that the hon. Gentleman's speech will not take us in that direction either.

Mr. Forth: Indeed not, Mr. Deputy Speaker. I have many other points to make and you will be glad to hear that none of them relates to the EEC.

We should pause to consider why the new towns have been so successful. There has been much speculation, but I believe that, based on the experience of Redditch, I can give the House the answer. The first reason was referred to by my hon. Friend the Member for Crawley, who covered so many points in his eloquent contribution, though, as he said, he was forced, in the interests of brevity,, to curtail his remarks and was not able to explore some matters as fully as he wished.

I pick up a theme that my hon. Friend initiated and suggest that one reason for the success of the new towns was the powers vested in them from the outset. They were able to proceed with great speed in developing housing, infrastructures and roads, without resort to the usual planning procedures.

Mr. Soames: In considering the order and the winding up of liabilities, does my hon. Friend agree that the spirit of enterprise that the new towns brought could and should be applied with ease to other parts of the United Kingdom?

Mr. Forth: Yes, but I must sound a note of caution as my hon. Friend's enthusiasm that all should share the benefits conferred by the new towns involves an underlying danger. It is relevant to the debate because in moving towards the winding up of the new towns and considering the future we must examine the balance to be struck between the democratic accountability of our current planning regulations and the way in which the new towns have been allowed to develop without strict democratic accountability. The benefits in terms of speedy decision making and determination by those with a vision of what they want to develop are achieved at the cost of a lack of the accountability and democratic control that we expect in our normal planning procedures.

Mr. Cash: Does my hon. Friend recall that not long ago Redditch development corporation, in his constituency,

attempted to sell 20 per cent. of its total area — to Tarmac, I believe — but the proposal was turned down by the Department of the Environment? Has my hon. Friend any comment to make about that in relation to the extinguishment of debt covered by the order?

Mr. Forth: My hon. Friend has a remarkable grasp and knowledge of these matters even when they are in my constituency rather than his. He has raised a relevant point. I regretted the Department's decision because the development corporation seemed to me to be seeking at one leap to achieve a remarkable development in the privatisation of the new town but was frustrated by the Department of the Environment. I shall not go further into that as it would embarrass the Government as well as my hon. Friend and myself to say too much about it in public, but I agree with the sense of my hon. Friend's question.

The second reason for the remarkable success of the new towns has been the amount of funding available. Members have expressed understandable concern at the amounts involved and the opaqueness of the order. I hope that when my hon. Friend the Minister winds up the debate he will be able to throw much more light on what lies behind the very large sums contained but not explained in the proposal. The key to the success of the new towns has been that large sums of public money have been made available without the accountability that we would normally expect from public bodies dispensing public funds, and I am grateful for the benefits that this has brought to Redditch.

I welcome any hon. Member who wishes to come and see the town. It is beautifully laid out, the roads are well planned and landscaping has been carried out at no expense — 2 million trees have been planted since the town began to develop — not to mention the infrastructure implications, to which I shall return. It is easy to achieve developments of that kind if there is no direct accountability for the expenditure of large sums of public money. The new towns have shown the facility to channel enormous sums of public money without accountability or visibility to produce a desired result, but whether we wish to go that way in the future is a much bigger question and germane to today's debate. I hope that my hon. Friend the Minister will tell the House what the Government have in mind for the future of the new towns.

The third element in identifying the reasons for the success of the new towns is what I would call representation without democracy. I will explain what I mean by that. On all the development corporations of the new towns we have appointed representatives, boards with paid or part-time members, and appointed representatives from the local community in the time-honoured way to which we in Britain are all accumstomed. But one thing that those people were not, excellent though they were and excellent though their record of public service was, and representative in a sense though they may have been, were democratically elected members.

That immediately draws a distinction between the role of the new towns and their commissions and corporations, on the one hand, and local government and local authorities, as we have understood them for many centuries, on the other. Again, one must draw the paradoxical distinction between the effectiveness and efficiency of undemocratic but representative bodies and democratically accountable local authorities.

Mr. Deputy Speaker: Order. The hon. Gentleman is straying a long way from the substance of the order. We are discussing not the political structure of local government but the liabilities of certain new towns.

Mr. Forth: I am grateful to you, Mr. Deputy Speaker, for reminding me that in my enthusiasn I must not get carried too far from the point. However, I was making my point in the context of the future that lies beyond the order when it is approved by the House. We are all hoping that my hon. Friend the Minister will give us guidance on that matter when he replies.

Mr. Deputy Speaker: I hope that the Minister will do what I am asking the hon. Gentleman to do, and that is to address himself to what is in the order and not the future political or financial structure of new towns.

Mr. Forth: I am grateful, Mr. Deputy Speaker. I shall not be further tempted.

We have seen the remarkable record of success of the new towns. My hon. Friend the Minister has today asked us for a financial reconstruction so that the new towns named in the order may proceed with their development. We are willing to give him our support today, but he must understand from what I and many of my hon. Friends have said that there is some reservation in our support for the measure. We wish to be satisfied about the direction in which the Government wish to take the new towns and the extent to which they are aware of the need for strict accountability in the use of public money in the further development of the new towns.

It is on that thought and that issue that I wish to conclude my remarks in the hope that we shall be given all the assurances that we require from my hon. Friend today with regard to what he intends for the future, the extent to which he believes there will be accountability in the future and in the strictness with which I hope he and his Department will be looking at the matter as it unfolds and develops.

1.7 pm

Mr. William Cash (Stafford): My constituency of Stafford is close to Telford, which is the subject of one of the provisions in the order. As a member of the Select Committee on Statutory Instruments I had the responsibility to consider this statutory instrument a short time ago. I was somewhat surprised to see the liabilities which were being extinguished, amounting, as we know, to £1,687 million in round figures.

The problem is simply that a huge new town with an enterprise zone attached to it, with an accumulated debt on the scale that has developed over the years since the incorporation of the new town, has areas adjacent to it that are, as it were, in a vacuum and they feel a significant draught if the financing of the new town is in any way artificial.

If liabilities, on the scale that is set out in the order, are extinguished, as they will be, I ask the Minister to bear in mind that those of us who live in towns which are more self-financing than, for example, towns which have not significantly increased their rates — other then the precept from the county council, another and very sad tale — should be given all the protection that the Department of the Environment can give so that the order does not bear heavily on a place such as Stafford. The problems in new towns are well documented. Some of my

[Mr. William Cash]

constituents work in Telford. I praise the staff and the chairman of the development corporation although some criticisms have been voiced today. They have conducted themselves in the interests of the local people.

I am deeply suspicious of social engineering. Many of the people in Telford come from Birmingham. Large sums were required to support the movement of the population from Birmingham to Telford. That expenditure and movement was necessary because of the deep-rooted inner urban problems caused by degeneration and decay. Those problems could be sorted out only by the visionary arrangements activated in the 1940s which enabled people to have a decent standard of living. The idea was to make available homes near jobs. That is directly related to the sums that are now to be written off and it is one of the crucial factors that underpins the new towns. We must be responsible in the way in which we debate the subject.

Some serious questions arise from the order. The allegation is that there is a conspiracy by the wicked Tories to pull the rug from under the feet of the new towns, to dismantle and to throw to the winds the good work that has been done. The extinguishment of the liabilities in the order, remembering the reservations I have expressed, provides an opportunity for people who are moving into a new enterprise era to take a stake in the new town.

The opportunity should be taken, when a new town is reaching fulfilment, to disengage from social engineering, which might have had a valid beginning. I recognise the social needs that made social engineering necessary. Bournville is a good example. It has created a mixture of enterprise and philanthropy, the hallmark of the Quaker tradition which I have mentioned in other speeches. It was one of the great developments of the 19th century.

I am vice-chairman of the Conservative Small Business Bureau so I take an interest in the development of enterprise and small businesses. We must try to provide people with jobs and small businesses, with homes nearby. We should now be able to disengage from social engineering and enable people to buy their own homes and to set up small businesses. If the extinguishment of the debts will enable the Telford development corporation to balance the books so that those twin objectives can be achieved the spirit of enterprise will be enhanced and there will be more opportunities for job creation, particularly jobs for young people in the Telford area.

I should refer briefly to the Ironbridge Gorge Musuem trust. The issue of debt and liability impinges upon the trust, which is a national museum. I hope that the Minister will pay some tribute to it and give some sign of his Department's thinking on the subject. I happen to be a member for the board of the charity, and I had been in that position for many years before I became a Member for this place. It has a status that requires recognition.

Many of the discussions that have been taking place relate directly to the provisions that are set out in the order. I do not know which T item it refers to, but I am convinced that there are aspects of the Ironbridge museum that are related directly to one of the enumerated Ts in the order.

A coincidence that has just occurred to me is that Abraham Darby and the Quakers did not rely on public funds. Instead, they relied upon their own endeavours and enterprise. They created the industrial revolution, which the museum represents. The extinguishment of the public debts which is represented by the order is related directly and historically to the beginnings of private enterprise in that vicinity. As we disengage from and wind up the new towns, especially Telford, I hope that we shall have regard to the origins of the area itself. If we wish to develop new jobs, small businesses and a sense of enterprise with people able to live in the countryside reasonably near to their place of work, the extinguishment of the debt will, without doubt, enable these objectives to be achieved.

I hope, Mr. Deputy Speaker, that you will allow me to refer to my visit to Naples yesterday as a member of the Select Committee on European legislation. This is not part of a filibuster or anything of that sort. The evidence that we have of the extinguishment of liability in Italy provides something from which we can learn in relation to the order.

The reason for the disengagement from and extinguishing of the liabilities is related directly to the fact that in the 1950s and 1960s we had peculiar boom conditions. They were boom conditions of a rather artificial kind because much of the money involved was borrowed from abroad. Money was made available, however, on a significant scale and a significant amount of debt was accumulated. The first and second generations of new towns were able to be more or less self-financing and were wound up without accumulated liabilities which they could not repay. That is not the position of the third generation, of which Telford happens to be one.

I said earlier when my hon. Friend the Minister was speaking that it would be misleading to say that the whole of the Telford area is one of dereliction. I am sure that my hon. Friend did not intend to give that impression. The opposite is true and Telford is a beautiful part of the country. The problems with which it was faced in the Dawley area were significant. They were underestimated by a number of people, including, I regret to say, a book that I would recommend to those interested in new towns. The book by Meryl Aldridge, is entitled, "The British New Towns—A programme without a policy". It stated that Mr. Richard Crossman said of Dawley, in his diaries:

"Money could have been no object in mind"—

he quoted Evelyn Sharp's mind—

"since it will cost a fortune to turn this into a modern urban area".

That appears at page 307 of the 1975 diaries. The book continued:

"an observation which has particular piquancy in view of Lady Sharp's own insistence that new towns should be chosen in the light of their potential for economic success".

Richard Crossman identified, no doubt accurately, the fact that when the new towns were developed serious problems were inherent in Dawley and Telford which are intrinsic to the order. He predicted, quite accurately, which apparently Evelyn Sharp did not, that a vast amount of money was tied up in the proposal and that it would cause no end of difficulty. As a result, we must extinguish debts that were accumulated on a massive scale.

Mr. Dalyell: Evelyn Sharp was extremely concerned about the use of money in a number of new towns. She had a rather motherly attitude towards them. I have the greatest admiration for Evelyn Sharp as an extremely distinguished civil servant. She cared deeply about new towns. I was PPS to Dick Crossman. He cared very much about democracy in new towns. That was a real problem.

Mr. Cash: I am grateful to the hon. Gentleman. I understand that he did not make the point in a critical way

but wished to put it on the record. I agree entirely with what he said. It is difficult to calculate the amount of money needed for what I believe was an important objective and to ensure that the money was properly funded from the beginning.

I think that the accountancy arrangements, the investigation by the Comptroller and Auditor General's Department and the provisions of the 1985 Act on accountancy will be critical when the new towns are wound up. My hon. Friend the Member for Eastbourne (Mr. Gow) was the Minister—I regret that he is not in the House to take note of the point—who introduced the Bill. I see a serious problem in the present Act regarding the final accountancy arrangements for winding up the new towns. A wide discretion is given as to the manner in which the calculations will be made and the auditing will be done when the towns wind up their financial arrangements. If the towns get that wrong—there have been many criticisms of the order and the lack of information available—it will be deeply regretted. We must operate our public expenditure on the basis of sound financial expenditure.

1.23 pm

Mr. Edward Leigh (Gainsborough and Horncastle): This has been a long debate. As at least one of my hon. Friends wishes to speak, I shall confine my remarks and make them shorter than I had intended. I listened with great interest to my hon. Friend the Member for Milton Keynes (Mr. Benyon). He has great experience in such matters. He spoke in glowing terms about the achievements of Milton Keynes. He seemed to welcome the order. I wish to take issue with his speech and the tenor of his remarks.

The new town concept is the product of the "brave new world" vision of the original Fabians, but they could never have foreseen some of the debt problems which would arise and which we are debating. As my hon. Friends the Members for Crawley (Mr. Soames) and for Eastbourne (Mr. Gow) reminded the House, we are talking about a serious issue. Although this is a Friday and the House is thinly attended, we are talking about the extinguishment of £1·7 billion of public money.

My hon. Friend the Member for Crawley, who represents a first generation new town, rightly said that his constituents were being disadvantaged by the order. Although they had repaid their debt on time, the second generation of new towns had not. He spoke movingly of the problems that would arise for his constituents.

The explanatory notes with the order told us of the difficulties that the second generation of new towns have met, which explains the need for the order. My hon. Friend the Member for The Wrekin (Mr. Hawksley), who represents Telford is in his seat. He told us of some of the problems caused because the population projections had proved inaccurate. The explanatory notes told us also that, although the first generation of new towns grew up in the boom years of the 1960s, the second generation faced many more problems in the depression years of the 1970s and, therefore, the task facing second and third generation new towns was in many respects much more onerous. I accept all that and the reasons why the order is before us, but that experience of Milton Keynes and the second generation new towns should be a bitter warning and should guide Ministers, especially my hon. Friend the Minister with responsibility for sport, in directing public policies.

Because of the lessons of the 1960s, when we perhaps did not take adequate steps to guard against unforeseen events, the Government have to provide a realistic debt structure for the new towns. The order will enable the Government to give a coherent, measured corporate planning structure.

My hon. Friend the Member for Milton Keynes talked in glowing terms of what Milton Keynes had achieved. He seemed to think that the order would give the Government and the nation an opportunity to think in terms of widening the spirit of the new towns away from the Fabian concept of moving the population from the overcrowded inner cities to greenfield sites. My hon. Friend felt that the order could be a precursor to setting up development boards along the lines of the London Docklands Development Corporation, to regenerate our inner cities.

Of course, this is an attractive prospect. There are large derelict areas in many regions, especially in the north in our industrial cities. When I was a member of the Greater London council, I was involved in London overspill schemes. I now represent a town—Gainsborough—which was a London overspill town. In the late 1970s and early 1980s, we had to pick up the pieces from the planning policies of the late 1940s and early 1950s. We had to pick up the pieces of a great city like London which, to a certain extent, had been denuded of resources in terms of people and industry. Industry had gone to the new towns of, for example, Harlow, Welwyn Garden City and Milton Keynes. There is no doubt that that is why the new town concept has gone out of fashion. In looking carefully at the order and to the future and in considering the extinguishment of £1·7 billion of public money, we should pause to draw breath. We should remember the lesson of the past.

Mr. Timothy Wood (Stevenage) *rose*——

Mr. Leigh: I must get on. Rather than talking glibly of the taxpayer coming to the rescue of the new towns we should be looking at ways in which, in directing our policy for the future, we can think not in terms of financing the towns with rented housing but, as my hon. Friend the Member for Mid-Worcestershire (Mr. Forth) said, looking ahead at privatisation and using private money so that, in 10 or 15 years, we are not left with the problem we are debating today.

1.30 pm

Dr. Ian Twinn (Edmonton): I am grateful to the Opposition for giving us the opportunity to have this debate. It has been an instructive morning listening to my hon. Friends seeking answers from our own Front Bench. I will not say as much as I had hoped because I want to ensure that my hon. Friend the Minister has sufficient time to answer the questions that have been put.

Last night I took the draft statutory instrument home with me so that I could look at it. I thought that it would make interesting reading before bedtime. As is my custom, I went to bed with my reading and I put aside my new Jeffrey Archer book and read the order instead. I was bitterly disappointed. It was not the good read that I had hoped. However, it does have some similarities with the novels of Jeffrey Archer. The figures involved are as

[Dr. Ian Twinn]

astronomical. In fact, the figures involved are almost as large as those Mr. Archer earns from his books. It is important that we get some answers today about what the figures represent.

If these figures represent paying for public infrastructure—roads, hospitals and schools—it is reasonable that they should be met from public funds and that we should be able to write them off. It could be argued that the taxpayer would have received good value for money. However, if the figures represent money for building shopping centres and housing which will be sold or transferred to the local authority, we should know about it. If that is the case, the money should be going back to the Treasury and not being written off. It is important for the good name of the new towns movement in this country.

The new towns movement is the envy of the world. I speak as someone who, before I came here, taught town planning, for my sins. Visitors from around the world are singularly impressed by Britain's achievement in moving the population, en masse, from what were slums at the end of the second world war into good, new housing with all the social facilities that went with it.

Mr. Wood: Representing Stevenage as I do and having been involved with Bracknell in the past, I should like to draw my hon. Friend's attention to the fact that there are some new towns that have been able to generate a substantial return for the Government. Therefore, in financial terms, some new towns have done very well. Not only has one had the social advantage of the new towns and the employment prospects, but there has been a financial return from some new towns.

Dr. Twinn: My hon. Friend is quite right. The first generation of new towns worked very well. In fact, what we call the first generation, which were built from public funds after the second world war, are really the second generation. The first generation rose from private enterprise. I am glad that my hon. Friend the Minister will be tempting us to go down that line in the future with more private enterprise. The Ebenezer Howard idea of private capital being invested in new towns is a masterly idea. The idea of pouring vast sums of public money into new towns was a good idea in the post-war years because we had to reconstruct. We also had low interest rates, which helped the first generation of new towns make a return on their capital.

The third generation of new towns came along after the oil crisis and it was then that the problems really started. They had to borrow over long periods at high interest rates and they got into a terrible muddle, not knowing whether they were starting to get a return. They carried on borrowing. In the end, knowing that they were not getting anywhere near breaking even, the Government found it necessary to intervene. Along with other of my hon. Friends, I welcome the Government's action. It is important that we put the finances of the new towns on a firm footing, so that we can go forward. We do not want to stop the progress of the new towns. We want the idea of the new towns and the development corporations to roll on, develop, and to continue meeting the needs of our country. To fossilise it and let them carry on with a debt burden that they are unable to service would have been irresponsible. Therefore, I congratulate the Government on their action.

I have my personal doubts about the success of the new towns, in a sense. I represent an outer London area—Edmonton—which has been the victim of the magnetic attraction of the new towns. They have drawn away the population. They drew away the young, skilled, mobile work force from my constituency, and with it went the jobs. They were tempted, or bribed, to the new towns around London. My constituency has suffered from the new town policy. I do not object to that because it was in the long-term interest of this country as a whole. Of course, that is what we must be concerned with in the House.

Before I sit down and let my hon. Friend answer the points that have been raised in the debate, I should like to make a plea for more openness of information from the new towns. There has been a singular lack of openness from the Government today on the draft statutory instrument. I shall not labour the point; other of my hon. Friends have made it. I am sure that my hon. Friend the Minister will want to reply to the points that have been made.

The new towns have been a byword for secrecy. There is now a movement for local government—we have to include the new towns as a variety of localised government—to throw open its doors and provide information for the citizens in the area. I hope that my hon. Friend, while keeping in order, will talk about openness in the new towns.

I welcome today's debate. It has been a valuable debate, perhaps more valuable and useful than my hon. Friend had intended. Nevertheless, I hope that, on reflection, he will think that this morning has been well worth while. We look forward eagerly to his reply.

1.37 pm

Mr. Boyes *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Does the hon. Gentleman have the leave of the House to speak again?

Hon. Members: Yes.

Mr. Boyes: I listened with great care to the debate, which has lasted more than four hours. However, I am concerned about the flippancy with which an order with such strong political undertones has been treated by some Conservative Members. Some have abused the privilege of the opportunity to debate the order on the Floor of the House. This morning we have been talking about writing off almost £1·7 billion. The matter deserves the utmost seriousness from all hon. Members. The flippancy of Conservative Members suggests to some Opposition Members that they simply do not care.

I should like to ask some specific questions. If the Minister is unable to answer all of them immediately, I shall be happy to receive answers in writing in due course. Is he aware of any other orders in the pipeline that will extinguish the liabilities of any other new towns? Will he produce more details about the sums of money referred to in the order, as requested in a written question tabled by the hon. Member for The Wrekin (Mr. Hawksley) earlier this week?

With regard to the winding up of the development corporation and the transfer of housing and community-related assets, previous transfers have taken place with no loss and no gain for either side.

Where surveys have shown that there are undue deficiencies in the condition of the housing, will they be put right before any transfer of assets from the new towns? Will local authorities be given resources so that they can continue to attract tenants to buildings that have been vacated by industrialists when the development corporations are wound up? As the Minister and those of us who live in and represent the new towns are aware, there is a large scale turnover of industrial buildings in many new towns.

Many development corporations run social development offices. Will funds be made available by district councils, county councils or other appropriate local authorities to allow that initiative to continue?

Finally, where local authorities have taken over housing stock from district councils, they are finding that the promised adjustments in HIP allocation have not been made—indeed, some are receiving a lower allocation of HIP. I hope that the Minister will look at that matter. I accept that the Minister may not be able to answer all my points, so I should be grateful if he would reply in writing.

1.40 pm

Mr. Tracey: It is well known that new town measures have a reputation for producing an interesting, wide-ranging debate. Today's debate has certainly been no exception. It has been wide-ranging and some interesting questions have been asked.

My hon. Friend the Member for Eastbourne (Mr. Gow), in good spirit, pulled my leg about my better known responsibilities for sport. Of course, as he knows well, I am here today as the Under-Secretary of State for the Environment with responsibility, together with my noble Friend the Minister of State, for new towns. On the sporting angle, today's debate has at times felt a little like an orienteering exercise as it has weaved around. At times I thought I might be taking part in the Fastnet race.

As you have reminded us, Mr. Deputy Speaker, our concern today is somewhat narrowly focused on the financial reconstruction of the four new town development corporations with substantial development tasks ahead of them — Milton Keynes, Peterborough, Telford, and Warrington and Runcorn. Perhaps I should reiterate what I said in my opening remarks—that during the debate on the 1985 Act it was recognised that this sort of restructuring should continue. Hon. Members on both sides of the House thought that an extremely sensible exercise.

During the debate hon. Members have raised a number of points related to the order, and some of my hon. Friends made more general points. I shall try to respond to some of them, but if I cannot do so because of time constraints or because of lack of detailed answers I shall reply in writing.

The current financial regime needs explanation. I thought that I had explained it during my opening remarks, but it appears that some of my hon. Friends did not think so. The new towns' principal source of finance has been borrowing from the Treasury. That has meant that not only the new investment requirements of the development corporations but revenue deficits have had to be financed by borrowing. It is in the nature of this regime, rather than out of any desire to obscure the issues, that I say that it is not possible to identify individual advances as having been made to finance specific activities. That point was raised forcefully by my hon. Friends the Members for The Wrekin (Mr. Hawksley) and for Eastbourne. On reflection, they probably know that the development corporations' borrowing represents their corporate financing requirement, not a series of specific investment decisions. I hope that that explains why both in the details of the order and in the Department's answer to my hon. Friend the Member for The Wrekin we could not give details on the specific advances. We can give the times at which advances have been made to finance the corporate requirements of particular new towns, and in the case of my hon. Friend that is Telford.

Another point discussed at great length by my hon. Friend the Member for Eastbourne was the difference between the first and second columns of the order. Column 1 shows the amount of money advanced to the corporations when they asked for it and column 2—my hon. Friend had fun with this — shows the sum remaining to be repaid at 31 August 1986. The simplest explanation is to say that, rather like a mortgage, little principal is repaid in the first years when the advance is outstanding. These are all loans for 60 years, which is much longer than the period of the average mortgage. I hope that that explains the simple difference between the two columns.

Mr. Soames: Can my hon. Friend say on what basis the interest charges are calculated? Surely they are not fixed for 60 years. When changes are made to the interest charges, are they authorised on the Floor of the House?

Mr. Tracey: The interest charges on a particular advance are fixed. That was another point made in my answer to my hon. Friend the Member for The Wrekin about a week ago.

There has been some criticism of the position. It appears that with almost £1·7 billion of debt the new towns have got into a mess. There are various reasons for the apparent financial problems, the most important of which is the sheer financial burden of providing infrastructure and amenities, especially in the later new towns. The Government were, understandably, determined to provide a high standard to avoid the feeling of what might be called new town blues. A further important factor is location. It was reasonably easy to make something of a surplus in a town near London with pre-existing good communications during a period of steady economic growth. The later new towns on green field sites needed a great deal of infrastructure, which did not already exist, and by the time that was created economic growth had been slower.

With hindsight, we can see that the original new town financial model was somewhat over-optimistic. The important thing now is to put matters right and to get them on to a sound financial footing which will serve for the remaining period.

The hon. Member for Houghton and Washington (Mr. Boyes) said that the Government had sinister intentions that might lead to privatisation. We make no bones about the fact that we wish to see the greatest possible amount of private investment in the new towns. What would the hon. Gentleman have done in these circumstances? Would he have allowed the towns to obtain this vast amount of debt? I had thought that the Opposition were fairly agreeable when the idea of restructuring was mooted.

[Mr. Tracey]

My hon. Friend the Member for The Wrekin complained that he was unable to obtain sufficient information from Telford new town. He may have some cause for complaint, but he recently met my right hon. Friend the Secretary of State and discussed the matter at great length. My right hon. Friend has undertaken to write to him about several points. Perhaps he should await the reply. His point about the Nedge hill area of Telford would be better dealt with in my right hon. Friend's letter. I should have thought that my hon. Friend could have obtained much of the general information, including investment and development in Telford, from a close examination of the new town's report and accounts.

My hon. Friend the Member for The Wrekin also mentioned the chairman of Telford new town corporation, Lord Northfield. My hon. Friend was worried about the fact that Lord Northfield is also chairman of Consortium Development. At the beginning of the year, we considered the potential conflict of interest and we concluded that, as Consortium Development operates in the south-east, and Lord Northfield is not personally involved in land negotiations at Telford, no conflict of interest arises. I record the fact that my hon. Friend has raised the point again, and I am sure that my right hon. Friend will answer it in his letter.

My hon. Friend the Member for Welwyn Hatfield (Mr. Murphy) asked about the accountability of the development corporations. Like the Commission for the New Towns, they are fully accountable. The accounts in the annual reports are audited by external auditors appointed by the Secretary of State and they are reported on by the auditors. That is clear from the reports of the new towns. The Government examine closely those reports and the projects placed before us before deciding that annual budgets of the corporations. As my hon. Friend will know, we are also considering extending the competence of the ombudsman to examine new town affairs. I am sure that my hon. Friend welcomes that development.

My hon. Friend the Member for Crawley (Mr. Soames) paid tribute in a typically robust and well-argued speech to the contributions of the new towns, but sounded sad when he suggested that Crawley had been treated unfairly compared with the four new towns mentioned in the order. I refer him to what I said about the greater ease with which Crawley had been able to develop a surplus and repay its debts. I pay tribute to what has been done in Crawley. I know that my hon. Friend is a force in encouraging the greatest possible efficiency and development of enterprise in the town.

My hon. Friend asked me about the forecasts for the four new towns and others. Our forecasts were prepared by the development corporations, but they were analysed by highly professional consultants appointed by the Government, so we have subjected the forecasts to careful scrutiny and analysed their sensitivity to a range of assumptions about rental income, investment levels, and so on. As my hon. Friend said, forecasting is not an exact science, but I am satisfied that we have the best possible forecasts.

A number of hon. Members mentioned specific places within the new towns. My hon. Friends the Members for The Wrekin and for Stafford (Mr. Cash) asked about the future of the Ironbridge Gorge museum after 1991. The future of the museum is under consideration and my noble Friend the Minister responsible for planning visited it early in July when discussions took place. The Department's officials have had further discussions with the officers of the museum trust and there will be more discussions. We intend to find a way to safeguard the future of this excellent museum which records so well the development of our industrial heritage.

My hon. Friend the Member for The Wrekin also asked me about the Telford ice rink. The development corporation provided for a rink in the town centre and it was understood at the time that, on completion, ownership of the ice rink would be transferred to The Wrekin district council and that the corporation would make no contribution to remaining costs, including any revenue deficit. As the Minister responsible for sport, I think that the provision of an ice rink, as a major public amenity in Telford, is a good thing and I am sure that it has been welcomed by the people of the town.

My hon. Friend the Member for Eastbourne asked about the Texas Homecare store in Milton Keynes. My hon. Friend the Member for Milton Keynes (Mr. Benyon) mentioned the £1 billion of private investment in that excellent new town, and the Texas store is part of that. The development corporation made provision for infrastructure, such as the roads and the mains services around the store. I hope that that satisfies my hon. Friend.

My hon. Friend the Member for The Wrekin, who raised the subject of housing transfer in Telford, will know from my answer to a question from him in March that the Government are determined to seek alternatives to direct transfer to local authorities. At present, we are engaged in close consultation in Telford and other new towns on this very point. My hon. Friend may rest assured that we shall continue discussions to find the best possible way forward.

I think that I have dealt with all the points raised, but I will write to any hon. Member whose question has not been answered. The new towns programme is now nearing completion, but there are still important tasks to be completed. I believe that the financial reconstruction will help to take us forward in the best and most businesslike way. I commend the order to the House.

Question put and agreed to.

Resolved,

That the draft New Towns (Extinguishment of Liabilities) Order 1986, which was laid before this House on 1st July, be approved.

West London Hospital

Motion made, and Question proposed, That this House do now adjourn.—[*Mr. Malone.*]

2.1 pm

Mr. Nick Raynsford (Fulham): I am grateful for this opportunity to discuss the future of the West London hospital, which is extensively used by many residents of my constituency, although it is located just outside the boundary in the constituency of my hon. Friend the Member for Hammersmith (Mr. Soley), who has fully supported my concern and would have wished to be here today but for other commitments. It is appropriate that this debate should take place today as a consultation paper is expected to be published today by the district health authority proposing the closure of the West London hospital in November 1987.

It is important that the House should be aware of the context of that consultation paper. It is being produced by a district health authority which has been told to make cuts of some £33 million in a budget of £120 million by 1993-94—a reduction in expenditure of no less than 27 per cent. That is no reflection of lack of need in the area, which has huge unmet needs—an aging population, long and lengthening waiting lists for many operations and many people suffering poverty and deprivation. Against that background, the National Health Service should be expanding and developing to meet needs more effectively, rather than being told to make swingeing cuts in the budget which illustrate all too clearly the dishonesty of the Government's claim that the Health Service is safe in their hands. The people of Fulham and Hammersmith are well aware how hollow and untrue that claim is. In the face of such cuts in hospital services, the Health Service in West London is far from safe in the Government's hands.

The West London hospital currently incorporates four main units. The obstetrics unit has a national reputation for a very high standard of care. Among women it has a reputation for providing a service that is sensitive to their needs and aspirations, and it has been in the forefront in promoting natural childbirth. There is also a special baby care unit with a particularly high standard of neonatal care —a factor contributing to the good reputation of the area in terms of perinatal mortality, for which the figures are among the lowest in Britain and, indeed, in western Europe. The plan in the consultation paper involves closure of the hospital and loss of the obstetrics unit without replacement, and thus the destruction of one of the country's best maternity units.

Secondly, the geriatric unit provides long-term care for about 50 elderly patients. This unit has done important work in developing understanding and a close relationship between staff and patients. Many of the patients suffer from senile dementia, requiring intensive care and needing to develop trust and confidence in the people looking after them.

The third unit is the psycho-geriatric assessment unit providing 16 beds and also associated day care. The fourth is the genito-urinary unit, which is doing extremely important work in one of the most difficult areas of medicine and, indeed, is currently one of the first places of referral for a substantial number of people suffering from AIDS in Britain. The importance of that work should not be underestimated.

Apart from the four units provided by the hospital, there is also an associated nurses home, Abercorn House, which is providing accommodation for 90 nurses in an area where there is a desperate need because high house prices and exceptionally high rents make it difficult for nursing staff to afford to live. That in turn creates acute problems for hospitals, one of which, the Charing Cross hospital, has encountered considerable difficulty in maintaining its wards because of the absence of nursing staff who simply cannot afford to live in the area.

The proposal in the consultation paper suggests the relocatin of some of those units. The psycho-geriatric and genito-urinary units would be relocated, essentially at Charing Cross hospital, and I would not quarrel in principle with that. It is appropriate that those units should be on a district general hospital site, and the standard of provision could well be improved there.

The geriatric department will be replaced under the proposals with two small-scale nursing homes. Again that is not necessarily wrong in principle, but there are serious potential problems. In the first place, there must be an anxiety about the timetable — whether the new units, which have not yet been begun, could possibly be completed and ready for occupation by November 1987, the date set for the closure of the West London hospital.

Secondly, what will happen in terms of the disruption of the care of the elderly people, whose trust in thieir nurses has been painstakingly built up over a period? We should remember that we are talking only of replacing beds that will be lost. Yet we know that there is an urgent additional need for extra beds, particularly for respite care to help many carers who look after elderly relatives and who desperately need the opportunity to place their relatives in a caring environment so that they can get away for a week or two weeks' holiday from time to time. Those are the units that will, to an extent, be replaced under the proposal. I want now to deal with those that will not.

The nurses home will be lost, and that will be a loss of desperately needed accommodation in the area. The obstetrics unit will be lost without replacement under the proposal. That is clearly motivated by a wish to make savings. There can be no other possible explanation of why that has been put forward. The consultation paper suggests that that will provide savings of approximately £2,250,000 out of the total projected revenue savings coming from the closure of the hospital of £2,750,000. So the lion's share of the total savings is attributable to the closure of the obstetrics unit without replacement.

What possible justification can there be for doing this? It may be argued that the West London hospital building is old, in need of maintenance and repair. It is an old building. It has a long and distinguished history going back 126 years, during which time the hospital has been located on this site. However, I hasten to add that there have been many additions and improvements to the building during that time. It is not simply a building that dates back to the 1860s.

Everyone who has been there or who has accompanied patients there knows what is really important is not its bricks and mortar but the standard of care. The West London hospital's reputation is without equal in that respect. It has an immensely high standard of care and concern for patients. It is also one of those smaller hospitals which can achieve a more friendly and intimate environment than is possible in larger hospitals.

[Mr. Nick Raynsford]

The physical fabric of the hospital might justify the relocation of the unit elsewhere, but it certainly does not justify the closure of that unit without replacement.

What other justification could be advanced for the closure of the unit? Undoubtedly the claim will be advanced—I suspect the Minister has been briefed to this effect—that there is

"an over-provision of maternity beds in the district".

Such a claim can be substantiated only by a juggling of the statistics to suit the argument. There are only two maternity units in hospitals managed by the district health authority—Westminster hospital and the West London hospital. Between them they provide for about 3,000 births a year—about 2,000 at the West London hospital and about 1,000 at Westminster hospital. The birth rate for the Riverside area is about 3,500 and the forecast, based upon a midpoint projection, is about 3,700 a year.

Local needs can be met adequately only because of the two other maternity units, which do not come under the district health authority, but come under the special health authority. I refer to Queen Charlotte's and Hammersmith hospitals. Beds there are not primarily available to local residents. The North West Thames Regional Health Authority's maternity patients flow data show clearly that only a small proportion — about 17 per cent. — of maternity patients at Queen Charlotte's come from Hammersmith and Fulham. Most come from other areas.

There is no catchment area for obstetrics and no priority is given to local patients. Many of my constituents are refused access to Queen Charlotte's hospital. The letter that is sent out states simply:

"Your doctor has written to us requesting a booking for your confinement at Queen Charlotte's Maternity Hospital. We very much regret that during the time of your expected confinement we are fully booked and suggest that you return to your doctor immediately so that alternative arrangements for your confinement can be made."

Letters like that are being sent out in large numbers. According to recent evidence from Professor Elder, 150 applicants a month are turned away by the special health authority. So much for the argument about over-provision.

Furthermore, the argument ignores consumer choice. West London and Queen Charlotte's hospitals are both excellent in their way, but they represent entirely different poles of maternity care provision. The West London hospital has a national reputation for progressive maternity care, for natural child bith and for taking account of the woman's needs and wishes. My three children were born there, so I know of the extraordinary sensitive care that my wife received during her confinements.

The consultation document admits as much. It says:

"The West London unit is justly famous. It has been in the forefront of the development of more liberal and sensitive approaches to maternity services and has become known as a leading centre for natural child birth. It is also regarded as a major centre for teaching and research."

That is a tragic comment on the state of the Health Service under this Government. An outstanding maternity unit is threatened with closure without replacement.

The third argument which might be advanced for the closure is that patients can go instead to Westminster hospital. That involves the loss of the West London unit and its tradition of excellence. It will involve a substantial aditional journey for people in my constituency that is particularly important if their children are in the neo-natal intensive care unit and they have to be on hand to be close to their babies.

The fundamental argument is that even if one of those units has to close because of over-provision, West London certainly should not be chosen. West London is the only unit which satisfies the health authority's criteria for the minimum standards of provision which make the unit viable. The health authority's planners have made it clear that the minimum standard for viability is 2,000 births per year. The West London hospital achieves that, but Westminster does not. Even with the proposed extra provision, Westminster will still have a capacity for only 1,700 deliveries — far below the minimum level for viability. What an extraordinary proposal.

There will be a serious potential impact on Charing Cross hospital and its medical school. The closure of the unit at West London will leave a major teaching hospital without an associatud obstetrics unit. That will create an extraordinary situation and, as the consultation paper admits, it will have a knock-on effect on the gynaecological service. The document states:

"Some impact on the existing provision of gynaecology services could result. Any reduction in the level of gynaecology services would have to be the subject of separate formal consultation."

The paper admits that there will be serious potential consequences and that there will have to be further consultation, yet it is still proposed to go ahead with the closure of the West London hospital. That is nonsensical. Furthermore, this could undermine the viability of obstetric teaching at Charing Cross.

Professor Curzon has said that the closure of the West London unit would have drastic consequences. I shall quote from a paper that he wrote earlier this year, which states:

"If the West London obstetric unit were to be closed before a definitive solution to the long-term provision of obstetric services had been agreed and implemented, the School's department would have to move to some other temporary site. This would compound the damaging effects of further uncertainties about the future with the considerable turbulence resulting from the move. The only possible sites to which the department could move would be either Westminster Hospital or Queen Charlotte's Hospital. It has already been shown that Westminster Hospital fails to meet the essential criteria of sufficient resources for teaching, and provision of obstetrics and gynaecology on the same site."

A subsequent note from the Professor states that Queen Charlotte's hospital will not take the students in question.

There are all these damaging consequences. The cuts will have an effect on patient care, medical education and related health services. Above all, they will fly in the face of public opinion. When the closure was last proposed, there was generated a massive public reaction. There are many who are associated with the hospital, including patients and nurses in the Public Gallery today to show their concern.

I hope that the Minister will reconsider this ill-thought out proposal, which will have damaging consequences. If the Government wish to be taken seriously in their claim that the Health Service is safe in their hands, they must provide more funds to maintain the viability of this hospital.

2.16 pm

The Minister for Health (Mr. Barney Hayhoe): First, I congratulate the hon. Member for Fulham (Mr.

Raynsford) on what I think is his first Adjournment debate. I am sorry that he rather muddied his advocacy of local interests by making a number of highly party political assertions which he scattered during his speech. I repudiate the simplicity of what he was saying in such a party political context.

The West London hospital is a smallish hospital with fewer than 150 beds providing geriatric, psycho-geriatric, obstetric care, in-patient services and a special care baby unti. There are out-patient clinics, which I know are held in high regard. As the hon. Gentleman said, the building is in a poor state of repair and would require major capital investment to bring it up to a reasonable and acceptable standard. It is rather an isolated unit that is away from the associated specialty and support services that are normally found on a district general hospital site. When the hon. Gentleman was commenting about particular units he said that they could gain by being brought into Charing Cross and being close to the back-up services.

The services that are provided at West London are part of the overall service provision of the Riverside district. The Riverside health authority is responsible for planning services throughout the district and has to ensure that they are provided in a sensible and cost-effective manner.

The subject chosen by the hon. Gentleman for the debate is the future of a particular hospital. I am sure that he will understand that it cannot be considered in isolation. Any reasonable consideration must include services in the district as a whole. At present, the Riverside district is undertaking a review of all its services and it is considering the options for future patterns of services. Its budget last year, 1985-86, was over £120 million, and for 1986-87 it has already increased to over £128 million. There is still the share of the additional £50 million that the Government have made available to meet part of the cost of the pay review body awards. There is, therefore, further money coming to the district. The review which the authority must carry out includes the services provided by all the hospitals in the district and takes account of the changing population. The population of Riverside is declining and it is expected to fall by about 10 per cent. by 1994. Future services will need to reflect that decline. The real cuts that are taking place are in the number of people living in the Riverside area. Furthermore, in Riverside—little mention was made of this—there is a need to develop community services to ensure a better balance between hospital and community provision. While I understand why particular pressure groups home in on specific aspects of more general proposals, I believe it important that balanced judgments are made in proper context.

The overall regional strategy within which the district review is taking place has been generally endorsed by Ministers. The region's main broad strategic aims—the improvement of acute services in some parts of the region and the improvement of priority services throughout the region—are in line with national priorities. The region's overall approach to securing the resources needed to achieve those aims requires, first, the release of resources from local acute services in districts such as Riverside and, secondly, greater efficiency in the provision of these and other services throughout the region.

If, as a result of its planning, the district health authority decides that the closure or change of use of Health Service premises is necessary, there is a formal procedure which it must follow. This is set out in Health Circular HSC(IS)207. This requires health authorities to consult widely on their plans and to consider all comments that are made. Community health councils must be consulted and are free to put forward counter-proposals. Any such proposals by the CHC must be carefully considered by the health authority alongside the original plans. If the health authority rejects the counter-proposals and reaffirms its original plans, the matter must be referred to the regional health authority. If the RHA supports the DHA's decision the proposal must then be referred to Ministers for a final decision. There is a long consultation process.

I have gone into general issues by way of background in some detail despite what the hon. Gentleman said and what is implied in some comments I have heard, final decisions have not been made about the future of the West London hospital. I understand that today the district will circulate to health authority members its draft — I underline the word "draft" — consultative document. That document is to be considered by the health authority at its next meeting on 24 July. It has not been published. Obviously, the hon. Gentleman was quoting from a document. I do not know how that document was obtained. The document, in draft form is going to the health authorities for their consideration. It would be wholly inappropriate for me to comment in detail at this stage. If the DHA decides to go ahead, I shall look forward to hearing the results of the consultation exercise.

The hon. Gentleman referred to obstetric care. I understand his family connections in that respect. I am delighted to join with him in paying tribute to the high reputation that the unit has built up, especially under the leadership of Professor Norman Morris, who I believe retired last year. The unit has an innovative tradition. That is continuing. It is known as a pioneering centre for natural childbirth.

I do not accept the rather artificial destinctions that the hon. Gentleman tried to draw between the various hospitals that serve people in this part of London. Queen Charlotte and Hammersmith hospitals are run by a special health authority, but they bring in a considerable capacity for maternity care in that area, in addition to that provided by the Westminster and West London hospitals.

The latest figures that I have seen—they are for 1984 — show that about two out of every five mothers involved came from Riverside. Two out of every five women treated in the obstetric maternity areas of those four hospitals were Riverside mums. Over 5,000 came from outside the area. I am sure that some came from my constituency, because there is a close link between some of the hospitals in Riverside and those in my district of Hownslow and Spelthorne.

A balance must be achieved. It is important that we do not deal with these matters in watertight compartments. Perhaps there was too much of that in the past. It is necessary to look at health care, especially in London, and at the facilities provided by the health authorities and the special health authorities. I note, of course, the arguments put forward by the hon. Member for Fulham. I am sure that the health authority will do so also. I am sorry that he was rather narrow in his consideration of these problems and did not take a wider view.

As I have said, at this stage I shall make no comment on the West London hospital. It is for the health authority to come to a decision. It is right that health authorities should be generally free to explore all the options open to

[Mr. Barney Hayhoe]

them. They must not be hidebound in their thinking but must consider a wide range of alternatives, even when they may involve radical change. When they have done that, there is a formal consultation process to ensure that the views of those affected are taken into account before final decisions are made. This seems to be the right way to proceed and to ensure the proper plan of future health services to meet the evolving requirements of health care in the district and region concerned. We are concerned not with what existed years ago but with making proper plans for the future provision to deal with patient needs.

I wish that there was more reasonable and balanced consideration of these issues. They are not helped by biased and distorted media coverage of NHS matters. I shall mention one concerned with west London hospitals. Recently the letter page of *The London Standard* contained a letter headlined "Londoners caught in a red alert". It was said that

"the whole of the North West region had been on red alert since March."

The North West region occupies a substantial part of the home counties. The letter was totally untrue.

The administrator of the emergency bed services wrote making the correction that the red alert had lasted not for months but for four days, from 7 to 10 March, yet that letter was hidden away and given little prominence. I wonder whether the original letter was politically motivated and why *The London Standard* should in this instance, and often in other ways, give prominence to critical stories about the NHS in London, whether they are accurate or not, and ignore or seldom mention new hospital developments and improvements.

The provision of health care for the future and the discussion about it are of immense importance to all concerned. It is right that the hon. Member for Fulham should use the Adjournment debate to raise matters of special concern to his constituents. Having said that, I think that we should discuss them in a sensible and balanced fashion.

I know that the hon. Member for Linlithgow (Mr. Dalyell) wishes to bring forward another Adjournment debate. Rather than reply in more detail, I shall sit down to give him that opportunity, although I am rather surprised that he is not in his place.

2.28 pm

Sir John Biggs-Davison (Epping Forest): On a point of order, Mr. Deputy Speaker. Will you help the House? The hon. Baronet, the Member for Linlithgow, (Mr. Dalyell) who is not present, has complained that he has not been given time to pursue by debate his personal campaign against my right hon. Friend the Prime Minister. You will observe, Sir, that a Minister of the Crown and my right hon. Friend the Leader of the House are present. A number of hon. Members are here in the hope that we might take part in the debate that the hon. Baronet wished to raise.

Mr. Deputy Speaker (Mr. Harold Walker): These are not matters for me. The hon. Member for Linlithgow (Mr. Dalyell) has not made any complaint to me.

Question put and agreed to.

Adjourned accordingly at twenty-nine minute past Two o'clock.

Written Answers to Questions

Monday 7 July 1986

TRANSPORT

A45 (Traffic Delays)

Sir Eldon Griffiths asked the Secretary of State for Transport for how many days traffic along the A45 in the vicinity of Bury St. Edmunds has been subject to delays as a result of the closure of various lanes; how many yards of each carriageway have been or are now affected; what is the value of the work that so far has been carried out and that still remains to be done; how many man-hours have been spent in each week since this contract was let; and why so many red and white cones are frequently scattered across the highway.

Mr. Peter Bottomley: Current maintenance work on this stretch of the A45 has resulted in lane or carriageway closures on 40 days so far. These have not always involved significant delays for traffic. The total length of carriageway affected by the contract is 8 km (8,720 yds) but the maximum length affected at any one time has been 2 km (2,180 yds). The total cost is £160,000, of which £90,000 remains to be spent before the contract ends in September. The work has involved approximately 450 man-hours per week. Scattering of traffic cones is generally caused by drivers straying from their lanes. The contractor repositions displaced cones on a regular basis.

Roads (Maintenance)

Mr. Lawler asked the Secretary of State for Transport what was the total sum spent on the repair and maintenance of roads nationally, for the years 1979-80 to 1985-86, inclusive, in actual prices and in real terms.

Mr. Peter Bottomley: Return of actual expenditure on highway maintenance are submitted by individual highway authorities to the Department in relation to their area as a whole. Prior to April 1986 the highway authority for Bradford was West Yorkshire metropolitan county council. I regret I cannot give details of maintenance expenditure within Bradford for this period.

Tunnelled Roads

Mr. Nicholas Baker asked the Secretary of State for Transport if he will state the current average cost of constructing tunnelled roads as opposed to surface bypasses, taking into account the loss of land involved in construction of bypasses.

Mr. Peter Bottomley: I regret that this information is not available. Tunnelling costs vary widely depending on geological and other local factors and there is no meaningful average cost. As a general rule, taking account of land and other costs, " "cut and cover" tunnel will be significantly more expensive than a surface scheme and a bored tunnel will be the most costly.

Car Registration Date

Mr. Conway asked the Secretary of State for Transport what recent representations he has had on the proposed change of the new car registration date; and if he will make a statement.

Mr. Michael Spicer: I refer my hon. Friend to the reply given to my hon. Friend the Member for Wells (Mr. Heathcoat-Amory) on 19 May in column 23.

Inverness-Heathrow Air Links

Mr. Kennedy asked the Secretary of State for Transport what estimate he has made of the implications of the availability of direct air links from Inverness to Heathrow for the international trading potential and prospects of indigenous industry in the Highlands; and if he will make a statement.

Mr. Michael Spicer: My right hon. Friend and I are taking these matters into account in our consideration of the Civil Aviation Authority's recent advice on air traffic distribution in the London area, on which he intends to make an announcement in due course.

Woolwich Ferry

Mr. Cartwright asked the Secretary of State for Transport when he plans to set up his proposed review of the Woolwich ferry; who will conduct it; what evidence it will invite; and when it is expected to be published.

Mr. Peter Bottomley: We are finalising details with the London borough of Greenwich who manages the ferry operation for us. We shall be appointing consultants to examine all aspects of the ferry and workshops operation with a view to reporting to us by the end of the year.

M3 (Maintenance)

Mr. David Atkinson asked the Secretary of State for Transport how much has been spent on maintenance on the M3 Surrey stretch of motorway each year since its operation; and how often and for how long maintenance work has necessitated introduction of a contraflow system.

Mr. Peter Bottomley: Total amounts spent on major works of maintenance on the M3 in Surrey have been as follows:

	£
1980-81	10,474
1981-82	1,301,000
1982-83	1,387,347
1983-84	1,319,658
1984-85	2,591,314
1985-86	1,696,225

Expenditure was also incurred on certain less important works and routine maintenance. The total amounts cannot readily be identified.

The period for which contraflow systems have operated have been as follows:

	Weeks
1981-82	10
1982-83	14
1983-84	12
1984-85	12 and 11
1985-86	29

Hereford Bypass

Mr. Colin Shepherd asked the Secretary of State for Transport when he expects to commence the public consultation phase in respect of the proposed Hereford north-south bypass for the A49.

Mr. Peter Bottomley: It is too early in the study timetable to be precise, but probably during the first quarter of 1987.

WALES

Second Homes (Gwynedd)

Mr. Wigley asked the Secretary of State for Wales what discussions he has had with the Property Services Agency concerning its application for planning permission for building second homes on land currently owned by it in Gwynedd; and if he will make a statement.

Mr. Mark Robinson: None.

Strategic Defence Initiative

Mr. Viggers asked the Secretary of State for Wales what advantages to the Welsh economy he envisages from participation in the strategic defence initiative.

Mr. Nicholas Edwards: Contracts awarded to Welsh companies as a result of participation in the SDI research programme will provide direct stimulus to the Welsh economy, strengthen the technological base and assist the retention and growth of technical and scientific expertise in Wales to the benefit of other high-tech industries based in the Principality.

Housing

Dr. Marek asked the Secretary of State for Wales if he will list in the *Official Report* the number of representations he had before he decided to issue his circular on housing for senior management in Wales; and how many of these representations were from *(a)* local authorities, *(b)* other bodies and *(c)* individuals; and how many in each category were in favour and how many against.

Mr. Mark Robinson: Of the 27 bodies consulted on the draft circular, 22 responded. A further 12 representations were received. Some of the respondents qualified their support or opposition, but in broad terms the numbers in favour and against were as follows:

	Local authorities	*Other bodies*	*Individuals*
In favour	—	14	2
Against	7	11	—
Total	7	25	2

Lambs (Subsidy)

Mr. Best asked the Secretary of State for Wales if he will make it his policy that, apart from any other compensation that may be payable, he will pay compensation of lost subsidy to those sheep farmers whose lambs will not qualify for subsidy when sold due to the ban on marketing if they would have qualified for subsidy had the ban not been imposed.

Mr. Nicholas Edwards: I have today had discussions with representatives of the farming unions in Wales on the question of compensation. Their views will be taken fully into account and I hope to be in a position to make an early statement.

PRIME MINISTER

Security Intelligence Secretariat

Mr. Austin Mitchell asked the Prime Minister if she will now list the countries whose representatives attend the meetings of the security intelligence secretariat.

The Prime Minister: It is not the practice to comment on intelligence matters.

Prince of Wales (Wedding)

Mr. Canavan asked the Prime Minister what was the total cost to all Government Departments of providing various services at the wedding of His Royal Highness the Prince of Wales.

The Prime Minister: The total cost of providing various services was £69,782. This does not include costs incurred by the Ministry of Defence.

EC (VAT)

Mr. Shersby asked the Prime Minister what is Her Majesty's Government's policy towards zero rating for the purposes of value added tax in the context of the development of the internal market within the European Community; what initiatives Her Majesty's Government plan in this respect during the United Kingdom's Presidency of the Council of Ministers; and if she will make a statement.

The Prime Minister: The European Commission has put forward a number of proposals aimed at removing barriers to trade within the Community. One of the measures it has suggested is the "approximation" of indirect tax rates throughout the Community. Acceptance of this proposal would undoubtedly raise a whole range of political, economic, social and industrial problems, not just for the United Kingdom but for all member states. A major issue for the Government would be the future of the zero rate. But we do not believe that out zero rate is incompatible with the development of the internal market. We would therefore maintain that any tax measures which the Council considered were necessary for the completion of the internal market should permit the continuation of the zero rate.

The Economic and Finance Council, at its meeting on 16 June, concluded that it could not take decisions on questions concerning tax rates and rate structures until the Commission had provided further details, which Lord Cockfield has now promised for April 1987. In the meantime the Council agree to continue work under the United Kingdom Presidency on certain existing technical proposals affecting frontier formalities and the structure and mechanisms of value added tax and the main excise duties.

North-West (Visits)

Mr. Tony Lloyd asked the Prime Minister if she will give details of each official visit she has made to the north-west of England since 1 March.

The Prime Minister: I have made no official visit to the north-west since 1 March.

Foreign Countries (Visits)

Mr. Tony Lloyd asked the Prime Minister if she will give the number of times she has visited *(a)* the United States of America and *(b)* each of the European Community nations, since May 1979.

The Prime Minister: I refer the hon. Member to the answer I gave to the hon. Member for Newham, North-West (Mr. Banks) on 10 December 1985 at columns 575-577; the reference to a visit to Germany in November 1985 was a clerical error, however, and should be deleted. Since that date, I have made no visits to the United States, and have visited France, Italy and the Netherlands on one occasion each.

Engagements

Mr. Rooker asked the Prime Minister, further to her answers of 17 June, *Official Report*, columns *512-13*, and 23 June, *Official Report*, columns *49-50*, if any right hon. or hon. Members were present at any of the meetings referred to other than as listed.

The Prime Minister: The meeting of 12 February with Birmingham councillors to discuss the city's Olympic bid was also attended by my hon. Friend the Minister for Sport. It is not for me to answer for those present at meetings other than members of the Government.

Departmental Expenditure

Mr. Ralph Howell asked the Prime Minister if she will state the public expenditure of each Department of State, in actual real and 1979 = 100 terms for 1978-79, 1984-85 and 1985-86 in league order.

The Prime Minister: The following figures have been derived from tables 2.1 and 2.2 of the 1986 public expenditure White Paper, Cmnd. 9702:

Table 1. Departmental spending

£ billion

Department	*1978-79*	*1984-85*	*1985-86*
DHSS-Social Security	16·4	38·1	41·2
Defence	7·5	17·2	18·2
DHSS-Health and Personal Social Services	7·4	15·8	16·7
Education and Science	7·8	14·0	14·5
Scotland	3·7	7·0	7·4
Home Office	2·0	5·0	5·3
Transport	2·7	4·6	4·6
Northern Ireland	2·1	4·0	4·3
DOE-Other Environmental Services	2·2	4·0	3·9
Employment	1·1	3·1	3·3
Wales	1·5	2·6	2·8
DOE-Housing	3·6	3·2	2·7
Ministry of Agriculture, Fisheries and Food	0·8	2·1	2·5
Trade and Industry	2·4	2·1	2·0
Foreign and Commonwealth Office	1·0	1·8	1·9
Chancellor's Departments	1·1	1·7	1·8
Other Departments	0·8	1·2	1·3
Energy	0·5	2·6	1·0
European Community	0·8	0·9	0·8
Arts and Libraries	0·3	0·7	0·7

*Table 2. Departmental spending in real terms**

£ billion (base year 1984-85)

Department	*1978-79*	*1984-85*	*1985-86*
DHSS-Social Security	29·4	38·1	39·3
Defence	13·4	17·2	17·4
DHSS-Health and Personal Social Services	13·3	15·8	15·9
Education and Science	13·9	14·0	13·8
Scotland	6·6	7·0	7·0
Home Office	3·6	5·0	5·1
Transport	4·7	4·6	4·4
Northern Ireland	3·8	4·0	4·1
DOE-Other Environmental Services	4·0	4·0	3·8
Employment	1·9	3·1	3·2
Wales	2·7	2·6	2·7
DOE-Housing	6·4	3·2	2·6
Ministry of Agriculture, Fisheries and Food	1·5	2·1	2·4
Trade and Industry	4·2	2·1	1·9
Foreign and Commonwealth Office	1·9	1·8	1·8
Chancellor's Department	1·9	1·7	1·7
Other Departments	1·4	1·2	1·3
Energy	1·0	2·6	1·0
European Community	1·3	0·9	0·8
Arts and Libraries	0·6	0·7	0·7

* Cash figures adjusted for general inflation as measured by the GDP deflator at market prices.

Table 3. Departmental spending in real terms (1978-79 = 100)*

Department	*1978-79*	*1984-85*	*1985-86*
Employment	100	165	167
Ministry of Agriculture, Fisheries and Food	100	141	163
Home Office	100	140	141
DHSS-Social Security	100	130	134
Defence	100	129	130
DHSS-Health and Personal Social Services	100	119	120
Arts and Libraries	100	113	113
Northern Ireland	100	105	107
Scotland	100	106	106
Energy	100	264	100
Wales	100	99	100
Education and Science	100	101	99
Foreign and Commonwealth Office	100	96	96
DOE-Other Environmental Services	100	100	95
Transport	100	97	92
Other Departments	100	83	89
Chancellor's Departments	100	87	89
European Community	100	70	57
Trade and Industry	100	50	44
DOE-Housing	100	50	41

* Cash figures adjusted for general inflation as measured by the GDP deflator at market prices.

Office of Population Censuses and Surveys

Dr. McDonald asked the Prime Minister if she will allow time for consultation and a full discussion of any recommendations of the review team on the future of the Office of Population Censuses and Surveys, before any changes are implemented.

The Prime Minister: The review team is conducting a number of discussions. These have included meetings with Office of Population Censuses and Surveys trade union side representatives at London, Southport and Titchfield.

I shall consider what further discussions or consultations are appropriate when the review team has made its recommendations.

Dr. McDonald asked the Prime Minister if, in the light of the current machinery of the Government review of the Office of Population Censuses and Surveys, she will make a statement about the continued existence of the social survey division of the Office of Population Censuses and Surveys.

The Prime Minister: No. The review is still in progress.

South Africa

Mr. Frank Field asked the Prime Minister whether the version of the text of the new code of conduct for European firms operating in South Africa agreed on 19 November 1985 which was issued by other EEC Governments contained the same misquotation as the version issued by Her Majesty's Government; on what date Her Majesty's Government first discovered this error; which Departments issued the document containing the misquotation; what steps have been taken to trace the incorrect copies and to replace them with corrected versions; whether any copies containing the misquotation have been issued to companies trading in South Africa; and if she will make a statement.

The Prime Minister: The Government have no information yet on measures taken by other EC Governments to implement the revised EC code of conduct for European companies with interests in South Africa. Following discovery earlier this year of a misquotation of the text of the 1977 code in a footnote to the revised code issued by the EC Presidency last November, informal guidance on the new code to which reports due after 30 June will relate was issued on 20 June to United Kingdom companies falling within its scope. A White Paper will be issued in due course.

Virgin Atlantic Challenger

Mr. George Robertson asked the Prime Minister what was the cost to public funds of flying by Nimrod aircraft petrol filters to Virgin Atlantic Challenger on 29 June; and if she will make a statement.

Mr. Freeman: I have been asked to reply.

The petrol filters were dropped by an RAF Nimrod in the course of an operational training sortie which had already been planned. RAF equipment used for the drop was recovered and has been returned for re-use. The delivery of the filters involved no extra costs to public funds.

TRADE AND INDUSTRY

Iran (Exports)

Mr. Clay asked the Secretary of State for Trade and Industry what steps have been taken to ensure that exports to Iran of *(a)* petroleum and petroleum products, *(b)* artificial resins and plastic materials, *(c)* miscellaneous chemical products, *(d)* miscellaneous rubber products, *(e)* iron and steel products, *(f)* office machine and automatic data processing equipment *(g)* telecommunications and sound recording and reproducing equipment, *(h)* miscellaneous transport equipment, *(i)* professional scientific and controlling instruments, *(j)* electrical machinery and *(k)* road vehicles, have not contributed in any way to maintaining internal repression or continuing the war with Iraq.

Mr. Alan Clark: Many of these items are subject to export licensing control. In granting licences regard is paid to the possible use of goods for the purposes of internal repression and licence applications for supplies of defence equipment to Iran and Iraq are subject to the following guidelines:

(i) We should maintain our consistent refusal to supply any lethal equipment to either side;

(ii) Subject to that overriding consideration, we should attempt to fulfil existing contracts and obligations;

(iii) We should not approve orders for any defence equipment which, in our view, would significantly enhance the capability of either side to prolong or exacerbate the conflict;

(iv) In line with this policy, we should continue to scrutinise rigorously all applications for export licences for the supply of defence equipment to Iran and Iraq.

Goods and Services

Mr. Forman asked the Secretary of State for Trade and Industry what is the latest estimate of the total value of purchases of goods and services made by the state industrial sector; and what proportion of that total was supplied by the private sector.

Mr. Butcher: The nationalised industries for which this Department is responsible — the British Steel Corporation, the Post Office and British Shipbuilders— estimate that their purchases of raw materials, goods and services amount to just less than £4,000 million a year. I regret that within this total it is not possible to identify purchases from the private sector.

Audio Tapes

Mr. Lawler asked the Secretary of State for Trade and Industry what, from the latest available statistics, was the incidence of purchase of blank audio tapes in the United Kingdom, broken down by age group.

Mr. Pattie: Official statistics on sales of audio tapes by age groups are not available. The following is from industry sources.

The most recent survey, carried out by National Opinion Polls on behalf of the Tape Manufacturers' Group gives the following breakdown of acquisitions, that is, purchases plus gifts, of blank audio cassette tapes by age group. The survey was carried out in late January/early February of this year.

Acquisitions of Blank Audio Cassette Tapes

Age	*Percent. Share*
15-19	26
20-24	17
25-34	22
35-44	16
45-54	9
55-64	6
65 and over	3

Source: NOP: 1986

An alternative source, the British Phonographic Industry Ltd. (BPI) Yearbook for 1985 gives the following percentage shares by age group of purchases of blank tapes from a survey in 1983:

Purchases of Blank Audio Tapes

Age	*Percent. share*
8-14	6
15-19	18
20-24	16
25-34	22
35 and over	38

Source: BMRB(FORTE) 1983, page 35 BPI Year Book 1985

Telephone Equipment

Mr. Neale asked the Secretary of State for Trade and Industry if he will review the regulation affecting the installation, preconnection inspection and designation of the maintenance contractors of single line call routeing apparatus; and if he will make a statement.

Mr. Butcher: The Director General of Telecommunications is currently seeking comments on changes that might be made to the branch systems general licence. No decisions on changes will be taken before the director general's advice is to hand.

Telephone Bills

Mr. Speller asked the Secretary of State for Trade and Industry if he will introduce legslation to oblige telephone companies to provide itemised bills for all telephone subscribers.

Mr. Butcher: No. I understand, however, that the Director General of Telecommunications is pressing BT for progress in this area, although it cannot be fully achieved until BT has all the necessary technology in place. My hon. Friend may be aware that Mercury Comunications Ltd. has already announced that it is able to offer this service to its customers.

Time-share Properties

Mr. Evennett asked the Secretary of State for Trade and Industry (1) if he has any plans to seek to extend existing consumer protection legislation to contracts for the purchase of time-share properties; and what consultations he has had on this matter and with whom;

(2) whether he has any plans to seek to introduce a licensing system for those selling time-share properties; and if he will make a statement;

(3) whether he has received any representations concerning the sales techniques adopted by those selling time-share properties, with particular reference to the activities of British companies in Spain and other overseas holiday resorts.

Mr. Howard: My Department has received nine complaints about the sales techniques used by some firms to sell time shares. One of these complaints was about a property abroad and this was in Spain, but there was no indication whether the company concerned was British.

Broadly speaking, existing legislation in the United Kingdom applies to contracts for time share purchases in the same way as it applies to other contracts. I have no plans at present to amend legislation because of the way in which timesharing contracts are marketed or to introduce a licensing system for firms engaged in such marketing.

I would strongly advise all those considering buying time shares, whether in this country or abroad, to think very carefully and to take independent legal advice before committing themselves.

Furniture (Fire Safety)

Mr. Alfred Morris asked the Secretary of State for Trade and Industry if he will now state what action he proposes to take on the flammability of upholstered furniture, and, in particular, the replacement of standard polyurethane foam in upholstery combinations where it poses an unacceptable safety hazard.

Mr. Howard: I will reply to the right hon. Member as soon as possible.

Exports (Soft Loans)

Mr. Tom Clarke asked the Secretary of State for Trade and Industry if, pursuant to the answer of 12 March, *Official Report*, column 494, he will give details of the potentially suitable projects for funding under the aid and trade provision, which have been agreed in principle with the Chinese Government.

Mr. Alan Clark: Five projects are being negotiated for potential funding under the £300 million soft loan facility for China. These involve a power station, a tractor factory, a seamless steel tube mill, a fibre optic transmission equipment facility, and two specialised container ships.

Electrical and Electronics Firms

Dr. Glyn asked the Secretary of State for Trade and Industry what information he has as to the degree of concentration of *(a)* total turnover, *(b)* research and development expenditure and *(c)* contracts with Her Majesty's Government, among each of the top 10 electronic firms in the United Kingdom.

Mr. Butcher: I will reply to my hon. Friend as soon as possible.

Retail Sales

Mr. Stuart Holland asked the Secretary of State for Trade and Industry how many firms represented the upper half of retail sales in the United Kingdom in 1985.

Mr. Howard: No estimate is yet available for 1985. The final estimate for 1984 is that the largest 107 individual companies accounted for one half of retail sales in Great Britain.

Pension Funds

Mr. Stuart Holland asked the Secretary of State for Trade and Industry what were the assets net of short-term liabilities and long-term borrowing for self-administered pension funds in the United Kingdom in *(a)* 1984 and *(b)* 1985; and what were the absolute and percentage shares of their source of funds divided between (i) private sector funds, (ii) local authority funds and (iii) other public sector funds.

Mr. Butcher: The latest information relating to the net assets of pension funds is for 1984 and is published in table

11 of Business Monitor MQ5, second quarter 1985. The latest information on the income and expenditure of pension funds is for 1983 and is published in table 8 of Business Monitor MQ5 third quarter 1984. Information relating to the net assets for 1985 and income and expenditure for 1984 and 1985 will be published later this year. Copies of Busines Monitor MQ5 are in the Library.

Mr. Stuart Holland asked the Secretary of State for Trade and Industry what was the share of the top 10 pension funds in the assets of United Kingdom pension funds in: *(a)* 1984 and *(b)* 1985.

Mr. Butcher: The available information relates to 1984. It is estimated that the top 10 pension funds accounted for about one-quarter of total net assets at the end of December 1984.

South Africa

Mr. Cabom asked the Secretary of State for Trade and Industry what account has been taken by Her Majesty's Government, in estimating the net number of jobs at risk from the possible imposition of sanctions against South Africa, of any offsetting job gains resulting from the manufacture in the United Kingdom of goods previously imported and the investment in the United Kingdom of capital previously exported to South Africa; and if he will make a statement.

Mr. Alan Clark [*pursuant to his reply*, 4 July 1986]: The majority of United Kingdom imports from South Africa are accounted for by raw materials and agricultural products not available in the United Kingdom. Of the remainder it is not possible to determine what—if any—proportion would subsequently come to be manufactured in the United Kingdom.

There is no reason to suppose that United Kingdom capital withdrawn from South Africa would necessarily be invested in the United Kingdom.

Mr. Caborn asked the Secretary of State for Trade and Industry what method of calculation has been used to arrive at a figure of 120,000 job losses in the United Kingdom if full economic sanctions were applied to South Africa.

Mr. Alan Clark [*pursuant to his reply*, 4 July 1986]: The figure of around 120,000 job equivalents involved in exports of goods and services to South Africa is a broad estimate based on the aggregate level of trade with that country together with an assumption about the relationship between output and employment.

Mr. Caborn asked the Secretary of State for Trade and Industry if any contingency plans exist for alternative sources of supplies of strategically important minerals currently supplied by South Africa; and if he will make a statement.

Mr. Butcher [*pursuant to his reply*, 4 July 1986]: The Government are aware that certain minerals of importance to British industry are largely imported from South Africa. It remains the Government's view that industry is responsible for maintaining adequate stocks of strategic minerals for its needs.

EMPLOYMENT

Pension Age (Equalisation)

Mr. Wrigglesworth asked the Paymaster General what is his latest estimate of the reduction in registered unemployment as a consequence of equalising the age of entitlement to state pension at 60 years.

Mr. Lang: I shall reply to the hon. Member as soon as possible.

Working Hours

Mr. Austin Mitchell asked the Paymaster General if he will publish a table of the estimated average hours worked by each category of part-time workers to illustrate the full-time equivalent level of the employed labour force for each quarter.

Mr. Lang: Information is not available in the exact form requested.

The regularly published employed labour force series does not identify number of hours worked.

The labour force survey (LFS) provides information on a different basis but allows the above analysis. Preliminary LFS results for the spring of 1985 are presented in the following table:

Average number of hours usually worked per week by part-time† workers*
Great Britain

	Hours
Employees working part-time	17·4
Self employed working part-time	14·6
Employees and self employed‡ working part-time	17·1

* Including overtime, excluding meal-breaks.
† The definition of part-time is based on the respondent's own assessment, not on the number of hours worked.
‡ Includes those who did not state if they were employees or self employed.

Labour Statistics

Mr. Austin Mitchell asked the Paymaster General if he will publish a table to show the change in the size of the employed labour force between 1979 and each subsequent year separately for the United Kingdom and for all other countries in the European Economic Community combined.

Mr. Lang: The information requested is given in the following table:

Cumulative change in total employment since 1979

Thousand

	1980	*1981*	*1982*	*1983*	*1984*	*1985*
United Kingdom	−69	−1,052	−1,481	−1,773	−1,310	−979
Rest of EC 9*	+699	+370	−146	−686	−737	n/a

* Countries who were members of the European Communities in 1979: Germany (FR), France, Italy, Netherlands, Belgium, Luxembourg, Ireland, Denmark.
n/a = Not Available.
Source: SOEC "Employment and Unemployment", supplemented for Germany, France and Italy by OECD "Quarterly Labour Force Statistics" and for United Kingdom by HMSO "Employment Gazette".

Mr. Austin Mitchell asked the Paymaster General if he will publish a table in the *Official Report* showing the size of the employed labour force in 1979 in each country in the then European Community and in each subsequent year up to 1985.

Mr. Lang: The information requested is given in the following table:

Total employment, EC countries

Thousand

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
United Kingdom	25,375	25,306	24,323	23,894	23,602	24,065	24,396
Germany (FR)	26,047	26,328	26,144	25,709	25,331	25,346	n/a
France	21,894	21,916	21,803	21,834	21,729	21,511	n/a
Italy	20,590	20,869	20,925	20,875	20,921	21,015	21,115
Netherlands	4,927	5,081	5,113	5,094	5,041	5,044	n/a
Belgium	3,807	3,797	3,721	3,670	3,632	3,643	n/a
Luxembourg	157	159	159	159	157	158	n/a
Ireland	1,145	1,156	1,146	1,148	1,125	1,110	n/a
Denmark	2,529	2,489	2,455	2,461	2,474	2,532	n/a

n/a = Not Available.
Source: SOEC "Employment and Unemployment", supplemented for Germany, France and Italy by OECD "Quarterly Labour Force Statistics" and for United Kingdom by HMSO "Unemployment Gazette".

Vacancies (Coventry)

Mr. Nellist asked the Paymaster General if he will publish in the *Official Report* a table showing the registered number of vacancies by standard industrial classification in the Coventry area at the latest available date and at May 1979.

Mr. Lang: The following information is in the Library. The following table shows the numbers of unfilled vacancies at jobcentres which cover an area closely corresponding to the Coventry and Hinckley travel-to-work area as at 2 May 1986, analysed according to the 1980 standard industrial classification.

I refer the hon. Member to the reply given in the *Official Report* on 25 November 1985, in columns 394 to 395, which gives the number of unfilled vacancies by 1968 standard industrial classification at jobcentres covering the same area in May 1979.

Unfilled Vacancies—Jobcentres in the Coventry and Hinckley travel to work area May 1986

Standard Industrial Classification 1980	*Unfilled Vacancies*
Agriculture, Forestry and Fishing	2
Energy and Water Supply Industries	6
Extraction and Manufacture of Minerals and Metals	30
Metal Goods and Vehicle Industries etc	208
Other Manufacturing Industries	128
Construction	77
Distribution, Hotels and Catering; Repairs	333
Transport and Communication	84
Banking, Finance, Insurance and leasing etc	119
Other Services	246
Total	1,233

Manufacturing

Mr. Gordon Brown asked the Paymaster General what is the latest figure for the number of *(a)* part-time and full-time and *(b)* full-time only manufacturing jobs that have been lost in the United Kingdom since June 1979; and if he will list the figures for each English region, Scotland and Wales.

Mr. Lang: Information about job gains and job losses is not available from the Department's statistics, but an indication of the net changes can be seen by comparing levels of employment at different dates.

Within the regularly published employment series the estimates of male employees in employment do not separately identify those in full-time employment. Analyses of full and part-time female employees in employment are not available for the United Kingdom for the dates specified. The following table gives the available information for employees employed in Great Britain and the other areas specified:

Net changes between June 1979 and March 1986 in the numbers of employees in employment in the manufacturing industries

	Net change	
	All employees	*Male and full-time female employeees*
South East	– 337,000	– 294,000
East Anglia	27,000	– 27,000
South West	– 75,000	– 75,000
West Midlands	– 285,000	– 258,000
East Midlands	– 110,000	– 99,000
Yorkshire and Humberside	– 204,000	– 187,000
North West	– 294,000	– 272,000
North	– 126,000	– 119,000
Wales	– 110,000	– 107,000
Scotland	– 176,000	– 168,000
Great Britain	– 1,744,000	– 1,606,000

The Labour Force Survey provides information of a different basis and relating to employees resident in an area, but identifies part-time employees amongst male as well as female employees. The available estimates are presented in the following table:

Labour force survey estimates of changes in employees in manufacturing industries between the spring of 1979 and the spring of 1985

	All employees	*Full-time employees**
South East	– 558,000	– 491,000
East Anglia	– 17,000	– 15,000
South West	– 83,000	– 73,000
West Midlands	– 350,000	– 305,000
East Midlands	– 58,000	– 53,000
Yorkshire and Humberside	– 234,000	– 206,000
North West	– 274,000	– 242,000
North	– 179,000	– 167,000
Wales	– 62,000	– 55,000
Scotland	– 182,000	– 172,000
Northern Ireland	– 36,000	– 32,000
United Kingdom	– 2,032,000	– 1,811,000

* In this table an employee is shown as part-time if he considers his job to be a part-time job.

Mr. Gordon Brown asked the Paymaster General if he will list the numbers employed in manufacturing industry in *(a)* June 1979, *(b)* June 1983 and *(c)* June 1986, or the most recent figure; and if he will provide the figures for each regional area.

Mr. Lang: The information is as follows:

Employees in Employment in the Manufacturing Industries

	June 1979	*June 1983*	*March 1986*[1]
South East	1,878,000	1,583,000	1,541,000
East Anglia	207,000	173,000	180,000
South West	437,000	362,000	362,000
West Midlands	986,000	714,000	701,000
East Midlands	607,000	490,000	497,000
Yorkshire and Humberside	706,000	519,000	502,000
North West	967,000	706,000	673,000
North	409,000	298,000	283,000
Wales	314,000	212,000	204,000
Scotland	603,000	447,000	427,000
Great Britain	7,114,000	5,505,000	5,370,000

[1] The latest date for which an estimate is available.

Community Programme

Mr. Sheerman asked the Paymaster General on the basis of the second postal follow-up survey of past participants on the community programme, in respect of those long-term unemployed community programme entrants that were in employment at the time of the survey, and for the following three standard eligibility by age groups, 18 to 20 years, 20 to 24 years, and 25 and over years, if he will provide the number and percentage that were *(a)* male and (i) married and (ii) single, separated, divorced, or widowed and *(b)* female and (i) married and (ii) single, separated, divorced, or widowed; and for each latter group and subgroup if he will provide the number and percentage that were working full-time or part-time: (I) while on the programme and (II) at the time of the follow-up survey.

Mr. Lang: Due to the necessity for computer analysis this question cannot be answered immediately. I will, however, reply to the hon. Member as soon as possible.

ATTORNEY-GENERAL

Legal Aid

Mrs. Renée Short asked the Attorney-General how many people have received legal aid in each of the last five years; and what criteria will be used to determine eligibility of people who submit claims for legal aid in the future.

The Attorney-General: Apart from civil legal aid, for which the number of certificates issued is recorded separately, legal aid statistics are kept in the form of the number of legal aid bills paid in each year. The figures for the past five years for each type of legal aid are as follows:

	1981-82	*1982-83*	*1983-84*	*1984-85*	*1985-86*
Civil legal aid (certificates issued)	176,000	190,000	206,000	222,000	233,000
Assistance by way of Representation (bills paid)	57,000	61,000	64,000	67,000	61,000
Criminal legal aid (Magistrates courts) (bills paid)	296,000	323,000	332,000	334,000	371,000
Criminal legal aid (Higher courts) (bills paid)	193,000	193,000	215,000	230,000	233,000
Advice and Assistance (Green form bills paid)	649,000	733,000	832,000	953,000	1,039,000

All applicants for legal aid must demonstrate that they qualify on means grounds, the criteria for which vary slightly between the schemes. For those who qualify on means grounds, advice and assistance is available on any matter, relating to English law. Applicants for civil legal aid have to satisfy a merits test, which means, broadly speaking, that they must have reasonable grounds for taking or defending proceedings. Applicants for criminal legal aid must show that it is in the interest of justice that they should receive legal aid. No changes to these basic criteria are planned at present. However, the Government have recently received a report of the Efficiency Scrutiny of Legal Aid which recommends a number of alterations to these schemes, and this report is under consideration.

Mr. Speller asked the Attorney-General what is the average delay in deciding upon applications for legal aid and for emergency legal aid.

The Attorney-General: The latest available figures for the length of time taken to issue a civil legal aid certificate are for the financial year 1984-85, when the average time taken was 39 working days. Figures for 1985-86 are not yet available. Separate figures for emergency legal aid applications are not collected, though I understand that the large majority are dealt with within a few days. In appropriate cases, approval can be give over the telephone.

PCW Syndicate

Mr. Arnold asked the Attorney-General, pursuant to the answer of 26 June, *Official Report*, column *266*, if he

will provide a detailed breakdown of the £6,000 travel costs arising from investigations into the affairs of the Peter Cameron Webb syndicate; and if he will make a statement.

The Attorney-General: The approximate figure of £6,000 as travel costs arising from investigations into the affairs of the Peter Cameron Webb syndicate comprised in part £1,180 in respect of five return air fares to Berne for five officials who visited Switzerland on three separate occasions, and additionally the first class return air fare of £2,246 to New York for leading counsel. Subsistence and hotel claims totalled £1,954. The actual total is therefore £5,380.

Duty Solicitor Scheme

Mr. Speller asked the Attorney-General what is the average delay between work carried out and payment being made under the 24-hour duty solicitor scheme.

The Attorney-General: This information is not held centrally and could be obtained only at disproportionate cost.

County Courts (Damages Claims)

Mr. Janner asked the Attorney-General what was the shortest and what was the longest time between the issuing of a summons in a claim for damages in a county court and the hearing of that claim in the last year for which figures are available.

The Attorney-General: Figures are not available for the shortest and longest times between issue of a summons and start of hearing. However, information collected on a sample basis during 1985 as part of the civil justice review indicated that the average time between issue and start of hearing in personal injury cases in county courts was in the region of 18 months.

High Court (Damages Claims)

Mr. Janner asked the Attorney-General what was the shortest and what was the longest time between issuing a summons in a claim for damages in the High Court and the hearing of that claim at the latest year for which figures are available.

The Attorney-General: Figures are not available in this precise form. However, information collected on a sample basis during 1985 for personal injury cases indicated that the shortest time between issue of a writ and start of a hearing in the High Court was approximately seven weeks, and the longest approximately 10 years.

Road Accidents

Mr. Janner asked the Attorney-General whether his Department has at any time carried out an inquiry into the effect of the introduction into the law of the United Kingdom of no fault liability in respect of road traffic accidents; and if he will make a statement.

The Attorney-General: The report of the Royal Commission on civil liability and compensation for personal injury — Cmnd. 7053 — published in March 1978, considered the establishment of a no-fault system of compensation for motor vehicle injuries. No further inquiry has been undertaken or is warranted at this stage.

Terrorism (Murders)

Mr. Maginnis asked the Attorney-General (1) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of John Aiken in Fermanagh on 9 February 1971; and if he will give details;

(2) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Thomas George Beck in Fermanagh on 9 February 1971; and if he will give details;

(3) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Henry Edgar in Fermanagh on 9 February 1971; and if he will give details;

(4) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Malcolm David Henson in Fermanagh on 9 February 1971; and if he will give details;

(5) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of William Allan (Bill) Thomas in Fermanagh on 9 February 1971; and if he will give details;

(6) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Francis William Robert Philip Veitch in Fermanagh on 3 September 1971; and if he will give details;

(7) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of John Rudman in South Tyrone on 14 September 1971; and if he will give details;

(8) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of David Frank Powell in Fermanagh on 28 October 1971; and if he will give details;

(9) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Denis Wilson in South Tyrone on 7 December 1971; and if he will give details;

(10) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Thomas Francis McCann in Fermanagh on 13 February 1972; and if he will give details;

(11) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Thomas John Fletcher in Fermanagh on 1 March 1972; and if he will give details;

(12) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of William Logan in South Tyrone on 15 March 1972; and if he will give details;

(13) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Harry Gillespie in South Tyrone on 20 May 1972; and if he will give details;

(14) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Victor Husband in Fermanagh on 2 June 1972; and if he will give details;

(15) if anyone has been made amenable for the Murder claimed to have been committed by the Irish Republican Army of Brian Robertson in Fermanagh on 2 June 1972; and if he will give details;

(16) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Samuel Donegan in Fermanagh on 8 June 1972; and if he will give details;

(17) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of William Henry Creighton in Fermanagh on 7 August 1972; and if he will give details;

(18) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Errol Leroy Gordon in Fermanagh on 7 August 1972; and if he will give details;

(19) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of David Wynne in Fermanagh on 7 August 1972; and if he will give details;

(20) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of James H. Eames in Fermanagh on 25 August 1972; and if he will give details.

Mr. Scott: I have been asked to reply.

I shall write to the hon. Gentleman as soon as information on these murders has been obtained from the Royal Ulster Constabulary. I shall also write to the hon. Gentleman about any other similar incidents which may have occurred within his constituency if he tables appropriate questions.

OVERSEAS DEVELOPMENT

Uganda Police (Aid)

Sir Peter Mills asked the Secretary of State for Foreign and Commonwealth Affairs (1) what aid he intends to give to the Uganda Government as far as provisions of blankets for the police force is concerned;

(2) what aid he intends to give the the Uganda Government as far as provisions of simple medicines for the police force is concerned.

Mr. Raison: We are providing vehicles and other equipment for the Uganda police force. We have not been asked for blankets or medicines.

South Africa (EEC Aid)

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs if any of the money sent by Dr. Wilhelminus Blonk, a European Economic Community official of Directorate-General VIII, to South Africa on behalf of the European Economic Community will be given to organisations supporting violence; what was the total sum sent; whether the decision to send the money was made by the Council of Ministers; and if he will make a statement.

Mr. Raison: As part of a package of measures on South Africa adopted in September 1985, the Council of Ministers agreed to set up a programme of aid intended to improve the social situation, and to finance education and training of the non-white population and of political refugees. The money will be devoted to purely peaceful ends. The budgetary authority agreed to insert provision for commitments of about 10 million ecu—about £6·4 million—in the 1986 budget. No specific proposals have yet been put to member states, and no expenditure has yet taken place.

Bilateral Aid Projects

Mr. Tom Clarke asked the Secretary of State for Foreign and Commonwealth Affairs if he will list all bilateral aid projects over £2 million approved by his Department *(a)* in 1985 and *(b)* in the first five months of 1986.

Mr. Raison: In 1985 and so far in 1986 the following individual aid projects worth over £2 million have been approved or agreed; the list excludes aid and trade provision projects, bilateral aid in non-project form, and investments by the Commonwealth Development Corporation.

Country	*Project*	*Aid allocation (£ million)*
Kenya	Agricultural Development Corporation	3·450
Kenya	Secondary School Science Laboratory	3·830
Nepal	Roads Remedial Works Unit	6·001
Falkland Islands	Port Stanley Hospital	7·000
Kiribati	Betio Fisheries Jetty	2·326
Kenya	Arid and Semi-Arid Land Development Programme	4·370
Kenya	Primary Curriculum Reform and Teacher Education	2·850
Kenya	Support for Kenya and Mombasa Polytechnics	3·792
Nepal	Community Forestry Project	3·448
Yemen Arab Republic	Veterinary Services Project	2·816
Nepal	Pakhribas Agricultural Centre	2·700
Sudan	North Region Irrigation	7·134
Sudan	Western Savannah Project	10·179
Uganda	Uganda Electricity Board	10·800
Pakistan	Aid for the Power Sector	16·000
Bangladesh	Bridging Project	12·092
Falkland Islands	Port Stanley Water Supply	3·173
Bangladesh	Population and Family Health Project	8·000
Zambia	Integrated Rural Development Project Phase II	3·169
Malawi	Landrover Rehabilitation Project	4·250
India	Nagarjunasagar Hydro-Electric Project	9·840
Nepal	Naubise-Mugling Road Rehabilitation Project	7·702
India	Indo-British Fertiliser Education Project (Phase II)	23·400

Country	Project	Aid allocation (£ million)
Zambia	Central Province District Development Programme	4·431
Jordan	IRBID District Electrification II	4·000
India	Westlands Helicopters	65·130
Pakistan	Sukkur Barrage Rehabilitation—Phase I	9·400
Pakistan	Left Bank Outfall Drain	27·900
Senegal	Village Water Supply Project	5·300
Swaziland	Big Bend Bridge	2·020
Bangladesh	Second Gas Project	25·000
Dominica	Banana Industry Development	2·500
Eastern Caribbean	Coastguard Shore Facilities	4·500
Tuvalu	Replacement of Government vessel "Nivaga"	3·173
Mozambique	Rehabilitation of the Limpopo Railway	2·690

Aid and Trade Provision

Mr. Tom Clarke asked the Secretary of State for Foreign and Commonwealth Affairs if he will give details of all projects approved under the aid and trade provision in *(a)* 1984, *(b)* 1985 and *(c)* the first six months of 1986.

Mr. Raison: The following projects supported under the aid and trade provision were agreed with recipient Governments in 1984, 1985 and the first six months of 1986:

Country	Project	United Kingdom export value £ million	Aid and Trade Provision Allocation £ million
1984			
Botswana	Morupule Power Station	4·736	1·343
Colombia	Emergency Bridges	0·540	0·150
Egypt	El Omoum Drain	3·192	0·804
India	BALCO Power Station	130·000	33·066
Indonesia	AIS Submarine Cable	11·673	3·093
Jordan	Aquaba-Amman Power Line	13·568	3·611
Malawi	Rural Telecommunications	1·000	0·217
Malaysia	Sungei Ahning Dam	9·000	2·349
Sri Lanka	Colombo Airport	20·940	5·264
Indonesia	Jabotabek Feasibility Study	0·960	0·960
Malaysia	Ulu Jelai Hydro Feasibility Study	1·850	1·850
Paraguay	Asuncion Sewerage Consultancy	1·020	1·020
Thailand	Mini Hydros: pilot plants	1·500	1·500
1985			
Caribbean	BAe 748 aircraft for LIAT	10·336	3·838
Indonesia	Buket Assam Rail Bridges	0·750	0·226
Indonesia	Offshore Supply Vessels	2·156	0·571
Kenya	Sugar Milling Equipment	0·891	0·230
Indonesia	Isolated Diesels	38·400	12·515
Egypt	Maghara Coal Mine	50·035	12·578
Egypt	NW Coast Electrification Abu Qir	0·825	0·825
1986			
Mauritius	Sir Seewoosagur Ramgoolam Airport	18·960	6·311
Indonesia	Coal fired Power Station	0·800	0·800

In addition, a number of small technical co-operation projects of less than £0·5 million have been agreed. ATP offers made on a substantial number of further projects have not resulted in agreements with the recipient Governments.

ENERGY

Coal Mining Subsidence

12. **Mr. Heddle** asked the Secretary of State for Energy if he will indicate when he proposes to make a statement on the Waddilove report on compensation for coal mining subsidence.

Mr. David Hunt: The Government response to the Waddilove report will be published as soon as possible.

Northumberland Coalfield

14. **Mr. Jack Thompson** asked the Secretary of State for Energy if he has had any discussions recently with British Coal about the future of the Northumberland coalfield.

Mr. David Hunt: My right hon. Friend and I have regular discussions with the chairman of the NCB covering a wide range of subjects.

Power Stations (Coal Supplies)

15. **Mr. Douglas** asked the Secretary of State for Energy if he will make a statement on current negotiations between British Coal and the South of Scotland Electricity Board in relation to the future contractual arrangements for coal to be burned in power stations.

Mr. Peter Walker: I welcome the fact that an agreement has been reached.

19. **Mr. O'Brien** asked the Secretary of State for Energy whether he has any plans to meet the chairman of British Coal to discuss the new pricing agreement with the Central Electricity Generating Board; and if he will make a statement.

Mr. Peter Walker: I meet the chairman of the NCB regularly and discuss a wide range of topics including coal prices.

20. **Mr. Alton** asked the Secretary of State for Energy what percentage of British energy needs he expects coal to provide in the year 1996.

Mr. David Hunt: British coal will make a major contribution to our energy needs well into the next century.

British Gas

16. **Mr. Dykes** asked the Secretary of State for Energy if he will make a further statement on his Department's preparations for the privatisation of British Gas.

Mr. Buchanan-Smith: Since my right hon. Friend the Secretary of State's announcement on 18 June in reply to my hon. Friend the Member for Exeter (Mr. Hannan) in column 537, the director general designate of OFGAS has been appointed and a new draft authorisation published.

The Gas Bill has now started its report stage in another place.

34. **Mr. McCrindle** asked the Secretary of State for Energy when he last met the chairman of British Gas; and what subjects were discussed.

Mr. Buchanan-Smith: I refer the hon. Gentleman to the reply I gave to my hon. Friend the Member for Bolton, West (Mr. Sackville) earlier today.

Alternative Energy Authority

17. **Mr. Bruce** asked the Secretary of State for Energy if he will take steps to establish an alternative energy authority; and if he will make a statement.

Mr. David Hunt: The Department of Energy will continue to encourage positively research and development into alternative energy. Our current programmes are far in excess of anything previously achieved.

Coal Imports

18. **Mr. Eadie** asked the Secretary of State for Energy what recent information he has received on coal imports.

Mr. David Hunt: I would refer to my reply earlier today to the hon. Member for Pontefract and Castleford (Mr. Lofthouse).

Petrol Prices

21. **Mr. Peter Bruinvels** asked the Secretary of State for Energy what information he has on recent changes in the price of petrol.

Mr. Buchanan-Smith: Following the rise in petrol prices at the beginning of June, pump prices have now begun to move downwards again.

Sizewell Inquiry (Report)

22. **Mr. Richard Page** asked the Secretary of State for Energy what arrangements are being made for the publication of the inspector's report following the Sizewell planning inquiry.

35. **Mr. Portillo** asked the Secretary of State for Energy what arrangements he will make for the publication of the report from the inspector at the Sizewell inquiry.

Mr. Peter Walker: The report will be published. I will decide on the publication date when I have received it.

Electricity Generation (Nuclear Reactors)

23. **Sir Trevor Skeet** asked the Secretary of State for Energy what percentage of total electricity is produced in the European Community by light water nuclear reactors.

Mr. Goodlad: In 1985 some 27 per cent. of the electricity generated in the Community's 12 member states was produced by light water reactors. This year 35 per cent. of electricity generated in the Community will come from nuclear power stations.

Combined Heat and Power District Heating

24. **Mr. Rost** asked the Secretary of State for Energy if he will make a statement on the progress being made by the electricity boards and the Central Electricity Generating Board in implementing their obligations, under the Energy Act 1983, to adopt and support combined heat and power district heating.

Mr. David Hunt: The electricity supply industry is seeking to identify economic CHP projects in line with the provisions of the Energy Act 1983 and its other statutory duties. Since 1983 boards have appraised 19 potential CHP projects of which five CHP/district heating schemes remain under active consideration. They are also involved in a number of CHP schemes which predate the Act; they have, in addition, offered specialist advice on request to potential investors in CHP.

National Coal Board

25. **Mr. Orme** asked the Secretary of State for Energy when he last met the chairman of the National Coal Board to discuss the future of the industry.

27. **Mr. Barron** asked the Secretary of State for Energy when he last met the chairman of the National Coal Board; and what was discussed.

Mr. Peter Walker: I meet the chairman of the National Coal Board regularly to discuss all aspects of the industry, including its future plans.

Electricity Supply

26. **Mr. Geraint Howells** asked the Secretary of State for Energy if he will detail the capacity in electricity supply in Great Britain; and if he will make a statement.

Mr. Goodlad: The CEGB advises me that the declared net capability of its generating stations was 52,726 megawatts sent out at 31 May 1986. The capacity of generating stations in Scotland is a matter for my right hon. Friend the Secretary of State for Scotland.

Gas Levy

28. **Mr. Pike** asked the Secretary of State for Energy what representations he has received regarding the level of the gas levy.

Mr. Buchanan-Smith: I have received a number of representations from hon. Members concerning the gas levy.

Israel (Oil Sales)

29. **Mr. Teddy Taylor** asked the Secretary of State for Energy if he will review the advice which he provides to British oil producers and suppliers on the sale of oil to Israel; and if he will make a statement.

Mr. Buchanan-Smith: I have nothing to add to the reply given by my noble Friend the then Minister of State for Energy on 8 February 1982, at column 219 of the House of Lords *Official Report*.

Tidal Power Schemes

30. **Mr. Stern** asked the Secretary of State for Energy if he will list those tidal power schemes equal to or larger in size than the larger of the two proposed Severn barriers which have been evaluated by his Department, and the amount of electricity each such scheme is now producing.

Mr. David Hunt: The Severn estuary is potentially the largest tidal resource in the United Kingdom and the second largest in the world. The Severn Tidal Power Group has considered two possible barrages in the estuary.

Large tidal schemes are also possible in the bay of Fundy in Canada, and in other sites around the world. The only substantial scheme in operation, however, is at la Rance in Brittany. This is rated at 240 MW and produces about 0·5 TWh of electricity per year.

Coal Industry

31. **Mr. Ron Davies** asked the Secretary of State for Energy if he envisages any expansion in the coal industry in the present financial year.

Mr. David Hunt: The future size of the coal industry will depend on its ability to produce coal at a price the market will bear.

42. **Mrs. Clwyd** asked the Secretary of State for Energy what assessment he has made of the effect of the recent pricing agreement between the National Coal Board and the Central Electricity Generating Board on the level of employment in the coal industry.

Mr. David Hunt: I refer to the answer given to the hon. and learned Member for Montgomery (Mr. Carlile) on 24 June 1986 at column 92.

Oil Prices

32. **Mr. Rowlands** asked the Secretary of State for Energy what estimate his Department has made of the impact of the fall in oil prices upon North sea oil developments and jobs.

Mr. Buchanan-Smith: I refer the hon. Member to the reply given by my right hon. Friend the Secretary of State on 6 May at columns 105-6 to the hon. Member for Orkney and Shetland (Mr. Wallace).

Energy Efficiency Year

33. **Mr. Hayward** asked the Secretary of State for Energy if he will make a statement about the progress of Energy Efficiency Year 1986.

Mr. David Hunt: Energy Efficiency Year continues to make a strong impact. The "Monergy" logo, and the slogan "Get More for Your Monergy" are well established, and over 800 "Monergy" events have already taken place; 3,200 people have attended the seven Monergy breakfasts held so far.

36. **Mr. Wood** asked the Secretary of State for Energy what further measures he proposes to take to encourage energy efficiency; and if he will make a statement.

Mr. David Hunt: The year is proving highly successful. Already, over 800 energy efficiency events have been held and the original target of 1,000 events will soon be exceeded. Over 3,200 people have attended the seven Monergy breakfasts held so far. In the industrial and commercial sectors we have identified energy savings worth £500 million. Energy Efficiency Year will be a powerful spingboard from which to launch future initiatives.

During 1987 interest will concentrate on obtaining the greatest possible application of new technologies.

40. **Mr. Galley** asked the Secretary of State for Energy what is his estimate of the savings per annum which have been secured so far by industry and commerce through energy efficiency schemes; and if he will make a statement.

Mr. David Hunt: Initiatives taken by industry and commerce so far in Energy Efficency Year are currently leading to annual savings of £500 million.

Gas Prices

37. **Mr. Patchett** asked the Secretary of State for Energy what estimate his Department has made of the cost to the British Gas Corporation of cutting the price of gas to domestic customers by one penny per therm.

Mr. Buchanan-Smith: It would be impracticable to reduce the price of gas to domestic customers and not, at the same time, to other tariff customers. A general tariff reduction of 1p a therm would reduce BGC's revenues by around £120 million in a full year.

Power Stations (Oil Supplies)

38. **Mr. Allen Adams** asked the Secretary of State for Energy if he will give an estimate of the amount of oil used in United Kingdom power stations by the Central Electricity Generating Board and the South of Scotland Electricity Board.

Mr. Goodlad: The Central Electricity Generating Board and the South of Scotland Electricity Board respectively used about 2·9 million tonnes and 0·7 tonnes of oil in their power stations in 1985-86.

Magnox Reactors

39. **Mr. Tony Lloyd** asked the Secretary of State for Energy what recent representations he has had made to him about the key bolts holding up the core inside the Magnox reactors and the suggestion that they are suffing from corrosion.

Mr. Goodlad: My right hon. Friend has received one recent letter which, like any such letter, has been conveyed to the Nuclear Installations Inspectorate.

41. **Mr. Simon Hughes** asked the Secretary of State for Energy when he will publish the results of the recent reviews on British Magnox nuclear reactors.

Mr. Goodlad: As I told the House during the debate on nuclear power station safety on 23 May, the Health and Safety Executive's Nuclear Installations Inspectorate will publish its conclusions at the end of each review.

Hinkley Point Power Station (Incident)

43. **Mr. Ashdown** asked the Secretary of State for Energy if he will ensure that the report on the inquiry into the incident at Hinkley Point power station on 6 September 1984, or thereabouts, is published.

Mr. Goodlad: No. The report is an internal management document of the Central Electricity Generating Board. I understand that the chairman will be writing to the hon. Member shortly on this matter.

Fast Reactor

Mr. Strang asked the Secretary of State for Energy (1) if he will make a statement regarding the current state of negotiations between the Central Electricity Generating Board and the Electricité de France (EdF) over United Kingdom involvement in the proposed French commercial fast reactor Superhénix; and whether any other United Kingdom organisations for which his Department has responsibility are involved in the negotiations;

(2) whether the Central Electricity Generating Board or any other United Kingdom organisation for which his Department has responsibility has had negotiations with the company Europaische Schnellbrüter-Kernkraftwerksgesellschaft mbH (ESK), registered in Germany, regarding either *(a)* the costs of designing the commercial fast reactor SNR-2.(EURO-1), *(b)* guaranteeing any of the development costs and *(c)* taking a shareholding in the company or in any associated or subsidiary company established to develop SNR-2

Mr. Goodlad: As my right hon. Friend the Secretary of State said in his reply to my hon. Friend the Member for Banbury (Mr. Baldry) on 16 January 1984, the intergovernmental memorandum of understanding for the joint development of the fast reactor provides for the industry progressively to set up its own general and specific implementing agreements covering particular aspects of the collaboration. One set of agreements would relate to collaboration between utilities, including possible cross-investment in demonstration fast reactors, another to co-operation on their design.

The Central Electricity Generating Board (CEGB) joined the consortium of German, Belgian and Dutch utilities, Schnellbrüter-Kernkraftwerks gmbH (SBK) as a minor shareholder (1·65 per cent.) in 1973. This consortium, which was formed for the construction and operation of the prototype demonstration fast reactor SNR-300 in the Federal Republic of Germany, is a member of the Europaische Schnellbrüter Kernkraftwerk gmbH (ESK) which, with French and Italian utilities, was formed for the construction of the commercial size demonstration fast reactor, SNR-2. SBK is also a small shareholder (16 per cent.) in the commercial size demonstration fast reactor Superphénix-1 in France.

As my right hon. Friend the Secretary of State said in his reply to my right hon. Friend the Member for Guildford (Mr. Howell) on 22 February 1984, a general agreement was signed by the CEGB with Electricité de France in February 1984. This sets out the principles for long-term co-operation between the two utilities, with provision for specific agreements relating to specific projects. No such agreements have yet been signed and the Government have not received any specific proposals for investment by the CEGB in the construction of any new demonstration commercial fast reactor.

The National Nuclear Corporation is involved in design work on future collaborative reactors. Some of this work is funded by the CEGB.

Rutherglen Explosion (Replacement Work)

Mr. Gordon Brown asked the Secretary of State for Energy if he will make a statement on the costs of replacement work arising from the recommendations of the Health and Safety Executive after the Rutherglen explosion.

Mr. Buchanan-Smith: The British Gas Corporation is responsible for the safe operation of its pipeline network. It is awaiting the outcome of the fatal accident inquiry into the Rutherglen explosion—which began on 23 June—before deciding what action it should take in response to the findings of that inquiry and the report of the Health and Safety Executive.

Magnox Nuclear Power Stations

Mr. Ashdown asked the Secretary of State for Energy, pursuant to his answer of 2 July, whether he will deposit in the Library the current updated safety case for one of the Magnox nuclear power stations now subject to a 20-year safety review.

Mr. Goodlad: I understand that this would be impracticable. The cases comprise a very substantial amount of documentation much of which is commercially confidential, and which, where necessary, has been the subject of additional discussion between the licensee and the Nuclear Installations Inspectorate.

Coal Imports

Mr. Allen McKay asked the Secretary of State for Energy if he will list in the *Official Report* the amount of coal imported and the places of origin for each quarter for each year since 1979.

Mr. David Hunt: I will reply to the hon. Member as soon as possible.

SCOTLAND

Power Stations (Oilburn)

61. **Mr. Tom Clarke** asked the Secretary of State for Scotland what estimate he has for the amount of oilburn in Scottish power stations.

Mr. Allan Stewart: I am advised by the Scottish electricity boards that the amount of oilburn will depend on the future level of oil prices. I understand that under the recent agreement with the National Coal Board, the bulk of the Scottish boards' fossil fuel requirements will be met by coal.

Small Firms

Mr. MacKenzie asked the Secretary of State for Scotland (1) how many small firms, as defined by the Bolton committee, went out of business during the course of the last 12 months to the latest convenient date;

(2) how many small firms, as defined by the Bolton committee, were set up in Scotland during the course of the last 12 months to the latest convenient date;

(3) how many small firms, as defined by the Bolton committee, presently exist in Scotland.

Mr. Rifkind: Comprehensive information on small firms is not available. Information for the period 1980-83 for Scotland and the other regions of the United Kingdom on the stock of firms registered for value added tax and changes in the stock by size of turnover was published in "British Business" on 2 November 1984. Similar information for the United Kingdom for 1984 was published in articles in "British Business" on 23 August and 22 November 1985. Copies of these articles have been placed in the Library.

Mr. MacKenzie asked the Secretary of State for Scotland (1) how many small firms in Scotland, falling within the Bolton committee definition, have received regional development grants and other forms of financial assistance from his Department in the last 12 months; and how much money was involved;

(2) how many small firms were given assistance by the Scottish Economic Planning Department and others of his Department in the course of the last 12 months to the latest convenient date; and how much money was involved.

Mr. Rifkind: During the financial year 1985-86, 64 offers of regional selective assistance were accepted by small firms in Scotland with fewer than 200 employees. The total value of these offers was £4·3 million. In the same period, applications by 1,320 small firms in Scotland for new regional development grants were approved. The total value of these proposals was £36·6 million. Both types of assistance are administered by the Industry Department for Scotland. I regret that information in the form requested is not readily available for other forms of assistance administered by my Department.

Mr. MacKenzie asked the Secretary of State for Scotland how many small firms were given financial assistance by the Scottish Development Agency in the course of the last 12 months to the latest convenient date; and how much money was involved.

Mr. Rifkind: In the financial year 1985-86 the Scottish Development Agency offered finance with a total estimated value of around £14 million to firms with fewer than 100 employees. There were about 1,200 such offers, but some firms may have been offered assistance under more than one scheme.

Microelectronics Industry

Mr. MacKenzie asked the Secretary of State for Scotland how many people in Scotland were employed in the microelectronics industry in 1979; and what is the latest comparable figure.

Mr. Rifkind: The latest estimates are that 43,800 persons were employed in the electronics industry in Scotland in mid-1985, compared with 41,700 in mid-1979. These estimates are based on information held in the regional data system. Although estimates from that source normally reflect the latest known industrial classification of plants, these estimates are derived from a special exercise in which plants have been given the classification appropriate to each year.

Glasgow, Rutherglen

Mr. MacKenzie asked the Secretary of State for Scotland how many jobs have been lost and how many have been created in the Glasgow, Rutherglen constituency since May 1979.

Mr. Rifkind: Comprehensive information on jobs lost and jobs created is not available. There were 3,791 redundancies affecting 10 or more employees notified to the Cambuslang and Rutherglen jobcentres in the period since 1 May 1979; the area covered by these jobcentres is slightly larger than the constituency. In the period 1 May 1979 to 31 May 1986, 550 new jobs and 1,970 safeguarded jobs were associated with offers of regional selective assistance to businesses in the Glasgow, Rutherglen constituency. In the period to 31 May 1986, 190 jobs were associated with offers of new regional development grant. It should be noted that some projects received both types of assistance.

Job Creation (Glasgow)

Mr. MacKenzie asked the Secretary of State for Scotland how many jobs have been lost and how many have been created in the Glasgow travel-to-work area since May 1979.

Mr. Rifkind: Comprehensive information on jobs lost and jobs created is not available. There were 79,022 redundancies affecting 10 or more employees notified to jobcentres in the Glasgow travel-to-work area since 1 May 1979. In the period 1 May 1979 to 31 May 1986, 17,780 new jobs and 18,180 safeguarded jobs were associated with offers of regional selective assistance made to businesses in the Glasgow travel-to-work area. In the period to 31 May 1986, 9,400 jobs were associated with offers of new regional development grant. It should be noted that some projects received both types of assistance.

Strategic Defence Initiative

Mr. Viggers asked the Secretary of State for Scotland what advantages to the Scottish economy he envisages from participation in the strategic defence initiative.

Mr. Allan Stewart: Those contracts, gained by Scottish firms and institutions as a result of participation in the

strategic defence initiative research programme, will provide an additional boost to the Scottish economy and an enhancement to our national technological base. The contracts will also help to maintain the availability of skilled manpower resources in Scotland to undertake work in other military and civilian-related fields.

Pentland Regional Park

Mr. Strang asked the Secretary of State for Scotland when a decision on the Pentland regional park public inquiry can be expected.

Mr. Ancram: The position remains as stated in my reply to the hon. Member for Edinburgh, East (Mr. Strang), on 12 June 1986 in columns 206-7.

Women Police Surgeons

Mr. Craigen asked the Secretary of State for Scotland when he expects to reply to the hon. Member for Glasgow, Maryhill, about his letter of 3 June regarding women police surgeons.

Mr. John MacKay: I wrote to the hon. Member today.

Universities (Funding)

Mr. Donald Stewart asked the Secretary of State for Scotland if he will ascertain if the opinion of the Scottish universities on the funding proposals made by the Scottish Tertiary Education Advisory Council have altered since the University Grants Committee's recent announcement on the grant figures for each university; and if he will make a statement.

Mr. Rifkind: The Scottish universities are free to inform me of their opinions on matters of concern to them at any time. None has indicated any change in the views expressed on the Scottish Tertiary Education Advisory Council's proposals since consultations ended at Easter this year.

ENVIRONMENT

Planning Appeals

Mr. Colvin asked the Secretary of State for the Environment what information he has as to the percentage of planning appeals which were successful *(a)* in total and *(b)* expressed as a percentage of the total number of planning applications in the areas covered by (i) the Test Valley borough council and (ii) the New Forest district council in the years 1979 to 1985.

Mr. Tracey: The information, so far as it is available, is as follows:

Planning appeals allowed expressed as a proportion of those decided

	England *Per cent.*	*Test Valley* *Per cent.*	*New Forest* *Per cent.*
1979	29	*	*
1980	31	*	*
1981	33	*	*
1982	31	*	*
1983	32	*	*
1984	32	†35	‡26
1985	37	‖42	¶38

* No information on appeals decisions broken down by district councils is available for the years 1979 to 1983.
† 19 appeals allowed.
‡ 23 appeals allowed.
‖ 23 appeals allowed.
¶ 50 appeals allowed.

Planning appeals allowed as a proportion of applications decided.

	Total number of decisions	*Number of appeals so far decided*	*Number of those allowed*	*Proportion of local authority decisions so far reversed on appeal*
England (estimated)				*Per cent.*
1984	404,000	13,300	4,750	1·2
1985	401,000	9,200	3,700	0·9
Test Valley				
1984	1,385	54	14	1·0
1985	1,328	49	24	1·8
New Forest				
1984	2,228	124	46	2·1
1985	2,276	84	31	1·4

Notes:
1. No information is available for earlier years.
2. Appeals will often be decided the year after the application to which they relate and the 1985 appeals figures are therefore underestimates.

Planning Permission

Mr. Colvin asked the Secretary of State for the Environment what information he has as to the total number of new buildings for which planning permission has been granted in the areas covered by *(a)* the Test Valley borough council and *(b)* the New Forest district council in each of the years since 1979.

Mr. Tracey: This information is not available within my Department.

Town and Country Planning Act 1947

Mr. Colvin asked the Secretary of State for the Environment what plans he has for a review of the principles embodied in the Town and Country Planning Act 1947; and if he will make a statement.

Mr. Tracey: We have no intention of dismantling the planning system, but we wish to simplify it and make it more efficient. We therefore keep the compoments of the

town and country planning system established by the 1947 Act under review, and details of our current policy initiatives are set out in chapter 5 of the White paper "Building Businesses . . . Not Barriers"—Cmnd 9794.

Mr. Colvin asked the Secretary of State for the Environment if he will review the guidance given to his Department's inspectors in relation to planning appeals; and if he will make a statement.

Mr. Tracey: The planning inspectorate is kept well informed of developments in Government policy.

Green Belt

Mr. Cartwright asked the Secretary of State for the Environment what information he has as to the number of occasions in the last 10 years on which planning permission has been granted to allow building on green belt land other than for green belt uses.

Mr. Tracey: This information is not available within the Department. Most planning applications for development in the green belt do not come to the Department and no central record is kept of the decisions of local planning authorities.

Southend Pier

Mr. Teddy Taylor asked the Secretary of State for the Environment if he will make the resources of his Department's advice and expertise available to the Southend borough council in its attempt to secure the speedy repair of Southend pier following the damage sustained on 30 June; and if he will make a statement.

Mr. Tracey: My right hon. Friend is very concerned about the damage caused to Southend pier, which is a grade II listed structure. Advice and expertise on listed buildings and structures is now the responsibility of the Historic Buildings and Monuments Commission, who acts as the Secretary of State's adviser in these matters. The advice of the commission's staff is available should the Southend-on-Sea borough council need it.

Homeless Persons

Mr. Austin Mitchell asked the Secretary of State for the Environment if he will estimate the number of homeless persons aged under 18 years in Greater London for each year since 1979; and if he will also express these figures as a proportion of the total of homeless persons in Greater London for each of these years.

Sir George Young: This information is not available.

London (Owner-Occupation)

Sir Geoffrey Finsberg asked the Secretary of State for the Environment what number of houses in each parliamentary constituency in Greater London is owner-occupied; what proportion this figure represents of the housing stock in each London borough; and what were the equivalent figures in 1979.

Mr. Ridley: The information requested for 1979 and 1986 is not available. Figures on owner-occupation in parliamentary constituencies and local authority areas are available only for households enumerated in censuses. The percentages of these households who were owner-occupiers in the London constituencies and boroughs, respectively, appear in table H of the census 1981 Parliamentary Constituency Monitors, 1983 Boundaries, "Great Britain" and in the county report, Greater London, part 1. The numbers of owner-occupier households enumerated in each of the boroughs are in table 20 of the county report. Copies of both publications are available in the Library.

Liverpool (Ministerial Visit)

Mr. Parry asked the Secretary of State for the Environment if he will make a statement on the recent visit to Liverpool of the Minister for Housing, Urban Affairs and Construction.

Mr. John Patten: I will answer this question shortly.

Thamesmead

Mr. Cartwright asked the Secretary of State for the Environment whether he now expects the ownership of land, property and buildings at Thamesmead to be transferred from the London residuary body to Thamesmead Town Ltd.

Sir George Young: I refer the hon. Member to my answer to him on 14 April in column 301.

Mr. Cartwright asked the Secretary of State for the Environment what value has been placed on the various assets to be transferred from the London residuary body to Thamesmead Town Ltd.; and on what basis payment will be made.

Sir George Young: The sale price will be for negotiation between the London residuary body and Thamesmead Town, informed by a valuation prepared by the district valuer.

Commons Legislation

Mr. Carter-Jones asked the Secretary of State for the Environment if, in the light of the report of the Common Land Forum, he intends to introduce new commons legislation; and if he will make a statement.

Mrs. Rumbold: The report of the Common Land Forum contains over 100 recommendations which require careful consideration. I shall make a statement on the Government's legislative intentions in due course.

Travellers' Caravans (London)

Mr. Cartwright asked the Secretary of State for the Environment if he will set out the number of travellers' caravans recorded as being present on *(a)* authorised sites and *(b)* unauthorised sites in Greater London in the January 1986 voluntary census, indicating in each case the number recorded in the London borough of Greenwich.

Mr. Tracey: The figures are:

	Caravans on authorised sites	*Caravans on unauthorised sites*
Greater London	599	638
London borough of Greenwich	100	137

Lower Leigh, Churchstow, Kingsbridge

Mr. Steen asked the Secretary of State for the Environment (1) further to his answer of 25 June, *Official Report*, column 238, concerning works at Lower Leigh, Churchstow, Kingsbridge, Devon, what is the current establishment of the Historic Buildings and Monuments Commission's own specialist work force;

(2) if he will now put out to tender the remaining work which needs to be undertaken at Lower Leigh, Churchstow, Kingsbridge, Devon;

(3) if the Historic Buildings and Monuments Commission will take steps to accelerate the completion of restoration of Lower Leigh, Churchstow, Kingsbridge, by seeking to contract out the remainder of the work to private contractors; and if he will make a statement;

(4) if, pursuant to the answer of 25 June, *Official Report*, columns 237-38, he will state why the remaining works on Lower Leigh, Churchstow, are scheduled to take until 1990; and if he will indicate separately the implications for the timescale of *(a)* availability of funds and *(b)* availability of specialist skills, respectively.

Mr. Tracey: The Historic Buildings and Monuments Commission currently employs some 500 craftsmen, labourers and apprentices. Decisions on their deployment among some 400 monuments in the commission's care, the use of private contractors and the priority to be attached to particular repair programmes are all matters for the commission.

Housing Defects Act 1984

Mr. Meadowcroft asked the Secretary of State for the Environment if he will list in the *Official Report* the numbers and types of dwelling so far designated under section 1 of the Housing Defects Act 1984 by each local authority.

Sir George Young: Twenty-two types of prefabricated reinforced concrete dwellings designed before 1960 have been designated nationally under the housing defects legislation. These are as follows:

Airey	Schindler and Hawksley SGS
Boot	Stent
Cornish Unit	Stonecrete
Dorran	Tarran
Dyke	Underdown
Gregory	Unity and Butterley
Myton	Waller
Newland	Wates
Orlit	Wessex
Parkinson Frame	Winget
Reema Hollow Panel	Wollaway

Information on the distribution of these types by local authority was obtained in 1983 and I am placing further copies of that material in the Library. My right hon. Friend has also recently designated the Smith house type nationally. We are assembling updated information from local authorities on the numbers of designated houses, including Smith, in both public and private ownership and I shall arrange for this too to be placed in the Library when it is available.

Mr. Meadowcroft asked the Secretary of State for the Environment if he will list in the *Official Report* the amount of assistance so far committed by each local authority under section 1 of the Housing Defects Act 1984.

Sir George Young: Local authorities in England have so far reported the following expenditure on providing assistance to eligible home owners under the housing defects legislation:

	£'000
Northern region	
Blyth Valley	45
Darlington	29
Middlesbrough	6
Newcastle upon Tyne	45
North Tyneside	30
Sedgefield	20
South Tyneside	358
Total	533
Yorkshire and Humberside region	
Boothferry	27
Bradford	1,478
Calderdale	56
Doncaster	193
East Yorkshire	50
Great Grimsby	413
Harrogate	190
Leeds	70
Ryedale	39
Selby	81
York	941
Total	3,538
East Midlands region	
Bassetlaw	475
Charnwood	82
Chesterfield	89
Corby	278
Derby	56
Erewash	45
Gedling	321
Kettering	13
Leicester	267
Mansfield	60
Newark	597
Northampton	129
Nottingham	20
Rushcliffe	233
South Holland	38
South Kesteven	37
Wellingborough	16
Total	2,756
Eastern region	
Aylesbury	114
Babergh	19
Basildon	25
Breckland	105
Brentwood	58
Broxbourne	329
Cambridge	104
Chelmsford	35
Chiltern	816
Colchester	244
Dacorum	116
East Cambridgeshire	39
East Hertfordshire	129
Epping Forest	618
Fenland	60
Great Yarmouth	20
Harlow	26
Huntingdon	174
Kings Lynn	65
Luton	81
Maldon	25
Mid Bedfordshire	270
Mid Suffolk	37
North Hertfordshire	152

	£'000
Norwich	22
St. Albans	1,094
St. Edmundsbury	163
South Bedfordshire	27
South Cambridgeshire	258
South Norfolk	79
Southend-on-Sea	208
Stevenage	142
Suffolk Coastal	24
Tendring	100
Three Rivers	470
Waveney	61
Total	6,309
Greater London Region	
Bexley	59
Camden	399
Croydon	157
Harrow	999
Havering	6,305
Redbridge	178
Southwark	10
Sutton	1,734
Waltham Forest	460
Total	10,301
South East Region	
Adur	28
Arun	31
Ashford	170
Basingstoke and Deane	2,886
Cherwell	71
Chichester	243
Crawley	147
Eastbourne	916
Eastleigh	388
Fareham	66
Gillingham	13
Gravesham	27
Guildford	26
Hart	296
Havant	155
Mid Sussex	35
New Forest	3
Newbury	138
Portsmouth	449
Reading	2,475
Reigate and Banstead	739
Rochester-on-Medway	329
Rother	24
Sevenoaks	33
Slough	154
South Oxfordshire	38
Southampton	1,385
Surrey Heath	58
Swale	70
Test Valley	1,257
Vale of the White Horse	895
Waverley	134
Wealden	14
Windsor and Maidenhead	93
Wokingham	1,717
Total	15,503
South West Region	
Bath	47
Bristol	1,738
Cheltenham	75
Cotswold	30
East Devon	255
Exeter	21
Forest of Dean	95
Gloucester	130
Kennet	24
Kingswood	44
Mendip	362
Mid Devon	238
North Cornwall	164
North Devon	21
North Dorset	19
North Wiltshire	1,256
Northavon	171
Plymouth	1,918
Purbeck	23
Salisbury	150
Sedgemoor	118
South Hams	164
South Somerset	794
Taunton Deane	2,531
Tewkesbury	317
Thamesdown	250
Torridge	13
Wansdyke	121
West Dorset	26
West Somerset	261
West Wiltshire	429
Weymouth and Portland	24
Woodspring	26
Total	11,855
West Midlands Region	
Birmingham	298
Coventry	160
Dudley	31
East Staffordshire	492
Hereford	1,324
Leominster	57
Lichfield	81
Malvern Hills	1
North Warwickshire	2,229
Oswestry	16
South Herefordshire	24
South Shropshire	45
South Staffordshire	36
Stafford	240
Tamworth	37
The Wrekin	13
Walsall	208
Worcester	119
Wychavon	227
Wyre Forest	301
Total	5,939
North West Region	
Bolton	52
Bury	121
Congleton	30
Copeland	37
Ellesmere Port	32
Hyndburn	36
Ribble Valley	38
South Ribble	47
Trafford	321
Vale Royal	252
Warrington	19
Wigan	31
Total	1,016
Total—All Regions	57,750

Mr. Meadowcroft asked the Secretary of State for the Environment if he will list in the *Official Report* the number and type of dwellings designated by each local authority under section 12 of the Housing Defects Act 1984.

Sir George Young: Local designations under section 559 of the Housing Act 1985—previously section 12 of

the Housing Defects Act 1984 — have been made by Dudley borough council (for certain dwellings with steel slag, semi-raft foundations), and by Birmingham city council and Nuneaton and Bedworth borough council (for Smith houses with additional foundation defects). The number of houses potentially covered are as follows:

	Privately owned	*Local authority owned*
Dudley (steel slag etc.)	17	201
Birmingham*	545	979
Dudley (Smith etc.)*	78	284
Sandwell*	326	760
Nuneaton & Bedworth*	53	145

* The figures given are for all Smith houses in each authority's area. The local designation will apply only to those houses actually suffering the foundation defect.

Deck Access Dwellings

Mr. Meadowcroft asked the Secretary of State for the Environment what information he has on the number of deck access dwellings constructed by each local authority; how many have been demolished; and how many are programmed for demolition.

Sir George Young: The information local authorities give the Department about their housing stock does not specifically identify deck access housing.

Bradeley, Stoke on Trent

Mr. Forrester asked the Secretary of State for the Environment when he expects to announce a decision following the inquiry into the clearance area proposals for the Bradeley area of Stoke on Trent.

Sir George Young: I expect the decision to be announced in the next three weeks.

Property Services Agency

Mr. Straw asked the Secretary of State for the Environment if he will publish in the *Official Report* estimates of the total costs, capital and recurrent, of the transfer of the Property Services agency area works office at Newcastle, York and Leeds to a new centre at Leeds and of any offsetting savings.

Sir George Young: An exercise is currently near completion to access the likely costs of the proposed regional reorganisation of PSA. When the details are available, I shall write to the hon. Member about the proposals for north-east region.

Council House Starts (London)

Mr. Norman Atkinson asked the Secretary of State for the Environment if, pursuant to the answer to the hon. Member for Tottenham of 3 July, he will state for each London borough the estimate of council house starts for 1986-87 supplied as part of those borough's applications for funding under the housing investment programme.

Sir George Young: The London boroughs' estimates, under their proposed programmes, of new building starts in 1986-87 of dwellings to rent for the elderly and disabled and of other dwellings to rent and of dwellings to be built for sale appear in columns B11 A4 (page 5.14) and B11 B4 (page 5.15) and C8 A5 (page 5.11), respectively, of the "1985 HIP2 all item print". A copy is available in the Library.

British Geological Survey

Mrs. Renée Short asked the Secretary of State for the Environment what is the reason for the reduction in the level of his Department's funding of the British Geological Survey between 1979-80 and 1985-86.

Mrs. Rumbold: The Department's level of funding of the British Geological Survey was given in a written answer to the right hon. Member for Western Isles (Mr. Stewart) on 17 June 1986.

The reduction reflects changing priorities for research expenditure. In addition, the geological investigation of potential for deep disposal of radioactive waste, begun in 1979, was terminated in 1982. Work on disposal of low and intermediate level radioactive waste is now the responsibility of NIREX. The introduction of competitive tendering for part of the Department's requirements for geological and related research has led to a proportion of that work being let to the private sector.

AGRICULTURE, FISHERIES AND FOOD

Cereals

Mr. Baldry asked the Minister of Agriculture, Fisheries and Food what he estimates the effect will be of the present proposals on the co-responsibility levy on *(a)* those farming over 100 acres and *(b)* those farming under 100 acres.

Mr. Gummer: The cereals co-responsibility levy which will apply from 1 July will be collected on cereals at the time of first-processing, intervention buying and export to non-Community countries. A producer processing grain on his agricultural holding for use on that holding in animal feed will, however, be exempt from levy. The effect of the levy is thus unrelated to the size of the farm.

Mr. Baldry asked the Minister of Agriculture, Fisheries and Food what impact he anticipates the co-responsibility levy on cereals will have on cereal prices in the United Kingdom.

Mr. Gummer: The cereals co-responsibility levy will reduce prices received by cereals producers by £3·373—5·38 ecu—a tonne when they sell into intervention, for export to non-Community countries or to a leviable processing outlet.

Mr. Baldry asked the Minister of Agriculture, Fisheries and Food who currently benefits from the co-responsibility levy on cereals.

Mr. Gummer: Proceeds from the cereals co-responsibility levy, which applies from the 1986-87 marketing year starting on 1 July, will be used to offset expenditure by the European Community on cereals support measures.

Mr. Baldry asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the present position in negotiations on the co-responsibility levy on cereals.

Mr. Gummer: The Commission's implementing rules for the co-responsibility levy have now been determined and will apply from 1 July.

Fishing Industry

Dr. Godman asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the new United Kingdom and European structures policy for the fishing industry.

Mr. Gummer: The European Community is now reviewing its policy on the structure of the fishing industry. The process began with a discussion by the Council on 25 June of a paper by the Commission which outlined the progress under the present structural measures, described the main factors affecting policy in this area, including the enlargement of the Community, and suggested very broad guidelines for future policy. The Council's discussion will be followed by the submission of detailed proposals by the Commission for measures to replace those which terminate at the end of this year.

The Government keep the needs of the United Kingdom fishing industry under review and to that end maintain regular contact with the industry. We shall undertake consultations on the Commission's proposals when they emerge in order to take full account of the industry's views in determining our approach to the ensuing negotiations.

Food Stocks

Mr. Janner asked the Minister of Agriculture, Fisheries and Food whether he will make a statement on the current levels of butter stocks in the EEC; and what plans he has to reduce them.

Mr. Gummer: At nearly 1·3 million tonnes, Community butter stocks are unacceptably high. The United Kingdom Government have consistently pressed for a policy of price restraint to bring supply and demand into better balance.

Responsibility for disposing of existing stocks ties with the European Commission, in consultation with member states, and there are currently a number of ideas under discussion.

Mr. Canavan asked the Minister of Agriculture, Fisheries and Food what is the current amount and value of surplus food stocks in *(a)* the United Kingdom and *(b)* the entire EEC.

Mr. Gummer: A note setting out the volume of intervention stocks in the United Kingdom and the European Community on the latest available dates is deposited in the Library of the House and is updated monthly. The most recent valuation of stocks in the United Kingdom is £1,367 million. EC stocks are valued once a year and the most recent valuation of Community stocks held on 30 November 1985 is £6,223 million.

European Community (Food Products)

Mrs. Renée Short asked the Minister of Agriculture, Fisheries and Food if he will give figures indicating production of butter, alcohol, cereals and potatoes by each European Community member state; and what information he has as to the level of subsidies allocated towards the production of butter by each member state each year since 1981.

Mrs. Fenner: The information requested about agricultural production is shown below. The market support arrangements under the common agricultural policy include no direct subsidies allocated towards the production of butter. Producer prices for butter are supported mainly by intervention purchasing and refunds on exports to third countries, both incurring budgetary expenditure and by import levies. Expenditure by the Community in respect of butter cannot fully be separated from other expenditure in the milk sector for every year since 1981. The available information, analysed by member state, is contained in the financial reports on the EAGGF (Guarantee Section) for each year, copies of which are in the Library of the House.

Estimated production by European Community member state—Table 1

	Butter 1985 '000 tonnes	*Ethyl Alcohol 1984* '000 hl pure alcohol*	*Cereals 1985-86 '000 tonnes*	*Potatoes 1984-85 '000 tonnes*
Germany	517	634	25,915	7,406
France	587	4,589	55,976	6,964
Italy	78	2,914	17,065	2,467
Netherlands	260	626	1,136	6,773
Belgium	99	93	2,090	1,648
Luxembourg	8	1	113	1,648
United Kingdom	202	418	22,104	7,310
Ireland	161	106	2,193	844
Denmark	110	120	7,979	1,009
Greece	4	320	4,318	976

* Or marketing year ending in 1984.
Source: CRONOS; Commission.

EC Trade Barriers

Mr. Lyell asked the Minister of Agriculture, Fisheries and Food if he will list the internal barriers to trade within the European Economic Community affecting those industries and trades for whose interests his Department has responsibility.

Mr. Gummer [*pursuant to his reply*, 16 June 1986, c. 465]: The main internal barriers known to my Department arising from the national arrangements of one or more EC member states are:

Certain food composition, hygiene, residue and labelling restrictions in cases where agreed EC rules do not yet apply.

Restrictions on imports of minced meat and comminuted

meat.
Requirements as regards residues in meat.
Restrictions on imports of certain fish and their ova to protect fish health, and on bees to protect bee health.
Prohibition on the marketing of products containing a mixture of dairy and non-dairy fats.
Discriminatory duties and taxes and similar provisions on imported spirits.
Beer purity laws.
Import deposit arrangements.

The above list excludes trade barriers between Spain and Portugal and the rest of the Community which are being phased out under the terms of the accession treaty. Certain other barriers within the categories referred to in the reply given by my hon. Friend the Minister for Trade on 10 June also operate on industries and trades in my Department's sector.

EDUCATION AND SCIENCE

Young Persons (Full-time Education)

Mr. Wainwright asked the Secretary of State for Education and Science if he will estimate the cost of implementing a flat rate grant payable to all 16 to 18-year-olds remaining in full-time education; and if he will make a statement.

Mr. Dunn: The cost would depend upon the numbers of students involved and the rate of grant payable as well as on counter-balancing savings in child benefit and discretionary payments already made by local education authorities.

The total number of students aged 16 to 18 in full-time education in schools and further education in January 1985 was 636,321. At a rate of, for example, £20 a week, the net cost would therefore be about £402 million. At a rate of £25 a week, the net cost would be about £569 million.

Graduates

Mr. Warren asked the Secretary of State for Education and Science what was the total number of graduates in computer science and information technology in the last financial year and the anticipated number in the current financial year compared with the estimated demand for such graduates by commerce and industry in both these financial years.

Mr. Walden: In 1985 there were some 9,900 graduates from disciplines relevant to information technology from all university courses in the United Kingdom and 2,400 from full-time and sandwich courses in polytechnics and institutes of higher education in England and Wales. A decrease of perhaps 500 is expected in 1986, but increases are expected for each of the three years following.

While it is impossible to forecast future manpower demand on an annual basis with any precision, a recent report by the Institute of Manpower Studies indicated that, of employers surveyed in 1985, most were able to recruit sufficient first degree graduates. It is, however, generally accepted that in future years the employment market will be able to absorb increased numbers of graduates from disciplines related to IT. The Government have initiated a range of measures designed to stimulate relevant graduate output. In particular, the engineering and technology programme, launched in 1985 will eventually produce 5,000 extra places in first degree and masters' courses—mainly from disciplines related to IT.

IT related disciplines refer to electrical and electronic engineering, mathematics, computer science and physics.

Higher Education

Mr. Forman asked the Secretary of State for Education and Science how many students in *(a)* universities and *(b)* public sector institutions are involved in postgraduate study; and what were the equivalent figures in each year from 1970 to the latest available date.

Mr. Walden: The information is shown in the table:

Postgraduate students

Thousands

Academic year beginning	*Universities*		*Public sector*	
	Full-time [1]	*Part-time* [2,3]	*Full-time* [1]	*Part-time*
	Great Britain		*England and Wales*	
1970	42·1	17·7	5·1	7·2
1975	49·8	21·9	9·1	7·9
			England	
1979	47·6	26·6	10·2	11·0
1980	47·5	28·2	11·0	11·4
1981	46·8	29·0	11·1	12·6
1982	45·4	29·1	9·6	13·1
1983	47·5	29·8	9·9	13·3
1984	48·9	30·6	10·6	14·4
1985*	50·0	†	11·0	15·6

Notes:
[1] Including students from abroad.
[2] Including full-time postgraduates on courses of less than 9 months.
[3] Including Open University postgraduates.
* Provisional.
† Not available.

Mr. Forman: asked the Secretary of State for Education and Science how many students in *(a)* universities and *(b)* public sector institutions took up places in higher education directly from school at the age of 18 or 19 years; how many did so via alternative routes such as sandwich courses or mature entry; and what were the equivalent figures in each year from 1970 to the latest available date.

Mr. Walden: The readily available information, shown in the following table, relates to initial entrants aged up to 20 and those aged 21 or more to full-time and sandwich courses in higher education. Information on numbers entering higher education directly from school is not available on a comparable basis.

Initial Entrants to Higher Education in Great Britain

Thousands

	Universities		*Public sector*	
	Young initial entrants under 21	*Mature initial entrants 21+*	*Young initial entrants under 21*	*Mature initial entrants 21+*
1970*	51·9	n/a	50·7	n/a
1975*	57·5	n/a	49·8	n/a
1979	64·8	9·4	43·2	24·6
1980	66·8	9·0	46·2	24·2
1981	65·6	8·5	54·3	27·6
1982	64·0	7·6	61·0	28·3
1983	61·8	7·4	62·1	29·5
1984	62·7	7·8	63·1	29·2
1985†	62·5	8·0	62·1	31·2

* Due to a minor change in definition the figures for full-time students in 1970 and 1975 are not strictly comparable with those for later years.
† Provisional.
n/a = Not available.

Mr. Radice asked the Secretary of State for Education and Science what was the level of public spending on higher education in cash and constant 1985-86 prices in each of the following years 1974, 1979 and 1985.

Mr. Kenneth Baker: Estimated public expenditure on higher education, including expenditure on student awards, for which I have responsibility has been as follows:

£ million

Financial years	*Cash**	*1985-86 real terms†*
1974-75	779	2,629
1979-80	1,970	3,175
1985-86‡	3,139	3,139

* Relates to universities in Great Britain, public sector higher education in England and student awards in England and Wales.
† Applying the GDP (market prices) deflator.
‡ Based on estimated outturn.

O-level and CSE Examinations

Mr. Lilley asked the Secretary of State for Education and Science (1) if he will give the number of children who have taken O-levels in Hertfordshire; in what subjects; and how many have passed, in the last five years;

(2) if he will give the number of children in Hertfordshire who have undertaken the CSE examination in the last five years, indicating subjects taken and grades passed.

Mr. Dunn: Data are not readily available in the form requested. Information in respect of leavers from maintained schools in Hertfordshire is as follows:

Thousands

	Academic year				
	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Total leavers	15·13	15·36	16·36	15·13	15·49
Number attempting O-level or CSE in					
Any subject	14·08	14·59	15·36	14·36	14·34
English	13·39	14·03	14·68	13·53	13·61
Mathematics	12·56	13·08	13·51	12·72	12·73
Physics	4·71	5·43	6·43	5·86	5·80
Chemistry	3·62	4·24	5·03	4·58	4·59
Biology	7·10	7·65	7·74	7·10	7·03
Craft, design, technology and other science	6·29	6·33	6·46	6·51	6·53
French	6·21	7·01	7·01	6·24	6·05
History	6·82	6·95	7·57	6·72	6·63
Geography	7·16	7·64	8·04	7·31	7·12
Creative arts	5·56	5·85	6·17	5·81	5·77
Commercial & domestic studies	5·26	5·31	5·46	4·89	5·38
Number achieving higher grade* O-level or CSE passes in					
Any subject	8·98	9·65	9·89	9·47	9·22
English	6·74	7·28	7·42	6·96	6·84
Mathematics	4·43	4·96	5·18	5·22	4·86
Physics	2·01	2·19	2·58	2·58	2·53
Chemistry	1·65	1·89	2·26	2·17	2·17
Biology	2·90	2·99	3·14	2·83	2·50
Craft, design, technology and other science	2·18	2·17	1·94	2·04	1·89

	Academic year				
	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*
French	2·44	2·91	2·70	2·49	2·67
History	2·68	3·12	3·00	2·63	2·46
Geography	2·69	3·12	3·10	2·97	2·88
Creative arts	2·20	2·63	2·70	2·47	2·54
Commercial & domestic studies	1·65	1·72	1·68	1·48	1·68
Number achieving any grade† O-level or CSE passes in					
Any subject	13·94	14·43	15·22	14·22	14·20
English	12·65	13·28	14·01	12·94	13·11
Mathematics	11·06	11·36	12·19	11·64	11·55
Physics	4·29	5·07	5·98	5·47	5·49
Chemistry	3·30	3·81	4·48	4·08	4·26
Biology	6·46	6·90	7·03	6·40	6·51
Craft, design, technology and other science	5·76	5·79	5·94	5·99	5·92
French	5·59	6·35	6·52	5·70	5·67
History	6·09	6·17	6·60	5·86	5·94
Geography	6·71	7·13	7·51	6·79	6·62
Creative arts	5·45	5·69	6·03	5·64	5·54
Commercial & domestic studies	5·45	4·80	5·19	4·60	5·09

* O-level A-C, CSE 1.
† O-level A-E, CSE 1-5.

Education Statistics

Mr. Lilley asked the Secretary of State for Education and Science how many *(a)* teachers, *(b)* lecturers and *(c)* non-teaching staff were employed in the public sector education system in each of the most recent 10 years for which he has information.

Mr. Chris Patten: Figures for the public sector education system in England are as follows:

	Teachers[1,2]		*Lecturers*		*Thousands*
Year	*Nursery, primary and secondary schools*	*Other*[3]	*Full-time*[4]	*Part-time*[1,6,7]	*Non-teaching staff*[2,8]
1976	431	17	74	—	413
1977	433	18	74	—	409
1978	436	19	74	—	404
1979	441	19	75	—	407
1980	438	19	77	22	400
1981	429	19	77	21	376
1982	420	19	77	22	368
1983	415	19	78	22	365
1984	411	20	78	22	362
1985	405	20	[5]78	22	362

[1] January of year shown, maintained sector
[2] Full-time plus full-time equivalent of part-time
[3] Includes teachers in special schools & teachers providing education otherwise than at school
[4] March of year shown. Includes lecturers in maintained, assisted & grant-aided establishments of further education (including adult education centres & certain other miscellaneous establishments)
[5] Provisional
[6] Includes the maintained and assisted sector only. Data not available before 1980
[7] Expressed as full-time equivalent
[8] March of year shown

HMI Reports

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science how many reports by Her Majesty's Inspectorate have now been published on individual schools and colleges; and what is the average length of time between inspection and publication of such reports.

Mr. Dunn: Since 1 January 1983 there have been a total of 626 reports published on schools and colleges on the basis of full inspections. There have also been 175 reports published on other educational establishments and surveys of provision. The average time between inspection and publication is nine months. It remains the aim of HMI that reports should be issued to individual institutions within six months of an inspection. They are working to achieve that time-scale. However, no institution or governing body

has to wait that long to know the findings of the inspections as HMI discuss these and other matters with the head and staff during and at the end of each inspection and with the governing bodies shortly after.

Workers Educational Association

Mr. Radice asked the Secretary of State for Education and Science what has been the level of grant provided by his Department to the Workers Educational Association in cash terms and constant 1985-86 prices for each year since 1979-80.

Mr. Kenneth Baker: The information requested is as follows:

Financial year	*Cash* £	*At constant 1985-86 prices* £
1979-80	1,195,528	1,928,661
1980-81	1,485,443	2,017,697
1981-82	1,831,615	2,262,073
1983-84	2,352,289	2,465,560
1984-85	2,477,799	2,626,839
1985-86	2,631,015	—

Note: Cash figures adjusted for general inflation as measured by the GDP deflator at market prices.

Sex Education

Mr. Deakins asked the Secretary of State for Education and Science what advice his Department gives to local education authorities about the qualifications of those who should teach sex education in schools.

Mr. Chris Patten: None. It is for the local education authorities and the schools themselves to ensure that teachers who contribute to programmes of sex education have appropriate professional and personal skills. The HMI discussion document "Health Education From 5 to 16" offers guidance on teaching approaches in this field.

Dyslexia

Mr. Peter Bruinvels asked the Secretary of State for Education and Science what is his Department's latest estimate of the number of dyslexic children and adults, respectively; and what is his policy towards reducing the incidence of dyslexia.

Mr. Dunn: The Education Act 1981 seeks to avoid categorising children and the specific information requested is not available. The Act places a duty on local education authorities to assess a child's special educational needs and to ensure those needs are met. This includes children with dyslexia.

EDUCATION AND SCIENCE

Science and Engineering Research Council

Mr. Carter-Jones asked the Secretary of State for Education and Science what is the current membership of the Science and Engineering Research Council; if he will indicate where each member's first and subsequent degrees were obtained, and their present employment; and if he will make a statement on the method by which the Science and Engineering Research Council membership is established.

Mr. Walden: The following table shows the present members of the Science and Engineering Research Council, the institutions of their first — and, where appropriate, second — degrees, and their present employments.

Members are appointed by my right hon. Friend in accordance with the relevant provisions of article 4 of the council's royal charter.

Members of Council	*Present Employment*	*Institution where first and subsequent degrees obtained*
Professor E. W. J. Mitchell CBE FRS	Chairman	Sheffield (BSc MSc) Bristol (PhD)
Professor Sir Michael Atiyah FRS	Mathematics Institute, Oxford University	Cambridge (MA PhD)
Professor B. L. Clarkson	Principal, University College of Swansea	Leeds (BSc PhD DSc)
Professor A. H. Cook FRS	The Master, Selwyn College, Cambridge University	Cambridge (MA PhD ScD)
Professor D. E. N. Davies FEng FRS CBE	Department of Electrical and Electronic Engineering University College London	Birmingham (MSc PhD DSc)
Professor B. E. F. Fender CMG	Vice-Chancellor, Keele University	London (BSc PhD) Oxford (MA)
Mr. G. R. Hall CBE FEng	Director, Brighton Polytechnic	Manchester (BSc)
Professor C. Hilsum FEng FRS	Director of Research, GEC Research Laboratories	London (BSc PhD)
Dr. M. W. Holdgate CB	Director General of Research Department of Environment	Cambridge (BA MA PhD)
Professor M. A. Jeeves	Psychology Department St. Andrews University	Cambridge (MA PhD)
Dr. C. Jordan	Department of Theoretical Physics, Oxford University	London (BSc PhD)
Professor R. O. C. Norman FRS	Chief Scientific Adviser, Ministry of Defence	Oxford (MA DSc)
Professor D. H. Perkins FRS	Professor of Elementary Particle Physics Nuclear Physics Laboratory Oxford University	London (BSc PhD) Sheffield (DSc)
Dr. C. H. Reece	Director of Research and Technology, Imperial Chemical Industries	Leeds (BSc PhD)
Mr. O. Raith FEng	Chief Engineer and Scientist Department of Trade and Industry	Cambridge (MA)
Mr. D. T. Shore OBE FEng	Technical Director APV Holdings PLC	London (BSc(Eng) MSc (Eng))
Professor J. J. Turner	Department of Chemistry, Nottingham University	Cambridge (MA PhD)
Professor R. Wilson CBE FRS	Perren Professor of Astronomy Department of Physics and Astronomy University College London	Newcastle (BSc) Edinburgh (PhD)

Strategic Defence Initiative

Mr. Viggers asked the Secretary of State for Education and Science if he will make a statement on the benefits to United Kingdom scientific research of participation in the strategic defence initiative.

Mr. Walden: The strategic defence initiative research programme, together with a number of domestic and European schemes, offer United Kingdom university, polytechnic and industrial researchers the opportunity to seek to participate in work in a range of fields that are at the forefront of engineering and advanced technology.

Kidsgrove Primary School

Mr. Forrester asked the Secretary of State for Education and Science when he expects to give approval for the building of the Kidsgrove replacement C.E. (A) primary school.

Mr. Dunn: A decision on the proposals affecting Church of England primary schools in Kidsgrove, which were published jointly by Staffordshire local education authority and the governors of Wade Memorial CE (Aided) infants' school, has been delayed pending the outcome of inquiries into legal difficulties arising from the proposed site arrangements. Subject to the satisfactory resolution of these matters, I hope that it will be possible to reach a decision quickly.

Liverpool University (Ministerial Visit)

Mr. Wareing asked the Secretary of State for Education and Science what subjects were discussed during the visit of the Parliamentary Under-Secretary of State the hon. Member for Buckingham (Mr. Walden) to Liverpool university on Monday 30 June; and if he will make a statement.

Mr. Walden: I regret that this visit had to be postponed because of other ministerial business. It is being rearranged for early in the autumn term.

Speech Therapy Training

Dr. Marek asked the Secretary of State for Education and Science (1) what information he has as to how many applications were received by training institutions for speech therapy training in the latest year for which figures are available; and what are the comparable figures for each of the last five years;

(2) how many places are available for speech therapy training; what were the figures for each of the last five years; and if he will make a statement.

Mr. Walden: The information sought by the hon. Member is not available. To enter the profession of speech therapist, it is necessary to become a Licentiate of the College of Speech Therapists, and for this purpose to have followed a three-four year degree course of relevant study approved for the purpose by the college. These courses, provided at institutions of higher education, are not, however, designed exclusively for intending speech therapists. The Department does not collect statistics of applications received by institutions of higher education.

School Playing Fields

Mr. Nicholas Winterton asked the Secretary of State for Education and Science what is Her Majesty's Government's policy towards the disposal by local education authorities of school playing fields; what information he has as to the total acreage sold, and sums raised, in each of the past five years; and if he will make a statement.

Mr. Dunn: Provided the requirements of the Education (School Premises) Regulations 1981 (SI 909) are met, local education authorities are free to dispose of surplus playing fields if they wish. In my Department's circular 2/81 "Falling Rolls and Surplus Places", LEAs were urged to review their plans for school provision, identifying which buildings and land should be retained and which were surplus. An authority which sells surplus assets has the benefit of capital receipts as well as of revenue savings resulting from reduced maintenance costs. In this way it can add to its resources for priority needs. Information as to the total acreage of land sold, and sums raised, is not collected by the Department.

Mr. John Carlisle asked the Secretary of State for Education and Science what information his Department collects on the number of school playing fields that have been sold for building development since the issue of his Development's circular 909 in 1982.

Mr. Dunn: None.

Universities (Revenue)

Dr. Marek asked the Secretary of State for Education and Science if he will list what information the University Grants Committee has on the surplus or deficit of revenue for universities in the United Kingdom for the last year for which figures are available.

Mr. Walden: I refer the hon. Member to tables 3 and 6 of volume three of "University Statistics 1983-84", a copy of which is in the Library, which give full details of univerities' income and expenditure in that year.

Student Grants

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what was the average grant paid to a mature student in full-time higher education for the last year for which a figure is available.

Mr. Walden [*pursuant to his reply*, 4 July 1986]: The final sentence was omitted from the answer.

The mandatory awards regulations do not define a mature student. However, from their mid-twenties, students may, in addition to a full grant, receive certain supplementary allowances including an older students allowance and an allowance for dependants. In the academic year 1984-85, the average allowance paid to students in these categories was £530 and £1,355 respectively. This was in addition to a grant — for students not living with their parents — of £2,100 (London rate) £1,775 (elsewhere rate). Subject to the approval of Parliament, we propose to increase the older students allowance from this autumn by an average factor of about 10 per cent.

HOME DEPARTMENT

Castington Youth Custody Centre

Mr. Beith asked the Secretary of State for the Home Department why the 1986-87 overtime budget for the Castington youth custody centre has been set at £511,008 rather than at the figure of £515,612 given in his answer of 17 March, *Official Report*, column 7.

Mr. Mellor: The overtime budget finally allocated to Castington for 1986-87 is £498,999. I regret the error made in my earlier reply. My noble Friend is writing to the hon. Member explaining the difference between the above allocation and the figures of £515,612 given earlier and that of £511,008 he has quoted.

London Fire Brigade

Mr. Leighton asked the Secretary of State for the Home Department if he will give further details of the reasons for the consent given to the loss of the pump appliance and firefighter crews from L21 East Ham fire station by his Department; and if he will make a statement on Her Majesty's inspectorate of fire services' assessment of fire cover presently available in that fire station's ground.

Mr. Giles Shaw: It is presumed that this refers to the approved reduction in 1979 to accommodate the new 42-hour working week for the fire service. Her Majesty's inspectorate of fire services has had no reason then or since to judge that the reduction was detrimental to the standards of fire cover.

Mr. Leighton asked the Secretary of State for the Home Department if he will list every fire station in the London fire brigade that has been closed since 1965, the appliance deployment and firefighter staffing at each station immediately prior to closure, and give details of the fire stations, fire appliances and firefighter staffing that presently cover the former station ground of each such fire station; and what were the reasons for closure in each case.

Mr. Giles Shaw: It is understood that the Camden Town, Pageants Wharf and West Wickham fire stations have been permanently closed without replacement since 1965, and their fire cover responsibilities absorbed elsewhere. The other information requested could be obtained only at disproportionate cost. If, however, the hon. Member has any particular points, my noble Friend should be glad to try to deal with them in correspondence.

Mr. Leighton asked the Secretary of State for the Home Department (1) what is his policy towards proposals included in the 1987-88 London fire and civil defence authority establishment scheme for the London fire brigade regarding the loss of the pump ladder appliance or the emergency rescue tender appliance presently based at L21 East Ham fire station and for reduction in the present establishment of station officers, sub-officers, leading firemen and firefighters, respectively;

(2) if he will give details of his assessment of the establishment of firefighters, fire appliances (pump, pump ladder, and specialist), and fire stations required by the London fire brigade to provide an effective, efficient and economic service during the financial year 1987-88 commencing 1 April 1987.

Mr. Giles Shaw: My right hon. Friend has received no proposals from the London fire and civil defence authority in respect of the establishment scheme for the London Fire Brigade for 1987-88. Such a scheme does not have to be submitted until January 1987 and when received it will be carefully considered on its merits.

Central London (Road Closures)

Mr. Wheeler asked the Secretary of State for the Home Department if he will ask the Commissioner of Police of the Metropolis for a report of the circumstances which obliged the traffic police to close Chelsea embankment, Grosvenor road, Nine Elms lane and other adjacent public roads during the afternoon of Saturday 28 June.

Mr. Giles Shaw: I understand from the commissioner that these streets were closed in order to assist in the policing of a march organised by the Anti-Apartheid Movement.

Soliciting

Mrs. Renée Short asked the Secretary of State for the Home Department if he will state the number of girls under the age of 18 years who have appeared before magistrates' courts during the last seven years following alleged offences of soliciting.

Mr. Mellor: The readily available information relates to female offenders aged under 17 and is published annually in "Criminal Statistics, England and Wales, Supplementary Tables, Volume 1" — under offence classification 166 in tables 1.1(B) and 1.1(C).

Metropolitan Police Instruction Book

Mr. Soley asked the Secretary of State for the Home Department (1) if the Metropolitan police instruction book or parts thereof is a classified document;

(2) whether the provisions of chapter 10, paragraph 12F ('Use of truncheons') of the Metropolitan police instruction book are advisory or mandatory;

(3) whether the provisions of the Metropolitan police instruction book chapter 4, paragraph 40 ('Instruction Book') are advisory or mandatory;

(4) whether the instructions given in the Metropolitan police instruction book are advisory or mandatory to police officers;

(5) whether the provisions of chapter 6 of the Metropolitan police instruction book for the reporting of occurrences are advisory or mandatory in particular with regard to report book rules: chapter 6, paragraph 2: no erasure or obliteration of notes or reports is permissible at any time; chapter 6, paragraph 3: leaves must not be torn out for any purpose; chapter 6, paragraph 4: no blank spaces will be left; chapter 6, paragraph 5: overwriting is forbidden; chapter 6, paragraph 6: there must be no writing between lines; chapter 6, paragraph 7: all statements must be written down in the exact words used by speakers; chapter 6, paragraph 8(1) and (2): recording of time, places and names; chapter 6, paragraph 9: notes — where to be made; chapter 6, paragraph 10: production of entries to a senior officer; chapter 6, paragraph 11: use in evidence; chapter 6, paragraph 12: production at court; chapter 6, paragraph 13: recording of telephone numbers.

Mr. Giles Shaw: The instruction book is marked "restricted" and "for police use only". An edited version, revised to exclude material which the commissioner considered it would be operationally damaging to disclose, was placed in the Library on 24 February 1983.

Some provisions of the book are directions, breaches of which may make an officer liable to disciplinary proceedings, and other parts are guidance. Chapter 4 (paragraph 40) and chapter 6 (paragraphs 2-12) are directions; chapter 6 (paragraph 13) is guidance; and chapter 10 (paragraph 12F) contains both directions and guidance.

Dr. Skuse

Mr. Clay asked the Secretary of State for the Home Department, pursuant to his reply to the hon. Member for Leyton (Mr. Cohen) on 26 June, *Official Report*, column *279*, if he will say whether, during his Department's review of cases in which Dr. Skuse gave evidence, anything emerged to suggest that Dr. Skuse's evidence was not reliable.

Mr. Hurd: I shall reply as soon as possible.

Public Order

Mr. Kaufman asked the Secretary of State for the Home Department how many offences under public order legislation took place in the Metropolitan police area in 1985; and how many persons were convicted of such offences.

Mr. Giles Shaw: The information that is available on offences recorded by the police relates to offences of riot, unlawful assembly, causing an affray, and placing or

despatching articles to cause a bomb hoax, most of which are offences under common law. A total of 638 such offences were recorded by the Metropolitan police in 1985. The number of convictions in 1985 is not yet available.

News International, Wapping

Mr. Kaufman asked the Secretary of State for the Home Department if, further to his answer of 30 June, *Official Report*, column *368*, he will update to the latest date for which figures are available the figures on the cost of police action at Wapping, the number of officers deployed and the police man hours spent.

Mr. Giles Shaw: I will reply as soon as possible.

Birmingham Pub Bombings

Mr. Clay asked the Secretary of State for the Home Department if he will list all representations received by his office since June 1979 regarding any of the six men convicted of the Birmingham pub bombings.

Mr. Mellor: Since June 1979 we have received representations expressing concern about the convictions of the six men or seeking a review of the case, from the Government of the Republic of Ireland; the Archbishop of Canterbury; the Archbishops of Westminster and Armagh; the Bishops of Down and Connor; and of Derry; the Irish Commission for Prisoners Overseas; the Irish Chaplaincy Scheme in Britain; the Council of Irish County Associations; the Irish Episcopal Commission for Emigrants; the Irish American Unity Conference of Texas, USA; Pax Christi; Birmingham's Women's Aid; and Action des Chretiens pour l'Abolition de la Torture (Paris).

In addition, we have received letters from some 40 right hon. and hon. Members, some of whom forwarded letters from their constituents: two noble Lords, members of the prisoners' families and about 35 members of the public.

Prince of Wales (Wedding)

Mr. Canavan asked the Secretary of State for the Home Department (1) what was the total cost to the Metropolitan police of policing the wedding of His Royal Highness the Prince of Wales, including the provision of barriers;

(2) how many members of the Metropolitan police were engaged in duties connected with the wedding of His Royal Highness the Prince of Wales.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that some 7,530 Metropolitan police officers were deployed on the day of the wedding in duties connected with the event and the total additional cost to the Metropolitan police was £587,141.

Prison Population (Supervised Release Scheme)

Mr. Bermingham asked the Secretary of State for the Home Department if Her Majesty's Government have any plans to introduce a supervised release scheme in the light of the rise in the prison population in recent years.

Mr. Mellor: We have no such plans at present.

Drug Dependency and Alcoholism

Mr. Bermingham asked the Secretary of State for the Home Department (1) how many persons suffering from *(a)* drug dependency, and *(b)* alcoholism were sent to prison in each year from 1980 to 1985;

(2) how many prisoners suffering from *(a)* drug dependency or *(b)* alcoholism were treated in (i) prison or (ii) medical establishments in each year from 1980 to 1985;

(3) how many prisoners suffering from *(a)* drug dependency or *(b)* alcoholism were refused treatment by a medical establishment in each year from 1980 to 1985.

Mr. Mellor: In the period 1 January 1984 to 31 March 1985* a total of 3,737 inmates were reported by prison medical officers as having some degree of dependence on drugs at the time of their reception into custody. The corresponding information for the four preceding calendar years is as follows:

	Number
1980	1,003
1981	1,558
1982	1,666
1983	1,827

The other information requested is not statistically recorded.

*In this period the Prison Department was in the process of changing from an arrangement under which medical statistics were kept on a calendar year basis to one under which they are now kept on a financial year basis. Statistics for the financial year 1985-86 will be published in the report on the work of the Prison Department for that year.

Fine Defaulters

Mr. Bermingham asked the Secretary of State for the Home Department (1) how many persons entered prison for fine default in each year from 1980 to 1985;

(2) how many fine defaulters were given sentences of *(a)* one to three months, *(b)* three to six months and *(c)* six months to one year, in each year from 1980 to 1985.

Mr. Mellor: The information requested is published annually in Prison Statistics England and Wales (Table 7.3 of the latest Issue, Cmnd. 9622, for 1984). Information for 1985 will be published later in the year.

Day Fine System

Mr. Bermingham asked the Secretary of State for the Home Department (1) if he has received any representations seeking the introduction of the day fine system as operated in several European countries; and if he will make a statement;

(2) what representations he has received regarding the growth in the number of people imprisoned for fine default.

Mr. Mellor: The number of people imprisoned for fine default has been declining for several years. In 1985, nearly 20,300 fine defaulters were received into Prison Department establishments, compared with the peak figure of 24,500 defaulters in 1982. My right hon. Friend is considering whether a system of day fines, which has been advocated by a number of organisations, most recently the parliamentary all-party penal affairs group, would lead to a further reduction in the number of those imprisoned in default.

Prison Workshops

Mr. Bermingham asked the Secretary of State for the Home Department how many prison workshops there were in each year from 1980 to 1985; and how many there are at the present time.

Mr. Mellor: The following numbers of industrial workshops were in operation in prison establishments in England and Wales:

	Number
1982	305
1983	310
1984	306
1985	306
1986*	295

* Up to June

Comparable figures for 1980 and 1981 are not available.

Prisoners (Training and Education)

Mr. Bermingham asked the Secretary of State for the Home Department how many courses were available for the training and education of prisoners in each year from 1980 to date.

Mr. Mellor: The available information on education and vocational training courses relates to full-time courses in prisons and youth custody centres — prisons and borstals in the academic years 1981-82 and 1982-83—in England and Wales and is as follows:

Academic year	*Total Number of courses available*
1981-82	145
1982-83	213
1983-84	254
1984-85	366
1985-86	442

Corresponding information relating to full-time courses in detention centres and remand centres, and to part-time courses, is not collated centrally. Details are not readily available for the academic year 1980-81.

In addition, the number of construction industry training courses provided in prison service establishments is as follows:

	Total Number of courses available
1980	161
1981	156
1982	158
1983	156
1984	160
1985	170
1986	170

Bail Hostels

Mr. Bermingham asked the Secretary of State for the Home Department how many bail hostels there were in each year from 1980 to date.

Mr. Mellor: Approved hostels are categorised variously as bail, probation, and combined probation and bail hostels. All now take people on bail or for bail assessment. The information requested for the three categories is as follows:

	1980	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*
Bail	14	13	15	16	17	17	16
Probation	66	64	66	67	69	69	69
Probation/bail	12	14	15	15	15	16	17
Totals	92	91	96	98	101	102	102

Mr. Bermingham asked the Secretary of State for the Home Department how many persons were accommodated in bail hostels in each year from 1980 to 1985.

Mr. Mellor: Information is not available in the form requested. During the years in question, bail, probation, and combined probation and bail hostels provided the following numbers of places:

	1980	*1981*	*1982*	*1983*	*1984*	*1985*
Bail	172	164	198	207	241	242
Probation	1,134	1,132	1,183	1,209	1,260	1,267
Probation/bail	223	263	282	290	290	309
Totals	1,529	1,559	1,663	1,706	1,791	1,818

Average occupancy rates for all three categories of hostels were:

	Per cent.
1980	*
1981	76·7
1982	77·3
1983	77·0
1984	74·0
1985	76·4

* 1981 is the first year for which this information is available.

Mr. Bermingham asked the Secretary of State for the Home Department how many bail hostels are being planned at present.

Mr. Mellor: Not only bail hostels, but combined probation and bail hostels and also all probation hostels made places available for persons on bail. In England and Wales there are in all 102 such hostels providing over 1,800 places. No new hostels are planned at present. In 1985 average occupancy was only 76·4 per cent. of the approved

number of places, so there is no general shortage of places; nor does the Home Office have evidence of serious difficulties in finding places locally.

Diplomats (Breathalysers)

Mr. Peter Bruinvels asked the Secretary of State for the Home Department how many diplomats have been breathalysed in each of the past five years and to date; and, of these, how many were found to be positive.

Mr. Mellor: Information is not collected centrally on the occupation or status of those required to provide a sample for a screening breath test. An accredited diplomat, because of his inviolability under article 29 of the Vienna convention on diplomatic relations, cannot be required to provide such a sample. Diplomats may, however, be breath tested before their entitlement to immunity is known, or at their own request to demonstrate that they are capable of driving safely.

Lynne Marsland

Ms. Harman asked the Secretary of State for the Home Department (1) at what time Lynne Marsland, a prisoner in Her Majesty's prison Holloway, went into labour;

(2) under what conditions Lynne Marsland, a prisoner at Her Majesty's prison Holloway, was kept after the onset of labour; and who else was present in her cell, and for how long;

(3) who decided that Lynne Marsland, a prisoner in Her Majesty's prison Holloway, had commenced labour; and what was their qualification to do so;

(4) how long after the commencement of labour Lynne Marsland, a prisoner in Her Majesty's prison Holloway, was transferred to Whittington hospital;

(5) if the full complement of staff was on duty at Her Majesty's prison Holloway over the weekend of 28-29 June;

(6) what are the prison rules, procedures and practices relating to the treatment of a prisoner going into labour;

(7) how many times, and when, Lynne Marsland, a prisoner in Her Majesty's prison Holloway, was seen by *(a)* a doctor and *(b)* a midwife from 23 June until the onset of labour was diagnosed;

(8) what was the cause of death of the infant born to Lynne Marsland, a prisoner in Her Majesty's prison Holloway, on 29 June;

(9) if he will set up an inquiry into the circumstances leading up to the death of the infant born to Lynne Marsland, a prisoner in Her Majesty's prison Holloway, on 29 June;

(10) if he will make a statement about the death of the infant born to Lynne Marsland, a prisoner in Her Majesty's prison Holloway, on 28 June.

Mr. Mellor: Ms. Marsland has been located since 22 April in the mother and baby unit at Holloway prison, on which a state registered midwife is always present. She was examined by a member of the prison's medical staff, a qualified obstretician and gynaecologist, on 26 June, and by the consultant gynaecologist who supervises ante-natal cases at Holloway on 25 June. Over the weekend 28-29 June there was a full complement of nursing staff on the unit. Labour is not considered to have commenced until about 5 pm on Sunday 29 June, when Ms. Marsland was examined by a state registered midwife in a single room in the unit where she had been placed for close observation. It is the normal practice to transfer mothers before delivery to an outside hospital, in accordance with prison standing orders 13 107, which set out the rules, procedures and practices relating to the treatment of prisoners going into labour and provide that, at the appropriate time, the medical officer will arrange removal to a hospital. At 5.20 pm an ambulance was called to transfer Ms. Marsland to an outside hospital: she left Holloway in the company of a nurse and two officers at 5.40 pm. Later that evening she gave birth to a baby who died shortly after delivery.

I am informed that arrangements have been made for a post mortem examination to take place on 7 July. We have no present plans to institute an inquiry.

Libyan Students

Mr. Ron Brown asked the Secretary of State for the Home Department if he will make it his policy to permit Libyan students who have not been involved in political activities to complete their courses before leaving the United Kingdom.

Mr. Waddington: Provided that they and their course of study are acceptable, Libyan students are given leave to enter or remain if they meet the requirements of the immigration rules.

Firearms Certificates

Mr. Frank Field asked the Secretary of State for the Home Department what has been the change in real terms between 1979 and 1986 in *(a)* the cost of a firearms certificate, *(b)* the revenue derived from firearms certificates and *(c)* the cost of administering the firearms certificate system; how many certificates were issued in 1979 and in the last period of 12 months for which figures are available, respectively; and if he will make a statement.

Mr. Giles Shaw: I will reply as soon as possible.

Bail (Refusal)

Mr. Bermingham asked the Secretary of State for the Home Department how many persons were refused bail as they were without a permanent residence in each year from 1980 to 1985.

Mr. Mellor: The information requested is not available centrally.

FOREIGN AND COMMONWEALTH AFFAIRS

Falkland Islands

Sir John Farr asked the Secretary of State for Foreign and Commonwealth Affairs what is his estimate of the daily average throughout the year of fishing vessels working in the 200 mile exclusion zone around the Falkland Islands.

Mr. Eggar: For the period May 1985 to April 1986 we estimate that a daily average of 57 fishing vessels, including trawlers, squid jiggers and reefers, were present in the Falkland Islands protection zone.

British Overseas Citizens

Mr. Dubs asked the Secretary of State for Foreign and Commonwealth Affairs if he will estimate the numbers of British overseas citizens broken down by country of residence.

Mr. Eggar: I refer the hon. Member to the reply that my right hon. Friend the Secretary of State for the Home Department gave to my hon. Friend the Member for Southend, East (Mr. Taylor) on 16 May in column 575. It is not possible to provide a breakdown of British overseas citizens by country of residence.

Senor Juan Eduardo Fleming

Mr. Dickens asked the Secretary of State for Foreign and Commonwealth Affairs if he will request the Government of Argentina to recall Senor Juan Eduardo Fleming, head of the Argentinian interests section at the Brazilian embassy, following the M25 motoring incident, for failing to observe the standard of behaviour required.

Mr. Eggar: No decision will be taken until we receive the police reports on the incident. We expect them shortly. The White Paper on deplomatic privileges and immunities made clear that stricter standards would be applied on breaches of the criminal law by diplomats. We normally request the withdrawal of a diplomat who has committed a second drink-driving offence, or the first if aggravated by violence, injury to a third party or previous traffic offences.

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs what is the exact status of Senor Juan Fleming and the other three Argentinian nationals working in the United Kingdom.

Mr. Eggar: They are notified to us as members of the Argentine interests section of the Brazilian embassy. Senor Fleming is a counsellor; the other three are first secretaries.

Council of Foreign Ministers (Chairmanship)

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on his priorities during his term of office as Chairman of the European Community Council of Foreign Ministers.

Mrs. Chalker: I refer my hon. Friend to the answer that my right hon. and learned Friend gave to the hon. Member for Sheffield, Brightside (Miss Maynard) on 5 March in column 176.

Diplomats (Drink-Driving Offences)

Mr. Peter Bruinvels asked the Secretary of State for the Foreign and Commonwealth Affairs (1) if he will now arrange for diplomatic immunity to be removed from Senor Juan Fleming; and if he will make a statement;

(2) why it is his normal policy not to request withdrawal of a diplomat on the basis of drink-driving offences until a second such offence has been committed; what action is taken following a first offence; and how many cases of (i) first and (ii) second offences have been recorded in each of the last five years for which figures are available;

(3) on what authority diplomats are not proceeded against in their first drink-driving offence in cases where diplomatic immunity is waived.

Mr. Eggar: The White Paper on diplomatic privileges and immunities, Cmnd. 9497, made clear that our objective is to achieve a better standard of behaviour and a reduction in the number of offences for which immunity can be claimed. In each case the strength of available evidence, normally from detailed police reports, and other relevant factors are taken into account. Article 31 of the Vienna convention on diplomatic relations, which is scheduled as United Kingdom law by virtue of the Diplomatic Privileges Act 1964, provides that a diplomat shall enjoy immunity from the criminal jurisdiction of the receiving state. A person entitled to diplomatic immunity cannot be forced, under article 29 of the Vienna Convention, to undergo a breath test or other medical examination. A decision is therefore taken on whether or not to request a waiver of immunity in order that the case may be tried. Waivers can be granted only by the sending state. In drink-driving cases, a waiver even if granted would come too late to allow the necessary medical evidence for conviction to be obtained. We therefore do not request a waiver in drink-driving cases. Our policy is to request the withdrawal of diplomats after the first drink-driving offence if aggravated by violence, injury to a third party, or previous traffic offences.

The Foreign and Commonwealth Office draws the attention of the head of mission to the details of a first offence. He is asked to warn the offender that a repetition will lead to a removal, and to inform us that he has done so. The figures requested on drink-driving offences are as follows:

Alleged drink-driving offences by persons enjoying diplomatic immunity

	1981	*1982*	*1983*	*1984*	*1985*	*1986 to date*
Total	17	19	30	32	24	10
Of which second offences	*	1	4	2	7	1

*Figures not available.

European Commission Directives

Mr. Strang asked the Secretary of State for Foreign and Commonwealth Affairs if he will list those European directives in relation to which Her Majesty's Government have *(a)* requested the European Commission and *(b)* received permission from the Commission, for delays or derogations in meeting their terms; what were the reasons for these requests and the corresponding articles under which these requests have been made and the dates by which the Government expect to be able to comply with Community legislation in each case.

Mrs. Chalker: Delays or derogations are agreed in the course of negotiations on draft legislation in the Council machinery; they are discussed with the Commission but the power of decision rests with the Council. So far as informal understandings with the Commission in connection with the implementation of that legislation are concerned, this information is not readily available and could be collected only at disproportionate cost.

FB111 Aircraft

Mr. Kirkwood asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he has had with his North Atlantic Treaty Organisation counterparts over the role of the American FB111s in the current intermediate nuclear forces talks in Geneva.

Mr. Renton: We remain in close contact with our allies, notably through the Special Consultative Group, about all issues relating to the INF group at the nuclear and space talks in Geneva.

Namibia

Mr. Nicholas Winterton asked the Secretary of State for Foreign and Commonwealth Affairs what information he has about the involvement of *(a)* the South West Africa People's Organisation and *(b)* other organisations in acts of terrorism in Namibia during the last five years; what information he has about the nature and extent of casualties to civilians, police and military personnel; and if, in the light of that information, he will make a statement on Her Majesty's Government's policy towards the future status and administration of Namibia.

Mrs. Chalker: The Government have no independent source of information about the responsibility for and extent of such acts of violence in Namibia during this period. We support the early independence of Namibia on the basis of the United Nations plan.

Departmental Administrative Structure

Mr. Tom Clarke asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish a breakdown of the administrative structure of his Department and the number of staff employed in each section.

Mr. Eggar: The information is as follows:

Diplomatic Wing

Permanent Under-Secretary

Deputy Under-Secretary
Relations with all countries in Europe; European Community (political cooperation); labour matters and coordination of planning: two assistant under-secretaries and 81 other staff.

Deputy Under-Secretary
Trade and economic relations; United Nations; energy, science, space, maritime, aviation and environment matters: two assistant under-secretaries and 144 other staff.

Deputy Under-Secretary
Personnel, finance, communications, office services, overseas estate, protocol, news and information matters; cultural relations; consular, migration and nationality questions; relations with Parliament: five assistant under-secretaries and 2,806 other staff.

Deputy Under-Secretary
Relations with all countries in the Americas, the Caribbean, Australasia and Asia: two assistant under-secretaries and 148 other staff.

Deputy Under-Secretary
Relations with all countries in Africa and the near and middle east; Commonwealth coordination: two assistant under-secretaries and 109 other staff.

Deputy Under-Secretary
Relations with the Republic of Ireland; arms control, disarmament and defence matters; service advisers and attaches; security coordination: one assistant under-secretary and 111 other staff.

Aid Wing

Permanent Secretary

Deputy Secretary
Bilateral, multilateral and functional aid; overseas manpower services; overseas service pensions: five under-secretaries and 929 other staff.

In addition, there are two deputy under-secretary equivalent and two assistant under-secretary equivalent and 138 other specialist staff (legal, research, planning and economic) in the diplomatic wing, and two under-secretaries and 613 other staff (finance, aid policy, establishment and organisation and economic) in the aid wing, who report directly to the relevant Permanent Under-Secretary and Permanent Secretary respectively.

HOUSE OF COMMONS

South Africa (Products)

Mr. Nicholas Winterton asked the Lord Privy Seal, pursuant to his reply of 30 June, *Official Report*, column *377*, on what criteria the decision not to stock currently any South African products in the Refreshment Department was taken.

Mr. Irving: I have been asked to reply.

With the approval of the Catering Sub-Committee, the Refreshment Department's policy is primarily to purchase produce from EEC countries. Storage space is at a premium, and it is therefore difficult for the Department to stock all the selections of food which Members may require.

Mr. Nicholas Winterton asked the Lord Privy Seal if he will indicate, for each product of South African origin which ceased to be stocked by the Refreshment Department during the last 12 months, the difference in price between that product and its replacement from another source.

Mr. Irving: I have been asked to reply.

The only product of South African origin which ceased to be stocked by the Refreshment Department during the last 12 months was pears. It is impossible to give a price comparison between that product and a replacement from another source due to the substantial price fluctuations in the marketplace throughout the seasons.

SOCIAL SERVICES

Hospital Statistics

Mr. Knox asked the Secretary of State for Social Services (1) how many hospital in-patients were treated in National Health Service hospitals in each year since 1970;

(2) what has been the size of the hospital waiting list in National Health Service hospitals in each year since 1970;

(3) how many beds there were in National Health Service hospitals in each year since 1970;

(4) how many hospital out-patients were treated in National Health Service hospitals in each year since 1970.

Mr. Whitney: The required information is given in the table:

NHS hospitals in England

Thousands

Year	*Average daily number of available beds*	*In-patient cases*	*In-patient waiting list at 31 March*	*In-patient waiting list at 30 September*	*Total out-patient attendances*
1970	423·6	5,011·7	*539·7	*539·7	32,354·8
1971	419·6	5,170·8	*519·3	*519·3	33,129·2
1972	412·7	5,223·0	*496·6	*496·6	33,243·5
1973	403·5	5,132·3	*542·1	*542·1	33,317·9
1974	396·2	5,171·7	*508·4	*508·4	33,352·1
1975	387·6	4,975·8	*532·6	519·5	30,947·5
1976	383·1	5,254·6	583·9	588·3	32,396·4
1977	375·9	5,345·0	595·5	591·1	33,282·2
1978	369·2	5,370·3	603·2	628·4	33,950·3
1979	361·7	5,400·1	752·4	695·7	34,099·7
1980	356·0	5,670·0	664·9	635·9	35,243·0
1981	351·7	5,759·9	628·3	619·4	35,571·4
1982	348·1	5,719·6	622·5	725·9	35,651·2
1983	343·1	6,018·6	726·2	703·8	36,519·6
1984	334·5	6,177·5	692·9	682·6	37,042·7
1985	n/a	n/a	674·5	661·2	n/a

* 30 June.
n/a = Not yet available.

NHS Hospitals (Linen)

Mrs. Renée Short asked the Secretary of State for Social Services how much money has been spent by the National Health Service on provision of linen for National Health Service hospitals each year since 1979; and what estimates of the value of linen has been reported stolen have been made by health authorities each year during the same period.

Mr. Hayhoe: The annual accounts of regional and district health authorities in England and the special health authorities for the London postgraduate teaching hospitals show total expenditure on bedding and linen as follows:

	£ million
1979-80	32·4
1980-81	38·8
1981-82	42·4
1982-83	44·6
1983-84	43·5
1984-85	47·4

Losses of bedding and linen have been separately identified in the accounts only from 1984-85. In that year losses through theft, fraud, arson or negligence were recorded as £63,335 and those arising from discrepancies and unexplained issues as £552,719. However, the returns for 1984-85 were incomplete and the last figure is therefore an understatement of the real position. Management action has been taken to investigate the reasons for incomplete returns and to ensure full returns for 1985-86.

Neonatal Intensive Care Cots

Mrs. Renée Short asked the Secretary of State for Social Services how many neonatal intensive care cots are available in National Health Service hospitals in each regional health authority; how many babies were admitted to them each year since 1981-82; and what proportion of them were premature.

Mr. Whitney: I am sorry I cannot give the hon. Member the information she seeks. It is not collected centrally. Although statistics are routinely collected on the availability of cots in special care baby units, there has been no generally agreed definition of intensive care to enable the provision made for this to be recorded separately. Figures will be available when the recommendations of the health services information steering group have been implemented in April 1987.

Hostels

Mrs. Beckett asked the Secretary of State for Social Services if he will list the hostels surveyed by the Social Security Policy Inspectorate in preparing its 1986 report on hostels.

Mr. Major: In preparing its report the Social Security Policy Inspectorate visited 210 hostels to hold interviews with residents receiving supplement benefit and with some members of hostel management. Information given to the inspectorate by particular individuals and organisations in the course of enquiries is treated in strictest confidence and an assurance to this effect is given to all participants. Accordingly, identifying details are not passed to the Department itself and are destroyed by the inspectorate in compliance with the Data Protection Act 1984. I regret therefore the information requested cannot be made available.

Mileage Allowance

Mr. Sean Hughes asked the Secretary of State for Social Services what were the precise components of the mileage allowance calculations for hospital doctors and dentists, the results of which are to be found in advance letter M.D.5/86.

Mr. Hayhoe: The mileage allowances are based on the schedules of motoring costs published by the Automobile Association each April. I have placed a note explaining the calculations in the Library.

Single Payments

Mr. Gordon Brown asked the Secretary of State for Social Services how many claims have been made in the current year for single payments in Scotland by 30 June,

or the most recent available date, which have still to be processed to their conclusion; and if he will estimate the outstanding amount that is being claimed.

Mr. Major: Information is not available in the form requested. However, a special count made on 2 July showed single payment claims from 85,848 claimants were then being processed in local offices in Scotland. An estimate of the amount being claimed cannot be made. Information about amounts paid is recorded only after a claim has been determined.

Mr. Gordon Brown asked the Secretary of State for Social Services whether all justifiable claims for single payments made before the introduction of any new regulations abolishing them will be met in full.

Mr. Newton: Claims for single payments of supplementary benefit are decided by reference to the regulations in force as at the date of claim.

Fair Rents

Mr. Alton asked the Secretary of State for Social Services why local authority offices have been instructed in a circular from his Department to apply for registration of fair rents only in exceptional circumstances.

Mr. Major: No such instruction has been issued by the Department.

Home Helps

Mr. Austin Mitchell asked the Secretary of State for Social Services what the charges for home helps were in 1984, 1985 and at the present moment for *(a)* people on benefit and *(b)* people not on benefit; and what was the total number of people using the service in each category, and in each English county.

Mr. Whitney: Information in the form requested is not available. The latest information about local authorities in England who impose charges for their home help service is set out in columns 223 to 227 of the "Personal Social Services Statistics 1984-85" actuals published by the Chartered Institute of Public Finance and Accountancy, a copy of which is in the Library. Details of the numbers of people who received home help in a sample week are shown in columns 213 to 220, but no information is available about the numbers of people charged and whether they were in receipt of supplementary benefit.

Cancer (Smear Testing)

Mr. Ashley asked the Secretary of State for Social Services what steps he is taking to encourage and assist on-site cancer smear testing in industry.

Mr. Hayhoe: Health authorities are responsible for ensuring that cervical screening facilities are available. Cervical smears are taken by general medical practitioners, health and family planning clinics and hospitals. Some health authorities and employers also arrange screening sessions at work places either directly or using the mobile clinics of the Womens National Cancer Control Campaign which receives a substantial grant from the Government. On-site screening can usefully complement the normal National Health Service screening services, provided it concentrates on attracting women who have not already been screened within the recommended interval.

Well Women Clinics

Mr. Ashley asked the Secretary of State for Social Services what information he has as to the number of well women clinics in Britain; and what steps he is taking to increase their number.

Mr. Whitney: Information on the number of well women clinics is not held centrally. Their provision is a matter for individual health authorities in the light of local needs and priorities.

Mr. Ashley asked the Secretary of State for Social Services what steps he is taking to ensure that women doctors are always available at well women clinics for those women who prefer them.

Mr. Whitney: The staffing of well women clinics is the responsibility of those health authorities that choose to set up such clinics.

Women Patients (Statistics)

Mr. Ashley asked the Secretary of State for Social Services what proportion of all admissions to hospital are women with disorders of their reproductive systems.

Mr. Whitney: In 1984, the latest year for which figures are available centrally, an estimated 6·4 per cent. of all in-patient cases discharged from NHS non-psychiatric hospitals in England received treatment for disorders of the female reproductive system.

Tranquillisers

Mr. Ashley asked the Secretary of State for Social Services what is the proportion of women to men for whom tranquillisers are prescribed.

Mr. Hayhoe: I regret the information requested is not available from official statistics.

Cervical Cancer

Mr. Ashley asked the Secretary of State for Social Services what is the latest estimate of the number of women who die premature deaths each year from cervical cancer.

Mr. Hayhoe: Actual figures for 1985 are given in the following table:

Number of deaths with underlying cause of malignant neoplasm of cervi uteri (ICD(9) 180) in England and Wales, by age group, 1985

Age group	*1985*
All ages	1,957
15-34	114
35-54	481
55-74	932
75 and over	430

Mr. Ashley asked the Secretary of State for Social Services in which *(a)* social group and *(b)* age group cervical cancer is most prevalent.

Mr. Hayhoe: Statistics from the registration of newly diagnosed cases of cancer are the nearest available data on the prevalence of cancer. In England and Wales for 1982 (the latest available year), the age-group with the highest registration rate per 100,000 women for malignant neoplasm of cervi uteri (ICD(9) 180) is 60-64 years. The

social group with the largest age-standardised proportional registration ratio is social class V. However, great care is required in interpreting these PRRs, and full details of the methodology are given in "Cancer statistics: registrations 1982 series MB1 No. 14", a copy of which is in the Library.

Mr. Ashley asked the Secretary of State for Social Services which identifiable groups of women fail to make full use of cervical cancer screening services; and what steps he is taking to seek to persuade them to do so.

Mr. Hayhoe: The principal group of women not making full use of cervical cancer screening is the over-35 age group. Priority is given to the screening of women over 35. I believe that the most effective way of persuading these women to attend for a smear is a personal approach by their general medical practitioners. The computerised call and recall systems now being introduced will help identify women due for screening so that they can be sent a personal invitation. The Government are supporting research into the reasons why women do not attend for screening, and into ways of encouraging women to attend.

Mr. Ashley asked the Secretary of State for Social Services what estimate he has made of the potential reduction in mortality that could result if all women between 20 and 65 years of age were screened at intervals of *(a)* five, *(b)* three and *(c)* one year.

Mr. Hayhoe: I am advised that no estimate with a worthwhile degree of accuracy has yet been made on the effects of different screening intervals.

Any estimate depends critically upon the assumptions made on such matters as the incidence of the disease in the absence of screening; the natural history of the disease, and on the effectiveness of screening. All of these are difficult to quantify.

Mr. Ashley asked the Secretary of State for Social Services what new steps he has taken to make women more aware of the facts of cervical cancer.

Mr. Hayhoe: My Department has given the Womens' National Cancer Control Campaign grants for producing health education literature and a video film on cervical smear tests, which are now available, and to carry out pilot projects to see how local health education campaigns can increase attendance for cervical cancer screening. The Health Education Council has been asked to consider further ways of informing women about the value of regular smear tests, in addition to leaflets they already provide.

Mr. Ashley asked the Secretary of State for Social Services if he has any evidence connecting sexual transmission of a virus by men working in certain industries and cervical cancer.

Mr. Hayhoe: I am aware of no such evidence.

Body Positive

Mrs. Renée Short asked the Secretary of State for Social Services what contact his Department has had with the Body Positive organisation; and if he has considered allocating it any finances to enable it to increase its level of counselling services to acquired immune defficiency syndrome sufferers.

Mr. Hayhoe: Officials from my Department's AIDS unit have contact with representatives of Body Positive on a regular basis. In the last two weeks my Department has received a request for financial assistance to meet the cost of a counselling video film being developed by Body Positive in conjunction with St. Mary's hospital, Paddington which is being considered.

Health Authorities (Employment)

Mr. Nicholas Winterton asked the Secretary of State for Social Services what information he has concerning the number of health authorities which employ staff through employment agencies; how many staff are employed by each authority in this way; and what are the total annual fees paid by each authority to such agencies in each year.

Mr. Hayhoe: I regret that details of the numbers of staff employed through employment agencies are available only in respect of nursing and midwifery staff. The figures are shown in table 1. Table 2 shows the total expenditure on the employment of non-National Health Service staff (mostly agency staff) in the financial years 1983-84 and 1984-85 for each region in England and for the special health authorities of London post-graduate teaching hospitals. It is not possible to distinguish between salary costs and commission fees to employment agencies.

Table 1
Agency nursing and midwifery staff as at 30 September*
Whole-time equivalent

Region	*1983*	*1984*
Northern	†	Nil
Yorkshire	†	†
Trent	Nil	Nil
East Anglian	40	110
North West Thames	620	850
North East Thames	600	980
South East Thames	480	770
South West Thames	380	480
Wessex	40	60
Oxford	†	10
South Western	†	10
West Midlands	10	100
Mersey	20	60
North Western	Nil	Nil
SHAs	250	310
England Total	2,440	3,750

Notes:
* Figures are whole time equivalent rounded to nearest ten (10) because of rounding the sum of the component parts may not agree with the England total.
† Less than five (5).

TABLE 2
Total current expenditure on the employment of non-NHS (agency, etc.) staff

Region	*1983-84*			*1984-85*		
	Nursing staff £'000	*All other staff £'000*	*Total £'000*	*Nursing staff £'000*	*All other staff £'000*	*Total £'000*
Northern	29	483	512	20	555	575
Yorkshire	69	1,302	1,371	277	1,647	1,924

Region	1983-84 Nursing staff £'000	1983-84 All other staff £'000	1983-84 Total £'000	1984-85 Nursing staff £'000	1984-85 All other staff £'000	1984-85 Total £'000
Trent	11	917	928	10	1,457	1,467
East Anglian	722	859	1,581	1,055	993	2,048
North West Thames	7,345	5,045	12,390	9,377	6,151	15,528
North East Thames	7,453	5,605	13,058	10,601	7,599	18,200
South East Thames	6,480	3,165	9,645	7,918	4,095	12,013
South West Thames	4,470	3,244	7,714	5,224	4,487	9,711
Wessex	462	931	1,393	678	1,332	2,010
Oxford	160	944	1,104	293	1,302	1,595
South Western	158	1,010	1,168	256	1,481	1,737
West Midlands	218	1,816	2,034	797	2,201	2,998
Mersey	126	302	428	448	383	831
North Western	19	1,464	1,483	22	1,686	1,708
Total (Regions)	27,722	27,087	54,809	36,976	35,369	72,345
Special Health Authorities for London Postgraduate hospitals	2,892	2,121	5,013	3,181	3,003	6,184
TOTAL	30,614	29,208	59,822	40,157	38,372	78,529

Note: The figures are derived from the annual accounts of regional and district health authorities together with those of the special health authorities for the London Postgraduate Teaching Hospitals.

Pharmaceutical Companies

Mr. Kennedy asked the Secretary of State for Social Services what information he has as to how many non-British pharmaceutical companies have established a research or manufacturing capacity in the United Kingdom in the last five years; and, of this total, how many were Japanese.

Mr. Hayhoe: I regret that information is not available in the precise form requested. Most major pharmaceutical companies operating in the United Kingdom have been established here for more than five years. Many of them have made significant investments in recent years through replacement of or additions to existing research or manufacturing facilities. Information on the total value of pharmaceutical industry investment in the years 1979-1984 was contained in my reply to the hon. Member for Warrington, North (Mr. Hoyle) on 23 June at column *64*. No Japanese pharmaceutical company has invested in research or manufacturing capacity in the United Kingdom.

Pharmaceuticals (Investment)

Mr. Kennedy asked the Secretary of State for Social Services what steps his Department is taking to encourage inward investment in pharmaceuticals; and if he will make a statement.

Mr. Hayhoe: One of the purposes of the pharmaceutical price regulation scheme (PPRS) is to ensure that the United Kingdom offers a fair return for pharmaceutical innovation and investment. My right hon. Friend in his reply to my hon. Friend the Member for Stevenage (Mr. Wood) on 19 June at columns *588-89* announced that negotiations for a renewal of the PPRS had been completed and that the industry was being consulted on the outcome. I hope that the revised scheme will provide a period of stability for the industry and renewed confidence to encourage further investment.

Neuro Fibromatosis

Mr. Kennedy asked the Secretary of State for Social Services to what extent the Government are funding research into neuro fibromatosis; and whether there are plans to increase this funding.

Mr. Whitney: Research in this field is being conducted at the University of London Institute of Orthopaedics at the Royal National orthopaedic hospital. This is in part supported from general university funds.

The Medical Research Council is responsible for biomedical research generally. The MRC receives its grant in aid from the Science Vote of the Department of Education and Science. I understand that the Council is not currently funding any specific research into neuro fibromatosis.

Clinical Academic Staff

Mr. Ryman asked the Secretary of State for Social Services what assessment he has made of the effect on patient services over the past two years of recent losses of clinical academic staff.

Mr. Whitney: The Government's observations on the third report of 1985-86 ("UGC Cuts and Medical Services") of the Select Committee on the Social Services were published by the Committee in February 1986 (HC242). The conclusion was that the changes in UGC funding had not prevented a significant overall increase in the level of provision of National Health Service clinical services. The latest available evidence gives no grounds for suggesting that this assessment should be revised.

Girocheques

Mr. Craigen asked the Secretary of State for Social Services, pursuant to his reply of 11 June, *Official Report*, column *218*, on the encashment of girocheques, when he expects to be able to reply to the hon. Member for Glasgow, Maryhill, about the constituent's problem, details of which were supplied.

Mr. Major: I replied to the hon. Member today.

London Teaching Hospitals

Mr. Simon Hughes asked the Secretary of State for Social Services whether he has any plans to meet representatives of consultants from London teaching hospitals to discuss resource allocation; and whether he will make a statement.

Mr. Hayhoe: My right hon. Friend and I plan to meet representatives of the London teaching hospital consultants on 10 July.

Ombudsman (Wythenshawe Estates)

Mr. Alfred Morris asked the Secretary of State for Social Services when he expects to provide the full information sought by the Parliamentary Commissioner for Administration regarding the complaint of Mr. Pendleton of Wythenshawe in relation to delays in the designation of several estates in Wythenshawe as hard-to-heat; when such information was first sought; and if he will make a statement.

Mr. Major: The Parliamentary Commissioner for Administration requested further information in a letter received on 5 June 1986. Officials are currently looking into the matter and I will reply as soon as possible.

Occupational Mortality

Dr. Marek asked the Secretary of State for Social Services, pursuant to the reply of 1 May, *Official Report*, column *470*, if, in the course of preparing the Registrar General's decennial supplement on occupational mortality for the years 1979-80 and 1982-83, there has been a bridge coding exercise on similar lines to that conducted for social class coding of fathers' occupations recorded at birth registration.

Mr. Whitney: No.

Rate Rebates

Mr. John Fraser asked the Secretary of State for Social Services how he accounts for the change in the number of persons receiving rate rebates in Lambeth from 63,000 as given in his answer of 14 June 1985, *Official Report*, column *586*, to 36,378 as given in his answer of 25 June 1986, *Official Report*, column *213*.

Mr. Major: I refer the hon. Member to the responsible authority for information about changes in the number of people receiving rate rebates in Lambeth. However I understand that Lambeth's recent case load estimates do not reflect the number of outstanding claims likely to be successful.

Speech Therapists

Dr. Marek asked the Secretary of State for Social Services how many posts there are for speech therapists; and how many of these are vacant at the present time.

Mr. Whitney: Staffing levels are a matter for individual health authorities. At September 1984, the latest date for which centrally collected information is available, it was estimated that there were 2,150 speech therapists in post in England. Information about vacancies is not available but we are not aware of any general shortage.

Mr. Dobson asked the Secretary of State for Social Services if he will make a statement on the current provision of speech therapy services in the National Health Service as compared to *(a)* the National Health Service provision in 1979, *(b)* the private sector provision, *(c)* the population's need for speech therapy and *(d)* the provision in other industrialised countries.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

Management Consultants

Mr. Dobson asked the Secretary of State for Social Services what was the total expenditure by health authorities on management consultants in each year since 1979.

Mr. Whitney: This information is not collected centrally.

Hearing Aids

Mr. Pavitt asked the Secretary of State for Social Services (1) if any of the present issue of BE hearing aids feature compression; if it is his intention to invite tenders for this type of aid in the future; and if he will make a statement;

(2) how many tenders were received for his Department's last purchase of BE hearing aids; and if he will break this figure down to show the number from the United Kingdom and the number from each other country;

(3) what was the average unit cost paid on the last delivery to his Department of a hearing aid in the ranges of BE 12, BE 32 and BE 52, respectively.

Mr. Newton: I am sorry that I cannot give the hon. Member the information he seeks. It is not available centrally. Contracts for the supply of National Health Service hearing aids are the responsibility of Mersey regional health authority. The hon. Member may therefore wish to contact the regional chairman.

Smoking

Mr. Pavitt asked the Secretary of State for Social Services how the British delegation voted at the World Health Organisation meeting in Geneva on 14 June on the motion calling on its members to abate the incidence of smoking by the end of the century; what further steps he proposes to implement this decision; and if he will make a statement.

Mr. Whitney: The United Kingdom voted in favour of the resolution at the World Health Assembly in May and we are seeking to implement a wide range of policies in line with the World Health Organisation's objective to reduce smoking.

Medicines Inspectorate

Mr. Grylls asked the Secretary of State for Social Services what is the full complement of the Medicines Inspectorate within his Department; and how many staff are currently in post.

Mr. Hayhoe: There are 21 established posts in the Medicines Inspectorate and 17 inspectors currently in post.

NHS (General Managers)

Mr. Meacher asked the Secretary of State for Social Services if he will specify all those changes mentioned in his Department's recent circular, according to the extent of which it it proposed to pay general managers in the National Health Service a bonus.

Mr. Hayhoe: I assume that the hon. Member is referring to the provision in personnel memorandum (86)7 which enables discretionary additions to be made to the salaries for general manager posts in order to reflect special local factors. Two kinds of factor are specified: the extent of change to be achieved and the difficulty and complexity of the management task. Examples of these are set out in paragraph 13 of the document, copies of which are in the Library.

Complex Lenses

Mr. Kennedy asked the Secretary of State for Social Services what is the percentage of patients entitled to complex lenses at cost price; and, of these, how many have actually received them at this price.

Mr. Hayhoe: I shall let the hon. Member have a reply as soon as possible.

Medical Records (Patients' Rights)

Mr. Kennedy asked the Secretary of State for Social Services if he will issue guidelines ensuring a right of access by patients to their medical records; and if he will make a statement.

Mr. Hayhoe: Consultations are well advanced on the content of an order under section 29(1) of the Data Protection Act 1984 relating to access by individuals to automatically processed data about their health.

Consideration is currently being given to the comments received. An order subject to approval by affirmative resolution will come before the House later this year or early next.

North-Western RHA (Computers)

Mr. Meacher asked the Secretary of State for Social Services if he will make a statement on the computerisation of the integrated personnel systems and patient administration systems in the North-Western regional health authority; on whose initiative this was carried out; what role the regional general manager played in its implementation; and what assessment has been made of its cost-effectiveness and efficiency.

Mr. Whitney: The acquisition of computer systems is a matter for individual health authorities, to whom their general managers are accountable, to decide.

An audit report on North-Western regional health authority which examined a number of issues is now being considered by the Department in the light of formal comments submitted by the authority.

NATIONAL FINANCE

Civil Service

62. **Mr. Patrick Thompson** asked the Chancellor of the Exchequer what is the total number of employees in the Civil Service at the latest date for which figures are available.

Mr. MacGregor: I would refer my hon. Friend to the answer I gave on 5 June in column 609 to my hon. Friend the Member for Stafford (Mr. Cash).

Financial Management Initiative

63. **Mr. Waller** asked the Chancellor of the Exchequer if he will make a statement on financial management initiative in Government Departments.

Mr. MacGregor: The financial management initiative emphasised the importance of managing public expenditure to give value for the taxpayer's money. With specific reviews and scrutinies, it is an unprecedented effort to get a better Civil Service. Improvements worth hundreds of millions of pounds a year have already been made with the help of civil servants. Work is continuing in each Department to make these changes more widespread and achieve the further improvements our record shows are to be had from sound financial management.

Mortgages

Mr. Deakins asked the Chancellor of the Exchequer what information he has about the number of new and other mortgages, respectively, eligible for tax relief in the latest year for which figures are available; and how many of the mortgages which were not new were for house purchase and how many were for improvements to existing property.

Mr. Norman Lamont: In 1985 about 1·3 million eligible mortgages for house purchase were taken out. Just under half of these were taken out by first-time buyers and the remainder by former owner-occupiers. In addition, about 0·9 million loans were taken out for home improvements which also qualified for tax relief. The amounts borrowed for home improvements are typically much smaller than loans for purchase. Although precise estimates are not available, the proportion of tax relief which corresponds to improvement loans is estimated to be between 5 and 10 per cent. of the total cost of relief.

Value Added Tax

Mr. Andrew F. Bennett asked the Chancellor of the Exchequer if he will establish a task force to deal with the problem of unpaid value added tax, capital gains tax and corporation tax; and if he will make a statement.

Mr. Norman Lamont: No. The VAT provisions included in the Finance Act 1985, particularly the default surcharge which is to be implemented on 1 October this year, are expected to reduce the arrears of VAT significantly. The Inland Revenue already vigorously pursues unpaid capital gains tax and corporation tax. I see no need for further measures of the kind proposed.

Tax Arrears

Mr. Andrew F. Bennett asked the Chancellor of the Exchequer what was the total in tax arrears, at outturn and at real prices, due to his Department in each of the last financial years for which figures are available; and what this represents as a proportion of total tax revenues for each of those years.

Mr. Norman Lamont: The last three full years for which figures are available in respect of the main Inland Revenue

taxes, excluding capital transfer tax and stamp duty, are the years ending 31 October 1982, 1983 and 1984. The figures below represent tax which is collectable, that is, legally due and payable, and exclude tax which has been assessed but has been held over because it was under appeal:

	Year ended 31 October		
	1982	*1983*	*1984*
A. Tax collectable but not paid at current prices £bn	2·135	2·659	3·242
Tax collectable at 1982 prices* £bn	2·135	2·523	2·955
B. Total tax collectable at current prices £bn	47·402	53·541	56·456
Total tax collectable at 1982 prices* £m	47·402	50·717	51·478
A as percentage of B	4·5 per cent.	5·0 per cent.	5·7 per cent.

* Revalued to average prices in the year ended October 1982 using the GDP deflator.

For VAT, taking the March figures as an indication of the average arrears at the end of the financial year, the figures are as follows:

	Year ended 31 March		
	1984	*1985*	*1986*
A. Average arrears of VAT at current prices £bn	1·5	1·4	1·3
Average arrears of VAT at 1982 prices* £bn	1·4	1·3	1·1
B. Net VAT revenue (plus arrears) at current prices £bn	16·7	†19·9	20·6
Net VAT revenue (plus arrears) at 1982 prices† £bn	15·6	17·8	17·3
A as percentage of B	9·0 per cent.	7·1 per cent.	6·4 per cent.

All of the average arrears figures and the 1985-86 VAT receipt figures are provisional.

* Revalued to average prices in the year ended October 1982 using the GDP deflator.

† The 1984-85 VAT receipts were boosted by an estimated £1·4 bn attributable to a change in accounting procedures for imports.

Mr. Andrew F. Bennett asked the Chancellor of the Exchequer what is the amount of arrears in income tax due from the self-employed in the last three years for which figures are available; and if he will make a statement.

Mr. Norman Lamont: I regret that information about income tax arrears of particular classes of taxpayer is not available.

Gay's the Word Bookshop

Mr. Dobson asked the Chancellor of the Exchequer what was the total cost of Her Majesty's Customs and Excise action which led to the prosecution of the Gay's the Word bookshop.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

Mr. Dobson asked the Chancellor of the Exchequer what was the total cost to his Department in legal fees of the prosecution of the Gay's the Word bookshop.

Mr. Brooke: This information is not yet available.

Mr. Dobson asked the Chancellor of the Exchequer how many staff of Her Majesty's Customs and Excise were employed in the overall action against the Gay's the Word bookshop.

Mr. Brooke: At one time or another some 40 staff—including local and headquarters staff and legal advisers—worked on the Gay's the Word case. Most were involved for a very short period, mainly in scrutinising books detained from the bookshop to determine whether or not they were covered by the import prohibition.

Mr. Dobson asked the Chancellor of the Exchequer whether compensation will be paid to Gay's the Word Bookshop for new books soiled in the course of scrutiny by Her Majesty's Customs and Excise; and if he will make a statement.

Mr. Brooke: Customs and Excise will consider any valid claim by Gay's the Word bookshop for compensation for any new book damaged while seized by them.

Monetary Aggregates

Mr. Foulkes asked the Chancellor of the Exchequer if he will list the changes which have occurred since June 1979 in the definitions of the following monetary aggregates *(a)* M0, *(b)* M1, *(c)* M2, *(d)* M3, *(e)* PSL1, *(f)* PSL2 and *(g)* sterling M3.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

Shipping

Sir William Clark asked the Chancellor of the Exchequer what arrangements exist in each member state of the European Economic Community to exempt from tax income derived from shipping companies from the sale of ships; and what conditions have to be met to qualify for such tax exemption.

Mr. Norman Lamont [*pursuant to his reply*, 30 June 1986, c. 411]: The only member state of the European Economic Community to exempt from tax unconditionally proceeds received by shipping companies from the sale of ships is Greece. This is part of the special tax regime for ships sailing under the Greek flag.

The only other Community country where such gains would generally be exempt from tax is Spain which exempts from tax gains from the sale of most tangible fixed assets of a company to the extent that the proceeds are reinvested in the purchase of other such assets: ships are included in this regime. Reinvestment must normally take place in the year of sale or the two following years, but the tax authorities may in some circumstances extend the period to four years. Exemption is also available where a replacement assets has been acquired in the year preceding the sale. Exemption is conditional on the new asset being retained until fully depreciated.

Investment Promotion

Sir William Clark asked the Chancellor of the Exchequer which member states of the European Economic Community have investment promotion arrangements comparable to the business expansion scheme; whether such arrangements apply to investment in ships; and what conditions are imposed in each case,

including particularly restrictions on the nationality of the operating company, the ability of the companies concerned to hire in management services, the provenance of the ships, the flags under which they sail, the nationality of their crews and the trades or trading areas in which they operate.

Mr. Norman Lamont [*pursuant to his reply*, 30 June 1986, c. 411]: Only the Republic of Ireland has an investment promotion arrangement similar to the BES. It is restricted to individuals purchasing new shares in manufacturing, data processing and health care companies.

NORTHERN IRELAND

Fair Employment Act (Northern Ireland) 1976

Mr. Bell asked the Secretary of State for Northern Ireland which employers in Northern Ireland have failed to comply with a direction from the Fair Employment Agency under section 13 of the Fair Employment Act (Northern Ireland) 1976; and whether, in each case, the agency made an application to the county court under section 15 of the Act.

Dr. Boyson: None.

Mr. Bell asked the Secretary of State for Northern Ireland how many complaints under section 24 of the Fair Employment Act (Northern Ireland) 1976 of unlawful discrimination the Fair Employment Agency has declined to pursue; and what reasons have been given in each case.

Dr. Boyson: I understand from the chairman of the Fair Employment Agency that the agency has declined to pursue 63 complaints under section 24 of the Fair Employment (Northern Ireland) Act because:

	Number
(1) The complaints were considered frivolous	28
(2) The complaints were outside the time limits	24
(3) The complaints were outside the scope of the legislation	9
(4) The complaint had been considered by another body	1
(5) The complainant failed to provide sufficient information	1

Terrorism

Mr. Maginnis asked the Secretary of State for Northern Ireland (1) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Alfred Johnston in Fermanagh on 25 August 1972; and if he will give details;

(2) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of William H. Trotter in Fermanagh on 28 August 1972; and if he will give details;

(3) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of William A. McIntyre in South Tyrone on 10 September; and if he will give details;

(4) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Douglas Richmond in South Tyrone on 10 September 1972; and if he will give details;

(5) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Duncan McPhee in South Tyrone on 10 September 1972; and if he will give details;

(6) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Tommy Bullock in Fermanagh on 21 September 1972; and if he will give details;

(7) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Emily Bullock in Fermanagh on 21 September 1972; and if he will give details;

(8) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Robert John Bell in Fermanagh on 22 October 1972; and if he will give details;

(9) if anyone has been made amenable for the murder alleged to have been committed by regular soldiers of Michael Naan in Fermanagh on 24 October 1972; and if he will give details;

(10) if anyone has been made amenable for the murder alleged to have been committed by regular soldiers of Andrew Murray in Fermanagh on 24 October 1972; and if he will give details;

(11) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Joseph Calvin in Fermanagh on 17 November 1972; and if he will give details;

(12) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Robert Keys in Fermanagh on 28 November 1972; and if he will give details;

(13) if anyone has been made amenable for the murder alleged to have been committed by regular soldiers of Louis Leonard in Fermanagh on 15 December 1972; and if he will give details;

(14) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Henry Sandford in South Tyrone on 14 January 1973; and if he will give details;

(15) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Charles Morrison in South Tyrone on 8 February 1973; and if he will give details;

(16) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Michael J. Gay in South Tyrone on 17 March 1973; and if he will give details;

(17) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Andrew Sommerville in South Tyrone on 27 March 1973; and if he will give details;

(18) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Franklin Caddoo in South Tyrone on 10 May 1973; and if he will give details;

(19) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of David Purvis in Fermanagh on 5 June 1973; and if he will give details.

(20) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Terence Herdman in South Tyrone on 5 June 1973; and if he will give details.

Mr. Scott: I will write to the hon. Gentleman as soon as information on these murders has been obtained from the Royal Ulster Constabulary.

I will also write to the hon. Gentleman about any other similar incidents which may have occurred within his constituency if he tables appropriate questions.

Mr. Maginnis asked the Secretary of State for Northern Ireland (1) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Brian Criddle in South Tyrone on 18 July 1973; and if he will give details;

(2) if anyone has been made amenable for the murder claimed to have been committed by Protestants of Francis Mullen in South Tyrone on 5 August 1973; and if he will give details;

(3) if anyone has been made amenable for the murder claimed to have been committed by Protestants of Bernadette Mullen in South Tyrone on 5 August 1973; and if he will give details;

(4) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Ronald Beckett in Fermanagh on 30 August 1973; and if he will give details;

(5) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Patrick Joseph Duffy in Fermanagh on 5 September 1973; and if he will give details;

(6) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Matthew Lilly in Fermanagh on 7 September 1973; and if he will give details;

(7) if anyone has been made amenable for the murder claimed to have been committed by Protestants of Raymond McAdam in Fermanagh on 12 October 1973; and if he will give details;

(8) if anyone has been made amenable for the murder claimed to have been committed by Protestants of Francis McCaughney in South Tyrone on 28 October 1973; and if he will give details;

(9) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Ivan Charleton in South Tyrone on 22 November 1973; and if he will give details;

(10) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Cyril McCaul in South Tyrone on 22 November 1973; and if he will give details;

(11) if anyone has been made amenable for the murder claimed to have been committed by Protestants of Daniel Hughes in South Tyrone on 17 January 1974; and if he will give details;

(12) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Cormac McCabe in South Tyrone on 19 January 1974; and if he will give details;

(13) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of George Saunderson in Fermanaugh on 10 April 1974; and if he will give details;

(14) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Harold Sinnamon in South Tyrone on 11 April 1974; and if he will give details;

(15) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Norman W. McKenzie in Fermanagh on 11 April 1974; and if he will give details;

(16) if anyone has been made amenable for the murder claimed to have been committed by Protestants of James Murphy in Fermanagh on 21 April 1974; and if he will give details;

(17) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Eva Martin in South Tyrone on 2 May 1974; and if he will give details;

(18) if anyone has been made amenable for the murder claimed to have been committed by Protestants of Gertie Devlin in South Tyrone on 7 May 1974; and if he will give details;

(19) if anyone has been made amenable for the murder claimed to have been committed by Protestants of Jim Devlin in South Tyrone on 7 May 1974; and if he will give details;

(20) if anyone has been made amenable for the murder claimed to have been committed by the Irish Republican Army of Fred Dick in South Tyrone on 4 June 1974; and if he will give details.

Mr. Scott: I will write to the hon. Gentleman as soon as information on these murders has been obtained from the Royal Ulster Constabulary.

I will also write to the hon. Gentleman about any other similar incidents which may have occurred within his constituency if he tables appropriate questions.

Michael Tighe (Tape)

Mr. Cohen asked the Secretary of State for Northern Ireland who currently has the tape recorded from the device in the shed where Michael Tighe was shot dead in Northern Ireland in 1982.

Mr. Tom King: The facts concerning certain events in Northern Ireland in the autumn of 1982 are currently the subject of an inquiry being carried out at the request of the Chief Constable of the RUC.

Lost Working Days

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland how many days were lost through industrial disputes in the Province in the last year for which figures are available; and what were the equivalent figures for each of the last five years and for 10 years previously.

Dr. Boyson: The information is as follows:

Year	*Working days lost*
1985	40,681
1984	51,586
1983	79,420
1982	96,900
1981	69,200
1980	49,400
1975	245,700

Labour Statistics

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland how many people were unemployed in

the Province at the latest date for which figures are available; what were the equivalent figures for each of the last five years and for 10 years previously; and if he will make a statement.

Dr. Boyson: At 8 May 1986 there were 124,717 unemployed claimants in Northern Ireland. Figures for each of the last five years and for 10 years previously are as follows:

Year	*Unemployed claimants at May of each year*
1985	120,922
1984	120,597
1983	114,953
1982	105,100
1981	95,900
1976	48,800

Note:
1. Figures prior to 1983 are estimates and rounded to the nearest hundred.
2. Figures over the period are not strictly comparable due to changes in the method of counting.

The Government recognise the seriousness of the unemployment problem in Northern Ireland and continue to give a high priority to employment training and enterprise programmes, details of which were published in Action for Jobs Northern Ireland on 24 June 1986.

Discrimination

Mr. Archer asked the Secretary of State for Northern Ireland when the Government intend to release the report of the review of initiatives on employment discrimination and inequality in the Northern Ireland Civil Service announced in his reply to a question on 3 July 1985, *Official Report*, column 161, and which he announced in a reply on 12 November 1985, *Official Report*, column 129, would be published early in 1986.

Mr. Tom King [*pursuant to his reply*, 2 July 1986, c. 584]: I hope to publish proposals for discussion as soon as possible. Additionally, the first report of the Northern Ireland Civil Service equal opportunities unit will be published shortly.

THE ARTS

Museums (Insurance)

47. **Mr. Barron** asked the Minister for the Arts if he has any plans to extend the insurance indemnity scheme to provincial museums; and if he will make a statement.

Mr. Luce: Loans to and from provincial museums which are for public benefit are already included within the Government indemnity scheme.

Young People (Musical Performance)

48. **Mr. Meadowcroft** asked the Minister for the Arts what plans he has to help young people not in school to participate in musical performance.

Mr. Luce: The Arts Council expects all its clients to engage in educational activity, encouraging young people to participate.

The council has budgeted £70,000 for musical education in 1986-87, and the regional arts associations will also be spending considerable sums on this. A substantial proportion will be spent on projects not involving schools.

National Museums and Galleries Act 1964

49. **Mr. Greenway** asked the Minister for the Arts if he will make a statement on the operation of the National Museums and Galleries Act 1964.

Mr. Luce: The Act continues to provide an adequate framework for the provision of library and museum services by local authorities.

Musical and Theatrical Companies (Rural Tours)

50. **Mr. Maclennan** asked the Minister for the Arts what steps he is taking to promote wider financial backing for rural area tours by musical and theatrical companies.

Mr. Luce: Such support is a matter for the Arts Councils. They already promote tours to many rural areas; and action is in hand to extend these in conjunction with regional arts associations and district and regional councils.

Museums (Charges)

51. **Mr. Tony Banks** asked the Minister for the Arts what is the latest information he has about the impact on attendances of museums operating *(a)* voluntary and *(b)* compulsory admittance charges.

Mr. Luce: There is no comprehensive information on this subject. Attendances vary from museum to museum due to a number of factors. It is interesting to observe that at independent museums, the majority of which charge for admission, attendances are generally buoyant.

Sadler's Wells Theatre

52. **Mr. Hanley** asked the Minister for the Arts if he will make a statement on Sadler's Wells theatre.

Mr. Luce: I welcome the fact that funding for the theatre has been secured. In addition to support from the Arts Council and the successor authority, which has replaced GLC funding, two companies have come forward with generous sponsorships: Northern Telecom with £50,000 and Digital Equipment Company with £175,000 over two years, to which I have added £25,000 from my business sponsorship incentive scheme.

Public Lending Rights

53. **Mr. Watts** asked the Minister for the Arts what steps he is taking to promote co-operation on public lending rights in the European Community.

Mr. Luce: During the United Kingdom Presidency of the Community consideration will be given to a resolution encouraging the establishment of other national public lending right schemes, with a view to introducing reciprocal arrangements such as already exist between the United Kingdom and the Federal Republic of Germany.

Free Library Service

54. **Mr. Dickens** asked the Minister for the Arts if he has any plans to seek to amend the law relating to the provision of a free library service to the public.

Mr. Luce: No.

Business Sponsorship Incentive Scheme

55. **Mr. Waller** asked the Minister for the Arts what is the total number of *(a)* first-time sponsors and *(b)* existing sponsors registering under the business sponsorship incentive scheme.

Mr. Luce: Two hundred and nine first-time sponsors and 199 sponsors have won awards under the scheme in the period October 1984 to April 1986.

CIVIL SERVICE

Civil and Public Services Association

Mr. Peter Bruinvels asked the Minister for the Civil Service when he expects to meet the general secretary designate of the Civil and Public Services Association; and if he will make a statement.

Mr. Luce: I have at present no plans to meet the leaders of the non-industrial Civil Service trade unions.

Civil Servants

Mr. Peter Bruinvels asked the Minister for the Civil Service in what circumstances he collects information on the political adherence of civil servants.

Mr. Luce [*pursuant to his reply*, 4 July 1986]: With one exception, the Government are not concerned with the political adherence of civil servants. It has been the policy of successive Governments since 1948 that no one may be employed in connection with work the nature of which is vital to the security of the State who:

(a) is, or has recently been, a member of a Communist or Fascist organisation, or of a subversive group, acknowledged as such by the Minister, whose aims are to undermine or overthrow parliamentary democracy in the United Kingdom of Great Britain and Northern Ireland by political, industrial or violent means;

(b) is, or has recently been, sympathetic to or associated with members or sympathisers of such organisations or groups, in such a way as to raise reasonable doubts about his reliability;

(c) is susceptible to pressure from such organisations or groups.

DEFENCE

USSR (Backfire Bombers)

Mr. Andrew F. Bennett asked the Secretary of State for Defence what information he has as to the deployment by the Soviet Union of Backfire bombers with long-range cruise missiles.

Mr. Stanley: There is no evidence that long-range (strategic) cruise missiles are currently deployed on the Backfire bomber.

Mr. Andrew F. Bennett asked the Secretary of State for Defence what information he has as to the Soviet Union's production rate of the Backfire bomber and as to whether the Backfire bomber constitutes a strategic intercontinental bomber.

Mr. Stanley: The Soviet Union is assessed to produce the Backfire bomber at a rate of about 30 per year. As to whether the Backfire is a strategic system, I refer the hon. Member to what is said on this point in paragraph 17 of annex A of volume 1 of the "Statement on the Defence Estimates 1986 (Cmnd. 9763-1)."

Vessel Design (S-90)

Mr. Best asked the Secretary of State for Defence against what design criteria as respects purposes and degrees of specialisation for towed array sonar was the evaluation by the marine technology board of the Defence Scientific Advisory Council of the S-90 carried out.

Mr. Lee: No evidence was presented to the marine technology board that the performance of the S90 frigate when operating with towed-sonar had been addressed.

Mr. Best asked the Secretary of State for Defence if he will publish details of the nature of the failure of the S-90 to meet the Royal Navy's requirements.

Mr. Lee: As I said on 1 November 1983, at column *333*, it was concluded that the proposed design of the S90 was fundamentally unsuited to the key requirements of the type 23 frigate. It lacked sufficient space and did not meet our requirements on speed, endurance, seakeeping, damaged stability and noise.

Management Consultancy

Mr. Mates asked the Secretary of State for Defence if he will list the contacts, with the subject of the assignment, awarded to management consultancy or accounting firms by his Department in 1985, with the name of the consultants concerned.

Mr. Lee: Comprehensive records of all contracts placed with management consultancy firms are not available centrally and it would be disproportionately expensive to collect the information. Details are, however, available of the management consultancy work commissioned through the MOD's management studies division, which covers most of the management consultancy assignments proper — as opposed to computer consultancies, project support and similar work.

Firm	*Subject of Assignment*
Arren Management Services	Assistance to CED on Industrial Relations.
Arthur Anderson	Accountancy advice.
Arthur Young	Management Accounting Requirements at Portsmouth.
Arthur Young	Study work on Service B Vehicle holdings.
Arthur Young	Replacement Policy for Engineering and Construction Vehicles.
BATALAS HQ	Feasibility Study of the Use of Contract Instructors at HMS Collingwood.
BP Shipping HQ	RFA Upkeep and Maintenance System.
Coopers and Lybrand	Study of MOD Civil Pay Systems.
Coopers and Lybrand	Review of the bill authorisation and payment system.
Coopers and Lybrand	Advice in connection with the sale of Royal Ordnance.
David Fish and Fisher	Inventory control procedures for electronic componentry in DGST(N).
Deloitte, Haskins and Sells	Requisitioning and contracting procedures within the Army Department.
Hay MSL	Assistance to CED/DPT in connection with the commercialisation of the Royal Dockyards.
Organisation Development Ltd	Assistance with a study of contracting-out in British Forces Germany.
PA	Business Management Systems at HM Dockyard, Rosyth.
PE Information Systems	Study of mechanical factory production, HM Dockyard, Rosyth.

Firm	Subject of Assignment
PE Information Systems	Study of Business Management Systems, HM Dockyard, Devonport.
PE Consulting Group	Study of Production Control, HM Dockyard, Rosyth.
Peat, Marwick, Mitchell	Review of MOD Equipment Accounting Centre.
Pentagon Information	Review of the MOD ADP Audit Branch.
PIRA	To set up a costing system for the print unit at Eastcote.
Price Waterhouse	Review of spares support for industrial repair of RAF managed equipment.
Price Waterhouse	To assess financial viability of Swan Hunter.
Price Waterhouse	Implementation of interim management measures at HM Dockyards.
Price Waterhouse	To review operating procedures in the Civilian Travel Claims Section.
Tom Critchley	To assist the study work of the Direct Supply Working Group.
Touche Ross	Provision of commercial, style prospectus for HM Dockyards.
Touche Ross	Study of Dockyard Accounting Arrangements.
Touche Ross	Development of Dockyard Accounting System.
Touche Ross	Cash Management Study in the financial services area.

Civilian Manpower

Mr. Wigley asked the Secretary of State for Defence what circumstances the Ministry of Defence and the Property Services Agency takes into account when deciding on the redundancy terms to be offered to civilian employees at his Department's bases; and what has been the range of redundancy payment, in terms of years wages, that has been offered to various such employees over the past seven years.

Mr. Lee: Redundancy terms offered to civilian employees in the Ministry of Defence depend upon age and length of service and whether the individual concerned is in a mobile or non-mobile grade. These terms apply throughout the Civil Service.

The maximum redundancy payment made in the last seven years was two years wages and the minimum was one week. I am unable to provide information on Property Services Agency employees as they are the responsibility of the Secretary of State for the Environment.

Strategic Defence Initiative

Mr. Wareing asked the Secretary of State for Defence what recent discussions he has had with allies in Europe about the strategic defence initiative.

Mr. Lee: My right hon. Friend has had a number of meetings with European colleagues this year, at which a wide variety of subjects of mutual defence interest including strategic defence initiative were discussed. Communiqués of these meetings have been issued, where appropriate, and copies of these have been placed in the Library.

Mr. Viggers asked the Secretary of State for Defence if he will make a statement on the benefits to the United Kingdom of participation in the strategic defence initiative.

Mr. Lee: There will be a certain level of financial benefit through United States-funded work in the SDI research programme. The principal economic benefit will, however, be indirect through the development of the national technology base both in terms of knowhow and the level of participation and experience of professional personnel. Exploitation of this enhanced potential offers prospects to advance the capabilities and make our industries more competitive in the export field both in defence and civil programmes. A further very real benefit of British participation is that scientists, engineers and other specialists who might otherwise have been tempted to move to the United States to carry out work in the SDI research programme, will remain in the United Kingdom to carry out the work with the resulting benefit that that will bring.

Mr. Viggers asked the Secretary of State for Defence if he will make a statement on the benefits to employment in the United Kingdom of participation in the strategic defence initiative.

Mr. Lee: At this early stage of British participation in the SDI research programme it is difficult to predict with any certainty the extent of the effect that such participation might have on employment in the United Kingdom. There are, however, encouraging signs indicating that British involvement in the programme will occur on a progressive scale. With that prospect the effect on employment can only be a positive one.

Royal Ordnance Factories

Mr. Pike asked the Secretary of State for Defence what recent representations he has received regarding the proposed privatisation of the Royal Ordnance factories.

Mr. Lee: Since the announcement on 17 June 1986 of the deferment of this summer's flotation, in addition to a small number of letters from MPs, the trades unions and members of the public, several inquiries have been received from industry about Royal Ordnance plc. It would not be appropriate to disclose details at this stage.

Defence Equipment (Sri Lanka)

Mr. Tom Clarke asked the Secretary of State for Defence if there has been any change in the policy of Her Majesty's Government towards trade in defence equipment and services with Sri Lanka since the answer to the hon. Member for Coventry, South-East (Mr. Nellist) of 14 February 1985, *Official Report*, column 285; and if he will make a statement.

Mr. Lee: No.

Prince of Wales (Wedding)

Mr. Canavan asked the Secretary of State for Defence (1) what was the total cost to his Department of providing security and ceremonial services at the wedding of His Royal Highness the Prince of Wales;

(2) how many members of the armed forces were engaged in duties connected with the wedding of His Royal Highness the Prince of Wales.

Mr. Stanley: I will answer shortly.

Mallet Blow Exercises

Mr. Kirkwood asked the Secretary of State for Defence (1) if he will list in the *Official Report* the types of aircraft to be used in the third series of Mallet Blow exercises taking place between 4 and 8 August;

(2) whether any new types of aircraft are being used in the third series of Mallet Blow exercises taking place between 4 and 8 August.

Mr. Stanley: I will answer shortly.

US Nuclear Bombers

Mr. Kirkwood asked the Secretary of State for Defence what consultations take place between North Atlantic Treaty Organisation military officials regarding the use of long-range United States nuclear bombers in military and airforce manoeuvres being held in the United Kingdom.

Mr. Stanley: I will answer shortly.

Trade Unions

Mr. Peter Bruinvels asked the Secretary of State for Defence if there are any national officials of trade unions recognised by his Department to whom it is his Department's policy not to disclose information; and if he will make a statement.

Mr. Lee: This Department has no such policy at the present time. The only information withheld from all trades unions is that which has been designated as classified.

Procurement Contractors (Mergers)

Dr. Glyn asked the Secretary of State for Defence what assessment he has made of the implications of mergers among major defence procurement contractors for his defence procurement policy; and if he will make a statement.

Mr. Lee: The Ministry of Defence considers each proposed merger on its merits in the light of strategic, value for money and other considerations. Where appropriate, we give evidence to the Office of Fair Trading and Monopolies and Mergers Commission.

Virgin Atlantic Challenger

Mr. Nellist asked the Secretary of State for Defence what was the cost of the operation for Richard Branson's Challenger boat involving the dropping of engine filters and so on from a Nimrod aircraft; and how that cost will be met.

Mr. Freeman: The petrol filters were dropped by an RAF Nimrod in the course of an operational training sortie which had already been planned. RAF equipment used for the drop was recovered and has been returned for re-use. The delivery of the filters involved no extra costs to public funds.

Written Answers to Questions

Tuesday 8 July 1986

ENVIRONMENT

Planning

Mr. Alan Howarth asked the Secretary of State for the Environment whether the chief planning adviser has yet consulted representatives of small business about the problems they face with the planning system.

Mr. Tracey: It is normal practice for the Department to consult bodies representing small businesses about proposals to modify the planning system which are of relevance to them. By way of example, I refer my hon. Friend to pages 158-159 of "Speeding Planning Appeals: a review of the handling of transferred written representation planning appeals: report of an efficiency scrutiny" (HMSO, May 1986), a copy of which is in the Library. Consultation with representatives of small businesses is not a specific responsibility of the chief planning adviser.

Mr. Alan Howarth asked the Secretary of State for the Environment when the chief planning inspector last consulted representatives of small businesses about the system of planning appeals under the Town and Country Planning Act 1971.

Mr. Tracey: My Department, including its planning inspectorate, frequently consults bodies representing small businesses about the operation of the planning system, including planning appeals. Representative bodies were, for example, consulted during the course of the efficiency scrutiny of written representation planning appeals last year and the similar review of inquiry planning appeals which was completed recently.

Mr. Alan Howarth asked the Secretary of State for the Environment whether the new chief planning adviser will be expected to devise additional ideas for improvements in the planning system, further to those mentioned in the White Paper on deregulation.

Mr. Tracey: It is the responsibility of the planning land use policy directorate under its director, and minerals division under the director of planning services (the chief planning adviser) to search constantly for, and advise on, improvements to the planning system. The proposals described in "Building Businesses . . . Not Barriers" (Cmnd. 9794) are another step in a process of improvement and simplification which has been under way since 1979. Paragraph 5.31 of the White Paper also invites suggestions for further deregulatory measures which we can consider.

Mr. Alan Howarth asked the Secretary of State for the Environment whether the training for planning inspectors includes a module on development, enterprise and the role of small firms.

Mr. Tracey: Yes, for example, a seminar on the economics of development was held recently for experienced inspectors; the subject is to be included in a forthcoming weekend seminar for inspectors recruited within the last two years; and is being introduced as a standard component in the training of new entrants.

Hedgehogs

Mr. Freud asked the Secretary of State for the Environment whether he has any plans to seek to amend schedule 5 to the Wildlife and Countryside Act 1981 to extend the protection currently afforded to hedgehogs.

Mrs. Rumbold: The Government have no plans at present to amend schedule 5 to the Wildlife and Countryside Act 1981 to extend the protection currently afforded to hedgehogs by schedule 6 to the Act. I am advised that the hedgehog is not considered an endangered or declining species.

Mr. Freud asked the Secretary of State for the Environment what recent representations he has received in respect of the protection of hedgehogs.

Mrs. Rumbold: My right hon. Friend the Secretary of State has received no recent representations in respect of the protection of hedgehogs.

Conservation (Compensation)

Mr. Simon Hughes asked the Secretary of State for the Environment whether his Department has any plans to seek to amend provisions for compensation under legislation concerned with protecting the countryside; and whether he will make a statement.

Mrs. Rumbold: We are currently considering the responses to the consultation paper on the compensation provisions in the Town and Country Planning Act 1971 which was issued by the Department on 16 April 1986.

Nuclear Waste Disposal

Mr. Alexander asked the Secretary of State for the Environment what specific numerical weightings were applied to each of the critical factors taken into account regarding a proposed dump for low-level nuclear waste when the four sites the subject of the special development order which was laid before Parliament on 14 May were chosen; and if he will make a statement.

Mr. Waldegrave: The choice of sites was for NIREX. The factors influencing its choice, and weightings attributed to those factors, were matters for it. In making its choice NIREX was aware that any proposals for developing a site ultimately put forward would have to meet the Government's criteria for the development of radioactive waste facilities on land. These criteria are set out in a booklet published by HMSO, entitled "Disposal Facilities on Land for Low and Intermediate-Level Radioactive Wastes: Principles for the Protection of the Human Environment". Copies are available in the Library.

Team Events

Mr. John Carlisle asked the Secretary of State for the Environment what has been his response to the report published in December 1985 by the Central Council for Physical Recreation on the staging of major team events.

Mr. Tracey: I have received no such report.

Pollution Control

Mrs. Renée Short asked the Secretary of State for the Environment when he next plans to have consultations with EEC Ministers about collective action to be taken to enforce more stringent pollution controls.

Mr. Waldegrave: During the United Kingdom's Presidency of the EC we will be highlighting the importance of proper implementation and enforcement of Communitywide measures to reduce or prevent pollution. I intend to consult individually all my European colleagues before we meet at the Environment Council on 24 November.

Elderly People (Housing)

Mr. Carter-Jones asked the Secretary of State for the Environment what steps he is taking to seek to improve the housing stock used by elderly people; if, in particular, he has any plans to seek to improve insulation in houses occupied or intended for occupation by elderly people; and if he will make a statement.

Sir George Young: The Government attach importance to improvements in the housing stock in contributing to its objective of helping elderly people to remain living in their own homes. Resources available to housing authorities have been increased by £200 million this year; we expect them to give increasing priority to the renovation of their own stock. Local authorities have been asked to give priority when considering applications for discretionary home improvement grants to those most in need, including elderly people. Under the homes insulation scheme grants are also available for the insulation of loft spaces and associated tanks and pipes, with a higher rate of grant available for the elderly on low incomes.

The present requirements of building regulations for energy efficiency in new housing are being reviewed with the aim of combining a higher standard overall with greater flexibility in the ways in which the requirements can be met. There will be full consultation later this year on any proposals for change.

Elderly people form one of the special needs groups to which priority is given when resources are allocated to housing associations for new build or rehabilitation schemes. Associations provide dwellings for the elderly for rent, and also for sale under leasehold schemes for the elderly, some of which are funded wholly or partly through private finance.

Fair Rents

Mr. Meadowcroft asked the Secretary of State for the Environment if he will introduce legislation to increase the number of private dwellings for which fair rent has to be registered.

Sir George Young: In the next Parliament we hope to introduce legislation to encourage private landlords to provide more rented homes. If landlords are to invest in rented accommodation, and maintain it adequately they need a better return than that currently provided by fair rents.

Listed Buildings

Mr. Chapman asked the Secretary of State for the Environment what are the total numbers of listed buildings in each county in each grade.

Mr. Tracey: I shall write to my hon. Friend shortly when I have up-to-date figures.

Mr. Chapman asked the Secretary of State for the Environment how many grade I listed buildings are situated in the cities of Bath and York respectively.

Mr. Tracey: There are 72 grade I listed buildings in Bath and 84 grade I listed buildings in York.

Lead-free Petrol

Dr. David Clark asked the Secretary of State for the Environment (1) if he has any plans to encourage other petrol producers to follow the example of those companies which have introduced, or plan to introduce, lead-free petrol ahead of the statutory dates; and if he will make a statement;

(2) what plans he has for a campaign to inform motorists on the use of lead-free petrol; and, in particular, how he intends to publicise which existing models can use it safely.

Mr. Waldegrave: I refer the hon. Member to the answer I gave to my hon. Friend the Member for Lincoln (Mr. Carlisle) on 23 June 1986 at columns *3-5*. Unleaded petrol started to come on the market shortly thereafter, and the Department is already consulting interested bodies on the information needs of motorists.

Liverpool (Ministerial Visit)

Mr. Parry asked the Secretary of State for the Environment if he will make a statement on the recent visit to Liverpool of the Minister for Housing, Urban Affairs and Construction.

Mr. Alton asked the Secretary of State for the Environment if he will make a statement on the visit of the Minister for Housing, Urban Affairs and Construction to Merseyside.

Mr. John Patten [*pursuant to his reply*, 7 July 1986]: I visited Merseyside on 2 July 1986.

In the morning I toured the Liverpool south docks and also met the Bishop of Liverpool.

In the afternoon I opened a computer-aided engineering centre on the Wirral, and on returning to Liverpool, saw examples of inner city housing conditions as well as some urban renewal projects in the company of the chief executive of Liverpool city council.

Motor Vehicles (Pollution)

Mrs. Renée Short asked the Secretary of State for the Environment what discussions he has had with the vehicle industry about any further steps to be taken to introduce computers into motor vehicles, including lorries and buses, in order to reduce pollution levels.

Mr. Peter Bottomley : I have been asked to reply.

The Department has frequent discussions with vehicle and component manufacturers to discuss the ways in which developing technologies would help meet emission limits for new vehicles. The new limits for cars provisionally agreed in Europe last year are likely to encourage more sophisticated engine control systems using computers.

THE ARTS

Objects in Lieu of Tax

Mr. Jessel asked the Minister for the Arts what further property has been accepted by Her Majesty's Government in satisfaction of capital transfer tax since 31 March; and if he will give details of the individual amounts of tax satisfied in each case.

Mr. Luce: Yes. Two items have been accepted in lieu of capital transfer tax since 31 March. These are as follows:

Property Accepted	*Amount of Tax Satisfied* £
Portrait by Sir Thomas Lawrence	103,435
Moorlands in Staffordshire	580,500

CIVIL SERVICE

Executive Officer Appointments

Mr. Millan asked the Minister for the Civil Service how many applicants were received by the Civil Service Commission in each of the last five years for executive officer appointments; and how many appointments were made in each of these years.

Mr. Luce: The figures below relate to executive officers (and departmental equivalents) in the Home Civil Service and are taken from the Civil Service Commissioners' annual reports for each of the years in question.

	Applications received	*Appointments made*
1981	23,868	1,378
1982	24,867	2,133
1983	29,910	2,712
1984	31,845	3,578
1985	32,087	4,499

DUCHY OF LANCASTER

Magistrates

Mr. Andrew F. Bennett asked the Chancellor of the Duchy of Lancaster what is the number of magistrates who reside in each ward, on a ward-for-ward basis; and what percentage this is of the total magistrates on each bench in the petty sessional districts of Ashton under Lyne, South Tameside and Stockport.

Mr. Tebbit: The figures requested are in the Table.

Table

Ashton under Lyne Petty Sessional Division	*Magistrates* Number	Per cent.
North Tameside		
Ashton St. Michael's	2	2
Ashton St. Peter's	5	5
Ashton Waterloo	4	4
Ashton Hurst	16	16
Audenshaw	3	3
Denton South	3	3
Denton West	10	10
Denton North East	3	3
Droylsden West	7	7
Droylsden East	—	—
Mossley	8	8
South Tameside		
Dukinfield	1	1
Dukinfield Stalybridge	1	1
Hyde Godley	—	—
Hyde Newton	—	—
Hyde Werneth	—	—
Longdendale	5	5
Stalybridge North	—	—
Stalybridge South	10	10
Outside Tameside	23	23
Total	101	100
South Tameside Petty Sessional Division		
South Tameside		
Dukinfield	5	6·6
Dukinfield Stalybridge	6	8
Hyde Godley	1	1·3
Hyde Newton	4	5·3
Hyde Werneth	8	10·6
Longdendale	14	18·6
Stalybridge North	3	4
Stalybridge South	11	14·6
North Tameside		
Ashton St. Michael's	1	1·3
Ashton St. Peter's	—	—
Ashton Waterloo	—	—
Ashton Hurst	1	1·3
Audenshaw	—	—
Denton South	—	—
Denton West	1	1·3
Denton North East	—	—
Droylsden West	—	—
Droylsden East	—	—
Mossley	2	2·6
Outside Tameside	18	24
Total	75	100
Stockport Petty Sessional Division		
Bredbury	4	2·5
Brinnington	1	0·62
Cale Green	1	0·62
Cheadle	4	2·5
Cheadle Hulme North	6	3·73
Cheadle Hulme South	2	1·24
Davenport	9	5·6
East Bramhall	14	8·7
Edgeley	3	1·86
Great Moor	10	6·2
Hazel Grove	3	1·86
Heald Green	3	1·86
Heaton Mersey	6	3·73
Heaton Moor	14	8·7
Manor	5	3·1
North Marple	12	7·45
North Reddish	2	1·24
Romiley	9	5·59
South Marple	9	5·59
South Reddish	3	1·86

Ashton under Lyne Petty Sessional Division	Magistrates Number	Per cent.
West Bramhall	16	9·92
Outside	25	15·53
Total	161	100

PRIME MINISTER

La Belle Discotheque (Bombing)

Q73. **Mr. Dalyell** asked the Prime Minister what is the character of the evidence other than the firm evidence regarding involvement of Libya in the bombing of La Belle discotheque on 5 April, referred to in her answer of 19 June, *Official Report*, column 617.

The Prime Minister: I refer the hon. Member to the answer I gave to him on 3 July at column 587.

Overseas Aid

Q93. **Mr. Kirkwood** asked the Prime Minister if she has any plans to increase the current levels of expenditure in overseas aid in response to the United Nations Special Session on famine in Africa.

The Prime Minister: I welcome the positive outcome of the United Nations Special Session on Africa. We will make ever effort to increase our aid to those countries which can make effective use of it, especially those now carrying out sensible economic policies.

Easenhall

Q116. **Mr. Pawsey** asked the Prime Minister if she has any plans to make an official visit to Easenhall near Rugby.

The Prime Minister: I have at present no plans to do so.

Public Education

Q147. **Sir David Price** asked the Prime Minister whether it is now the Government's policy to put more real resources into public education at all levels as part of their investment plans.

The Prime Minister: The Government's principal aims for all sectors of education remain to raise standards and to secure the best possible return for the resources invested. In schools, the investment we have already made has led to record levels of spending per pupil and to the best ever pupil : teacher ratio; and since 1979 there has been a substantial expansion of higher education. Further spending plans will be published in the next public expenditure White Paper; we shall continue to seek to improve the quality of education at all levels.

Broadcasting (Complaints)

Mr. Madden asked the Prime Minister how many complaints Ministers, or officials acting on their behalf, have submitted during the past year to the Broadcasting Complaints Commission, the Governors at the British Broadcasting Corporation or the Independent Broadcasting Authority, claiming bias in programmes; and if she will make a statement.

The Prime Minister: Ministers and Government's Departments, like other individuals and institutions, are free to complain to the broadcasting authorities about their treatment in programmes, but no central record is kept of such exchanges. As far as I am aware no such complaints were made to the Broadcasting Complaints Commission in the past year.

Engagements

Mr. Janner asked the Prime Minister if she will list her official engagements for Tuesday 8 July.

Mr. Tom Clarke asked the Prime Minister if she will list her official engagements for Tuesday 8 July.

Mr. Yeo asked the Prime Minister if she will list her official engagements for Tuesday 8 July.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty The Queen.

European Court of Justice

Mr. Teddy Taylor asked the Prime Minister if she will seek to pay an official visit to the European Court of Justice.

The Prime Minister: I have at present no plans to do so.

Fraud

Mr. Cohen asked the Prime Minister, pursuant to her answer of 23 June, *Official Report*, column *47*, concerning fraud investigations, if she will provide such details as she can without hindering possible police action of the two cases where progress has not been made; and if she will state the estimated amount of public money involved for each of the cases referred to in her answer.

The Attorney-General: I have been asked to reply.

In both cases inquiries are proceeding, but it would not assist the police investigations if details of progress were to be given.

Since all the cases referred to in the Prime Minister's answer of 23 June, *Official Report*, column *47*, are sub-judice, the information requested cannot be given.

ATTORNEY-GENERAL

Legal Aid

Mr. John Fraser asked the Attorney-General what is the time taken in greater London to deal with an application for civil legal aid.

The Attorney-General: The only figures at present available for the length of time taken to deal with legal aid applications are those contained in the Law Society's annual reports, which are national figures based on a sample survey of a number of area offices. The latest available figure is for the financial year 1984-85, when the average time taken to issue a legal aid certificate was 39 working days. The figures for 1985-86 are still being collected. As the Law Society announced in its last annual report (35th Legal Aid Annual Reports, House of

Commons Paper 156, published January 1986), improvements are planned in the collection and presentation of these statistics, which should enable a more detailed breakdown to be given in future years. It will be remembered that in appropriate cases emergency certificates may be granted. These are normally processed within a matter of days at most and sometimes even over the telephone.

HOME DEPARTMENT

Visitors (Entry Refusals)

Mr. Dubs asked the Secretary of State for the Home Department how many representations were made by hon. Members on behalf of passengers refused entry in each month since January 1985.

Mr. Waddington: Before 1 May 1986 figures were not kept on a monthly basis. The figure for May was 647. The figure for June will be available shortly.

Mr. Dubs asked the Secretary of State for the Home Department on how many occasions in 1985 a visitor refused admission has been removed from the United Kingdom after an hon. Member has placed a stop on behalf of the visitor but before the hon. Member has made representations, or after representations have been made but before the outcome of the representations has been notified to the hon. Member.

Mr. Waddington: The statistics maintained do not identify such cases separately, but six are known to have occurred in 1985.

Mr. Dubs asked the Secretary of State for the Home Department how many appeals by visitors refused entry at ports of entry were *(a)* lodged, *(b)* allowed and *(c)* refused in each quarter since January 1985.

Mr. Waddington: The readily available information relates to appeals by all persons refused entry at ports in the United Kingdom, and is given in the following table:

Appeals by persons refused entry at ports in the United Kingdom Number of persons*

	Referred†	*Allowed*	*Dismissed*
Appeals to Adjudicators			
1985			
1st quarter	174	17	132
2nd quarter	219	17	149
3rd quarter	160	19	104
4th quarter	214	12	118
Year	767	65	503
1986			
1st quarter	217	13	151
Appeals to Tribunal by applicants			
1985			
1st quarter	11	—	3
2nd quarter	15	7	1
3rd quarter	23	2	11
4th quarter	12	2	11
Year	61	11	26
1986			
1st quarter	12	2	7
Appeals to Tribunal by Home Office			
1985			
1st quarter	1	—	—
2nd quarter	1	1	—
3rd quarter	2	—	—
4th quarter	—	1	—
Year	4	2	—
1986			
1st quarter	1	—	—

* Appeals at the ports and external appeals.

† Including appeals which are subsequently withdrawn before determination and appeals over which the immigration appellate authorities have no jurisdiction.

Visitors (Detentions)

Mr. Dubs asked the Secretary of State for the Home Department how many passengers detained at least overnight in each quarter since January 1985 were held *(a)* in prison department establishments and *(b)* in police cells.

Mr. Waddington: Statistics are not maintained in the form requested, and are recorded on an annual basis. In 1985 a total of 582 passengers were detained overnight in prison department establishments, police cells, or other accommodation not managed by the immigration service. The figure may include a small element of double counting in respect of persons transferred between different detention accommodation.

Drug Offenders (Bail)

Mr. Nicholas Baker asked the Secretary of State for the Home Department if he will introduce legislation to prevent the granting of bail for those accused of serious drug offences.

Mr. Mellor: The Bail Act 1976 establishes a general presumption in favour of bail. The nature and seriousness of the offence are among the matters to which a court must have regard when considering whether any of the exceptions specified in the Act to that general presumption applies. We have no plans to introduce legislation to prohibit absolutely the grant of bail to a person charged with any particular category of offence.

Prison Places (Costs)

Mr. Dubs asked the Secretary of State for the Home Department what is the average cost of providing a place in those prisons currently being built.

Mr. Mellor: The average cost per place of the five prisons now being built is £45,994 (excluding staff housing and associated facilities). They include one category B (dispersal) prison, two category B (non-dispersal) prisons and two category C prisons.

Ex-Prisoners (Homelessness)

Mr. Dubs asked the Secretary of State for the Home Department how many people released from prison in 1985 had no home to go to.

Mr. Mellor: The information requested is not collected centrally.

Custody and Remand (Disabled Persons)

Mr. Dubs asked the Secretary of State for the Home Department how many people serving a custodial sentence, or on remand, in 1985, were registered as disabled.

Mr. Mellor: The information requested is not collected centrally.

Firearms, Certificates

Mr. Marland asked the Secretary of State for the Home Department why he has increased the cost of renewal of a firearms certificate by 65 per cent.

Mr. Giles Shaw: I would refer my hon. Friend to the explanation I gave during the debate on the Firearms (Variation of Fees) Order 1986 on 25 June, at columns 427-31.

Custody Officers

Sir Eldon Griffiths asked the Secretary of State for the Home Department if he will publish in the *Official Report* a list of the police forces that have so far employed police officers below the rank of sergeant as custody officers.

Mr. Giles Shaw: Section 36(3) of the Police and Criminal Evidence Act 1984 provides that no officer may be appointed a custody officer at a designated police station unless he is of at least the rank of sergeant, but section 36(4) provides that an officer of any rank may perform the functions of a custody officer at a designated police station if a cutsody officer is not readily available to perform them. Section 36(7) provides that the functions of a custody officer shall be performed at a station which is not a designated station by an officer who is not involved in the investigation or, if no such officer is readily available, by the officer who took the arrested person to the station, or by any other officer. In such cases the Act does not prescribe the rank of the custody officer. Information about the identity of the officer, including his rank, performing the functions of the custody officer will be kept in individual cases on the custody record, but this is not collated and is not available centrally.

West Midlands Police

Mr. Park asked the Secretary of State for the Home Department what is the current establishment of the West Midlands police force; and how many officers were in post at 31 March 1982, 1983, 1984 and 1985.

Mr. Giles Shaw: The authorised establishment of the West Midlands police is 6,684. The strength of the force on the dates mentioned was as follows:

On 31 March	*Strength of West Midlands police*
1982	6,679
1983	6,673
1984	6,679
1985	6,544

Police Officers (Uncertificated Sick Leave)

Mr. Soley asked the Secretary of State for the Home Department what information he has about the number of days uncertificated sick leave taken by police officers in each police force area during the last year for which figures are available.

Mr. Giles Shaw: It is for chief officers of police to monitor the incidence of uncertificated sick leave and no central record is maintained.

Police National Computer

Mr. Cohen asked the Secretary of State for the Home Department if there are any plans to replace the police national computer; and if he will make a statement.

Mr. Giles Shaw: The police national computer mainframe hardware will have completed 10 years of continuous service by 1988, but final decisions have not yet been taken as to its replacement.

Litter

Mr. Nicholas Baker asked the Secretary of State for the Home Department if he will seek powers to permit the police to issue litter tickets analogous to parking tickets or to levy on-the-spot fines for littering of public places.

Mr. Giles Shaw: My right hon. Friend has no plans to introduce such arrangements.

Foreign Visitors (Overstayers)

Mr. Proctor asked the Secretary of State for the Home Department how many overstayers from the New Commonwealth and Pakistan were detected in 1984 and 1985; how many had been recorded on INDECS when they entered the United Kingdom; and if he will make a statement.

Mr. Waddington: I regret that this information is not available.

Lynne Marsland

Mr. Alex Carlile asked the Secretary of State for the Home Department if he will make a statement concerning the pregnancy and confinement of Lynne Marsland on 28-29 June whilst a prisoner in Holloway prison, with particular reference to the type of cell in which she was kept prior to the confinement, the number and grades of relevant staff on duty, and the arrangements for monitoring the progress of her labour.

Mr. Mellor: I would refer the hon. and learned Member to the reply given to a question from the hon. Member for Peckham (Ms. Harman) on 7 July.

Wormwood Scrubs Prison

Mr. Hancock asked the Secretary of State for the Home Department how much the works on new kitchens for Wormwood Scrubs have cost.

Mr. Mellor: I would refer the hon. Member to the reply given to a question from the hon. and learned Member for Montgomery (Mr. Carlile) on 27 June, at column 345.

Metropolitan Police

Mr. Tony Banks asked the Secretary of State for the Home Department if he will provide a breakdown of the number of home beat officers per police division within the Metropolitan police district.

Mr. Giles Shaw: I shall reply as soon as possible.

Royal Ulster Constabulary (Inquiry)

Mr. Alfred Morris asked the Secretary of State for the Home Department (1) what advice Her Majesty's Chief Inspector of Constabulary gave to the Police Complaints Authority and to the chief constable of Greater Manchester concerning the appointment of Mr. Colin Sampson to investigate alleged disciplinary offences involving the deputy chief constable of Greater Manchester, Mr. John Stalker;

(2) what advice Her Majesty's Chief Inspector of Constabulary gave to the Chief Constable of the Royal Ulster Constabulary concerning the appointment of Mr. Colin Sampson to take over from Mr. John Stalker the conduct of inquiries into allegations concerning the actions of members of the Royal Ulster Constabulary;

(3) to what extent Her Majesty's Chief Inspector of Constabulary, when consulted on the appointment of Mr. Colin Sampson to head the respective inquiries into the conduct of Mr. John Stalker, on the one hand, and of members of the Royal Ulster Constabulary, on the other, considered the implications for Mr. Sampson's ability to conduct expeditiously and effectively the one inquiry of his involvement with the other; and if he will make a statement.

Mr. Hurd: In advising those concerned that the chief constable of West Yorkshire should undertake both of these inquiries, Her Majesty's Chief Inspector of Constabulary had regard to the importance of conducting both inquiries efficiently and expeditiously.

Public Order

Mr. Tony Banks asked the Secretary of State for the Home Department if he will provide a list of housing estates in London for which the Metropolitan police have prepared contingency plans in relation to public disorder; and if he will detail such plans and procedures.

Mr. Giles Shaw: I understand from the Commissioner that there are contingency plans for dealing with disorder in a number of areas. It would defeat the object of these plans to publish details of them.

Drug Abuse

Mr. Tony Banks asked the Secretary of State for the Home Department which estates in London have been targeted by *(a)* the central drugs intelligence unit in the course of drug abuse investigation and *(b)* the area intelligence and surveillance unit.

Mr. Giles Shaw: I understand from the Commissioner that there is no such targeting. The activity of his officers is directed against individuals or groups of individuals whom the police have reason to believe are involved in drugs offences.

TRADE AND INDUSTRY

Cargo Road Trailers (Belgium)

Sir John Farr asked the Secretary of State for Trade and Industry if he will investigate the subsidy from the Belgian Government payable to exporters of cargo road trailers to the United Kingdom.

Mr. Alan Clark: I have no evidence that the Belgian Government are subsidising exporters of cargo road trailers. However, should such details be forthcoming, my Department will pursue the case with the European Commission, which has powers to investigate state aids granted by EC member states.

Electrical and Electronics Firms

Dr. Glyn asked the Secretary of State for Trade and Industry what information he has as to the degree of concentration of *(a)* total turnover, *(b)* research and development expenditure and *(c)* contracts with Her Majesty's Government, among each of the top 10 electric and electronic firms in the United Kingdom.

Mr. Butcher [*pursuant to his reply*, 7 July 1986, c. *10*]: Available information on the electrical and electronic engineering industries* is as follows:

(a) the 11 largest enterprises, defined in terms of their employment, accounted for nearly 50 per cent. of the total gross output† of these industries in 1983;

(b) the 10 largest enterprises, defined in terms of their research and development expenditure, accounted for nearly 90 per cent. of the total research and development expenditure of these industries in 1981; and

(c) information on contracts with Her Majesty's Government is not available in the form requested.

* Class 34, Standard Industrial Classification (Revised 1980).

† The minor difference between the definitions of turnover and gross output is unlikely to be significant in this context.

AGRICULTURE, FISHERIES AND FOOD

Date Marked Food (Sales)

Mr. Tony Lloyd asked the Minister of Agriculture, Fisheries and Food if he has any plans to ban the sale of food marked with a sell-by date or best-before date which has passed.

Mrs. Fenner: No. Date marking is intended to indicate when the product is at its peak, but it is not necessarily unwholesome after then. It is an offence under the Food Acts to sell or offer for sale food which is unfit for human consumption.

Frozen Food

Mr. Thurnham asked the Minister of Agriculture, Fisheries and Food what recent representations he has received about European Community document 9402/84 on the approximation of laws relating to quick-frozen foodstuffs; and if he will make a statement.

Mrs. Fenner: My officials have kept in close contact with interested organisations during current negotiations on this directive in Brussels. We have received comments at various stages from representatives of the frozen food industry, refrigeration engineers, consumer groups and enforcement authorities.

We still wish to avoid adoption of a directive in a form which would impose unacceptable burdens on industry and we will therefore continue to seek modifications to the proposals to make them more acceptable.

Research and Advisory Services

Mr. Home Robertson asked the Minister of Agriculture, Fisheries and Food, pursuant to his answer to the hon. Member for Hereford (Mr. Shepherd) on 2 July, if he will make a statement on the effect of further cuts of £4·1 million and £2·8 million on the manpower and the operations of the Agriculture and Food Research Council and the Agricultural Development and Advisory Service, respectively.

Mr. Jopling: The manpower and programmes of these two bodies will reflect the continuing substantial input of public funds and the contribution which the industry is prepared to make towards the cost of work from which it benefits. The Agricultural and Food Research Council is currently assessing the implications of the funding changes which have been announced. In the case of the Agricultural Development and Advisory Service, it is envisaged that receipts in 1987-88 from levy funded and contracted research and development commissioned directly with ADAS should enable the net reductions in expenditure to be achieved without ADAS post losses.

Cereal Producers

Mr. Livsey asked the Minister of Agriculture, Fisheries and Food if he will make it his policy to include all cereal producers, including integrated cereal/livestock producers, in the United Kingdom arrangements for the European Economic Community cereals co-responsibility levy; if he will also make it his policy not to grant any exemptions to this scheme; and if he will make a statement.

Mr. Jopling: I shall reply to the hon. Member as soon as possible.

EMPLOYMENT

Labour Statistics

Mr. Austin Mitchell asked the Paymaster General if he will publish a table in the *Official Report* showing quarterly levels and changes in the United Kingdom employed labour force since 1979, identifying separately *(a)* employees in employment, *(b)* armed forces and *(c)* self-employment, with a breakdown of these categories by: (A) hours, full-time and part-time split, and (B) sex.

Mr. Lang: The available estimates for the employed labour force are as follows:

Employed labour force in the United Kingdom

seasonally adjusted: thousand.

	Employed labour force			*Analysis by sex*						*Full-time/part-time Employees in Employment*	
				Employees in employment		*of which Self-employed*		*Her Majesty's Forces*		*All Males and full-time Females**	*Part-time Females*
	Total	*Males*	*Females*	*Males*	*Females*	*Males*	*Females*	*Males*	*Females*		
1979											
March	25,263	15,306	9,958	13,457	9,587	1,548	355	300	15	19,254	3,791
June	25,356	15,325	10,031	13,474	9,664	1,552	351	299	15	19,296	3,842
September	25,425	15,357	10,068	13,484	9,692	1,570	360	303	16	19,311	3,865
December	25,467	15,354	10,113	13,463	9,728	1,589	369	303	16	19,312	3,880
1980											
March	25,396	15,303	10,093	13,391	9,700	1,607	377	305	16	19,187	3,905
June	25,284	15,236	10,048	13,303	9,646	1,625	386	307	16	19,035	3,914
September	25,042	15,074	9,968	13,115	9,556	1,644	394	315	17	18,801	3,872
December	24,765	14,894	9,870	12,915	9,450	1,662	403	317	17	18,531	3,836
1981											
March	24,519	14,719	9,800	12,722	9,371	1,680	412	317	17	18,279	3,813
June	24,301	14,561	9,740	12,546	9,303	1,698	420	317	17	18,054	3,795
September	24,184	14,447	9,736	12,428	9,289	1,700	432	319	16	†17,906	†3,811
December	24,038	14,342	9,696	12,325	9,237	1,701	443	316	16	17,737	3,827
1982											
March	23,988	14,292	9,696	12,277	9,226	1,703	454	312	16	17,655	3,849
June	23,873	14,216	9,657	12,203	9,177	1,704	466	309	15	17,536	3,843
September	23,748	14,142	9,606	12,128	9,114	1,706	477	308	15	17,370	3,872
December	23,608	14,053	9,555	12,040	9,052	1,707	488	306	15	17,250	3,841
1983											
March	23,541	13,998	9,543	11,983	9,029	1,709	500	306	15	17,146	3,866
June	23,583	13,967	9,616	11,951	9,089	1,710	511	306	16	17,102	3,939
September	23,714	14,008	9,706	11,939	9,160	1,760	530	309	16	17,090	4,009
December	23,867	14,053	9,814	11,935	9,248	1,809	550	309	16	17,102	4,081
1984											
March	23,962	14,085	9,877	11,916	9,292	1,859	569	310	16	17,082	4,126
June	24,046	14,127	9,920	11,909	9,315	1,907	589	310	16	17,065	4,160

	Employed labour force			Analysis by sex: Employees in employment		of which Self-employed		Her Majesty's Forces		Full-time/part-time Employees in Employment: All Males and full-time Females*	Part-time Females
	Total	Males	Females	Males	Females	Males	Females	Males	Females		
September	24,125	14,161	9,964	11,925	9,349	1,925	599	312	16	17,082	4,192
December	24,259	14,212	10,046	11,960	9,421	1,942	609	311	16	17,126	4,256
1985											
March	24,319	14,216	10,103	11,947	9,468	1,959	619	310	16	17,125	4,291
June	24,378	14,239	10,139	11,954	9,494	1,976	629	309	16	17,115	4,334
September	24,428	14,234	10,194	11,931	9,536	1,993	642	309	16	17,091	4,376
December	24,535	14,275	10,260	11,958	9,590	2,010	655	307	16	17,139	4,408

* Includes all employees in Northern Ireland, whether full time or part time.
† The Census of Employment shows that there were 17,092 full time and 4,624 part time employees in the United Kingdom in September 1981.

Changes in the employed labour force in the United Kingdom

seasonally adjusted: thousand.

	Employed labour force			Analysis by sex: Employees in employment		of which Self-employed		Her Majesty's Forces		Full-time/part-time Employees in Employment: All Males and full-time Females*	Part time Females
	Total	Males	Females	Males	Females	Males	Females	Males	Females		
1979											
Quarter 1	+26	−2	+29	−5	+33	+4	−5	−2	—	+5	+23
Quarter 2	+93	+19	+73	+17	+77	+4	−4	−1	—	+42	+51
Quarter 3	+69	+32	+37	+10	+28	+18	+9	+4	+1	+15	+23
Quarter 4	+42	−3	+45	−21	+36	+19	+9	—	—	+1	+15
1980											
Quarter 1	−71	−51	−20	−72	−28	+18	+8	+2	—	−125	+25
Quarter 2	−112	−67	−45	−88	−54	+18	+9	+2	—	−152	+9
Quarter 3	−242	−162	−80	−188	−90	+19	+8	+8	+1	−234	−42
Quarter 4	−277	−180	−98	−200	−106	+18	+9	+2	—	−270	−36
1981											
Quarter 1	−246	−175	−70	−193	−79	+18	+9	—	—	−252	−23
Quarter 2	−218	−158	−60	−176	−68	+18	+8	—	—	−225	−18
Quarter 3	−117	−114	−4	−118	−14	+2	+12	+2	−1	−148	+16
Quarter 4	−146	−105	−40	−103	−52	+1	+11	−3	—	−169	+16
1982											
Quarter 1	−50	−50	—	−48	−11	+2	+11	−4	—	−82	+22
Quarter 2	−115	−76	−39	−74	−49	+1	+12	−3	−1	−119	−6
Quarter 3	−125	−74	−51	−75	−63	+2	+11	−1	—	−166	+29
Quarter 4	−140	−89	−51	−88	−62	+1	+11	−2	—	−120	−31
1983											
Quarter 1	−67	−55	−12	−57	−23	+2	+12	—	—	−104	+25
Quarter 2	+42	−31	+73	−32	+60	+1	+11	—	+1	−44	+73
Quarter 3	+131	+41	+90	−12	+71	+50	+19	+3	—	−12	+70
Quarter 4	+153	45	+108	−4	+88	+49	+20	—	—	+12	+72
1984											
Quarter 1	+95	+32	+63	−19	+44	+50	+19	+1	—	−20	+45
Quarter 2	+84	+42	+43	−7	+23	+48	+20	—	—	−17	+34
Quarter 3	+79	+34	+44	+16	+34	+18	+10	+2	—	+17	+32
Quarter 4	+134	+51	+82	+35	+72	+17	+10	−1	—	+44	+64
1985											
Quarter 1	+60	+4	+57	−13	+47	+17	+10	−1	—	−1	+35
Quarter 2	+59	+23	+36	+7	+26	+17	+10	−1	—	−10	+43
Quarter 3	+50	−5	+55	−23	+42	+17	+13	—	—	−24	+42
Quarter 4	+107	+41	+66	+27	+54	+17	+13	−2	—	+48	+32

* Includes all employees in Northern Ireland, whether full time or part time.

The Labour Force Survey provides information on a different basis but identifies male and female full-time and part-time employees and self employed. The available estimates are presented in the following table.

Labour force survey estimates[1] of employees and self employed
United Kingdom

Thousands

	Males	*Females*	*All persons*
1979			
Employees[2]	13,464	9,244	22,708
of which			
Full-time[3]	13,181	5,476	18,657
Part-time[3]	282	3,768	4,050
Self employed[4]	1,487	339	1,825
Employees and self employed[5]	15,090	9,680	24,770
1981			
Employees[2]	12,483	9,178	21,661
of which			
Full-time[3]	11,895	5,245	17,140
Part-time[3]	414	3,838	4,252
Self employed[4]	1,788	460	2,248
Employees and self employed[5]	14,427	9,725	24,152
1983			
Employees[2]	11,929	8,937	20,866
of which			
Full-time[3]	11,528	5,112	16,640
Part-time[3]	374	3,666	4,040
Self employed[2]	1,818	561	2,378
of which			
Full-time[3]	1,724	284	2,007
Part-time[3]	87	263	350
Employees and self employed[5]	13,788	9,523	23,311
1984			
Employees[2]	11,778	9,120	20,898
of which			
Full-time[3]	11,334	5,096	16,430
Part-time[3]	435	4,019	4,454
Self employed[2]	2,045	650	2,694
of which			
Full-time[3]	1,907	326	2,233
Part-time[3]	136	323	459
Employees and self employed[5]	13,837	9,780	23,617
1985			
Employees[2]	11,802	9,244	21,047
of which			
Full-time[3]	11,358	5,134	16,493
Part-time[3]	441	4,108	4,549
Self employed[2]	2,081	695	2,776
of which			
Full-time[3]	1,950	354	2,304
Part-time[3]	132	340	472
Employees and self employed[5]	13,884	9,939	23,823

[1] Estimates relate to the spring of each year. Figures for 1984 and 1985 exclude those on Government schemes, whereas earlier years include those on schemes if reported as in employment.

[2] Includes those who did not state if they were in a full or part-time job.

[3] In this table a person is shown as full-time or part-time according to whether he considers his job to be a full or part-time job.

[4] In 1979 and 1981 the self employed were not asked if they worked full or part-time.

[5] Includes those who did not state if they were an employee or self employed.

Preliminary results.

Training Schemes

Mr. Maxton asked the Paymaster General what was the total number of people on youth training schemes and other Manpower Services Commission schemes on 1 April.

Mr. Trippier: I regret that the information is not available in the precise form requested. However the position on 31 March is shown in the table:

Scheme	*Numbers on 31 March*
YTS	265,219
Community Programme	199,919
Enterprise Allowance Scheme	54,878
Voluntary Projects Programme	15,094
Community Industry	*6,880
Total	541,990

* Community industry figures are as at 13 March 1986.

Nuclear Inspectors

Mr. McWilliam asked the Paymaster General if he will specify in the light of the shortfall of nuclear inspectors in post against the number of authorised posts, what work is currently being delayed or not done; on the basis of what criteria; and if he will make a statement.

Mr. Trippier: Recent events have inevitably created additional pressures on the inspectorate's already fully stretched resources. However, the inspectorate has so far been able to meet all its essential commitments without compromising its very high standards of safety.

In allocating resources, the criterion for determining priorities is the immediate protection of the public and the work force. The highest priority is therefore allocated to matters affecting operating reactors and other installations. The inspectorate has some flexibility in deciding on the extent and depth of its assessment work for new installations, but there will be no relaxation of the inspectorate's requirements; hence there may be some delays to new projects until additional resources are available to balance the increasing demands on the inspectorate.

The inspectorate's participation in international discussions is one area which has recently been given lower priority, although, inevitably, essential work will flow from the international reactions to Chernobyl.

Mr. McWilliam asked the Paymaster General if he will list the number of inspectors actually in post with the Nuclear Installations Inspectorate, together with the number of authorised posts over each of the last five years.

Mr. Trippier: The numbers are as follows:

Nuclear installations inspectors in Her Majesty's Nuclear Installations Inspectorate

	Number in post	*Manpower target agreed by Health and Safety Executive*
1 July 1982	98	102
1 July 1983	97	102
1 July 1984	99	102
1 July 1985	101	102
1 July 1986	98	105

In approving the manpower targets shown in the table the Health and Safety Executive made it clear that further resources would be made available if it proved possible to recruit beyond that figure.

A recruitment competition is about to start from which it is hoped to recruit up to a maximum of 20 nuclear installations inspectors.

ENERGY

Oil and Gas Production

Mr. Austin Mitchell asked the Secretary of State for Energy whether he will publish in the *Official Report* a table showing for each year from 1970 production of oil and natural gas as a percentage of gross domestic product to one place of decimals.

Mr. Buchanan-Smith: The gross domestic product of the mineral oil and natural gas extraction industry, as s percentge of total GDP at factor cost, was negligible before 1976. The figures for later years are:

Year	*Per cent.*
1976	0·5
1977	1·6
1978	1·9
1979	3·3
1980	4·4
1981	5·5
1982	5·8
1983	6·3
1984	7·0
1985	*6·2

* Provisional.
Source: Tables 2.1 and 2.2, *United Kingdom National Accounts.*

Dounreay Reactor (Plutonium)

Mr. Meadowcroft asked the Secretary of State for Energy what use is planned for the plutonium which will be produced by the fast breeder reactor planned for Dounreay.

Mr. Goodlad: The United Kingdom is a member of the European collaboration for the development of the fast reactor, which was established by the intergovernmental memorandum of understanding of January 1984. This states that activities taking place as part of the collaboration will be directed to the peaceful development of nuclear energy. The collaboration envisages a sequence of demonstration reactors to be built in the collaborating countries. There is, however, no specific proposal at present to construct a demonstration fast reactor at Dounreay or anywhere else in the United Kingdom.

NCB (Enterprise) Ltd.

Mr. Alan Howarth asked the Secretary of State for Energy if he will make a statement on the progess made by the National Coal Board (Enterprise) Limited.

Mr. Peter Walker [*pursuant to his reply*, 16 June 1986, c. *391*]: NCB (Enterprise) Ltd. was set up on 8 October 1984 with initial funding of £5 million to support and encourage new and expanding industries to create lasting jobs in Britain's traditional coalmining areas. On 28 November 1984 this sum was doubled to £10 million. The company's continued progress resulted in a further doubling of accountable funds to £20 million on 25 July 1985.

The company is continuing to make excellent progress and is increasing the scale of its success: up to the end of June the company had committed £12·9 million towards 639 projects to create 8,228 job opportunities. A further £65 million of investment has been attracted from other sources and, in addition, the company will be spending some £3 million on building works for new enterprises and businesses. The Government are determined to ensure that this success will continue.

The company, which from 31 July will be known as British Coal (Enterprise) Ltd. aims to double the level of its activities during this financial year. This will result in much more money being needed over the coming months. I am therefore delighted to announce that a further £20 million is being made available, bringing the total funding available to the company to £40 million.

NORTHERN IRELAND

Sewerage Scheme (Newtownbreda)

Mr. John David Taylor asked the Secretary of State for Northern Ireland to which company the mechanical subcontract has been awarded in connection with the proposed new sewerage scheme for Newtownbreda; and in which country the company is based.

Mr. Needham: The contract for the supply and installation of mechanical and electrical plant and equipment at Newtownbreda sewage treatment works was awarded to Mahon and McPhillips (Group) Ltd, a company registered in the Republic of Ireland.

Royal Ulster Constabulary

Mr. Proctor asked the Secretary of State for Northern Ireland (1) how many requests to visit *(a)* Antrim Royal Ulster Constabulary station and *(b)* police stations in the police division containing Antrim Royal Ulster Constabulary station, were received by the Royal Ulster Constabulary Chief Constable for the morning of Saturday 7 June from (i) hon. Members and (ii) other dignitaries;

(2) how many guests of his Department have been right hon. and hon. Members in the years to the end of May 1985 and 1986; and how many of those right hon. and hon. Members have visited *(a)* Royal Ulster Constabulary stations and *(b)* military posts.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

SCOTLAND

NHS (Beds)

Mr. Dewar asked the Secretary of State for Scotland if he will give, for each year since 1978 and for each health board, the total number of beds in National Health Service hospitals in Scotland.

Mr. Rifkind: The most recent available information is as follows:

Average available staffed beds at 30 September

Health board	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Scotland	59,026	58,501	58,208	58,028	57,440	57,294	57,216
Argyll and Clyde	4,615	4,599	4,523	4,488	4,472	4,438	4,445
Ayrshire and Arran	2,849	2,837	2,822	2,827	2,794	2,918	3,059
Borders	919	898	897	943	928	928	931
Dumfries and Galloway	1,724	1,676	1,595	1,571	1,548	1,540	1,542
Fife	2,920	2,953	2,913	2,929	2,989	3,026	3,161
Forth Valley	3,640	3,611	3,616	3,583	3,498	3,446	3,436
Grampian	5,385	5,392	5,391	5,393	5,462	5,486	5,595
Greater Glasgow	14,128	14,045	14,084	14,032	13,547	13,355	13,166
Highland	2,483	2,455	2,422	2,427	2,347	2,290	2,277
Lanarkshire	5,599	5,517	5,536	5,538	5,528	5,491	5,404
Lothian	8,553	8,374	8,389	8,397	8,452	8,522	8,451
Orkney	126	119	126	131	131	131	132
Shetland	163	160	159	160	160	160	161
Tayside	5,705	5,648	5,522	5,408	5,377	5,354	5,248
Western Isles	216	216	212	202	207	210	206

NHS (Acute Services)

Mr. Dewar asked the Secretary of State for Scotland what is the average cash value of total National Health Service acute services received by a person living in each of the Scottish regional health authorities and in each district authority, respectively.

Mr. Rifkind: A breakdown of expenditure between acute and other services is not available. Details of total per capita expenditure by Scottish health boards for 1984-85 were given in a reply of 14 April 1986, at column 262, in response to a question from the right hon. Member for the Western Isles (Mr. Stewart).

Scottish Special Housing Association

Mr. Henderson asked the Secretary of State for Scotland whether he has completed his policy review of the Scottish Special Housing Association; and if he will make a statement.

Mr. Rifkind: In accordance with arrangements applying to all non-departmental public bodies, I have now carried out a review of the Scottish Special Housing Association. I am satisfied that it is doing a worthwhile job and that it has an important and continuing contribution to make to the management and provision of public sector housing in Scotland. I have therefore set for it the following main objectives to guide its work over the next five years:

i. to continue to assist authorities to meet local housing needs, primarily by *(a)* managing its own stock effectively; and *(b)* contributing towards the provision of special needs accommodation;
ii. to recognise tenants' aspirations for home ownership and, where possible, to give priority to transfer of its assets from the public to the private sector, in order to break up single tenure estates and enhance diversity and choice of tenure;
iii. to promote and demonstrate innovative developments in the management and provision of public sector housing;
iv. to promote tenant involvement in the management of the estates in which they live;
v. to minimise the demands it makes on public housing resources, both capital and revenue;
vi. to offer value for money in all its operations and services.

At the same time, I have been conscious of the need to look at the wider context of overall housing activity in Scotland over which the Government exercise control. There is common ground among the main bodies concerned and there have been changes in housing patterns following the successful pursuit of this Government's housing objectives. I therefore propose that active consideration should be given to the early promotion of a closer working relationship between the SSHA and the Housing Corporation in Scotland. If this proves fruitful, a full merger in the longer term may be a desirable option. A consultation paper will be issued as soon as specific proposals have been developed for consideration.

Copies of the policy review report have been placed in the Library of the House.

TRANSPORT

Thames Crossing, Dartford

Mr. Proctor asked the Secretary of State for Transport when he expects to announce his choice of promoter to build a third crossing of the Thames at Dartford.

Mr. Moore: I received submissions from seven private sector groups on 31 May in response to the invitation my predecessor issued on 3 March for proposals for a third crossing at Dartford. Some groups offered schemes with several variants. I am grateful to all those who responded. All the proposals have been considered very carefully and I have decided that the choice lies between four of the schemes submitted by three of the groups. Before making a final choice, I need to undertake discussions with those three promoters to satisfy myself about certain technical and financial aspects of their proposals. They are the Dartford River Crossing Company, which has proposed twin bored tunnels or a bridge, and the Dartford Tunnel Group and the Thames Tunnel Company, both of whom have proposed immersed tube tunnels.

I am still considering the public and private financing alternatives which all these promoters have offered. Following the discussions with them, I hope to announce my final decision as soon as possible.

A1 Doncaster

Mr. Holt asked the Secretary of State for Transport when work will commence on widening sections of the A1 north of Doncaster.

Mr. Peter Bottomley: Work began last month on widening the Clifton to Stannington section in

Northumberland. Construction of a new bypass of Wetherby is planned to start in August. Widening of the Bramham to Wetherby and Wetherby to Dishforth sections could begin in the spring of 1989 subject to the completion of statutory procedures. The need for improving the section between Doncaster and Bramham is being examined as part of the east of Leeds study.

Southend Pier

Mr. Teddy Taylor asked the Secretary of State for Transport if he will make a statement on the circumstances in which a vessel crashed into Southend pier on 30 June; and if he will initiate an inquiry into this incident.

Mr. Moore: A marine surveyor has been appointed under section 728 of the Merchant Shipping Act 1894 to inquire into the circumstances attending this incident. On completion of his investigation a decision will be taken on further action.

Roads (Manchester-Sheffield)

Mr. Alfred Morris asked the Secretary of State for Transport whether in the light of the closure of all the direct routes between the Greater Manchester and South Yorkshire conurbations for several weeks during the severe winter weather early in 1986, he will reconsider his decision on the provision of a high standard all-weather route between Manchester and Sheffield in the trunk road programme.

Mr. Peter Bottomley: There is no justification for adding such a route to the trunk road construction programme. Existing roads can, with selective and limited improvements, safely meet the needs of present and predicted traffic.

Widnes Bypass

Mr. Alfred Morris asked the Secretary of State for Transport when he expects work will start on the Widnes eastern bypass scheme.

Mr. Peter Bottomley: Consultants were appointed in March: it is too early to give a firm date for construction. Depending on the need for public inquiries, work might start in 1989.

Airedale Route (Shipley Link)

Mr. Alfred Morris asked the Secretary of State for Transport what consultations have been carried out by his Department on the provision of a connection between the Airedale route at Cottingley Bar and the future Shipl eastern bypass.

Mr. Peter Bottomley: Consultation is now taking place about improvements to the existing A650 between Cottingley Bar and the line of the proposed Shipley eastern bypass.

Blackburn-M6 Link

Mr. Alfred Morris asked the Secretary of State for Transport what level of traffic is expected to be on the Blackburn-M6 link *(a)* at the time of its opening and *(b)* 15 years after it opened.

Mr. Peter Bottomley: The predicted levels of traffic on the Blackburn-M6 link are between 8,000 and 34,000 (vehicles/day) at the time of opening and between 9,000 and 43,000 (vehicles/day) 15 years after opening. The predicted traffic levels are rough estimates and will be reassessed before firm proposals are published, to take account of the latest survey data and of the detailed design of the scheme. The wide ranges quoted are due to significant variations in flow along the route, and the use of high and low growth factors.

M180-A15 (Construction)

Mr. Alfred Morris asked the Secretary of State for Transport if he will make a statement on the starting date for the construction of the proposed M180-A15 in Humberside.

Mr. Peter Bottomley: This is a Humberside county council scheme receiving 100 per cent. grant from central Government. A start could be made late in 1987 subject to satisfactory completion of the statutory procedures.

M6 (Traffic Statistics)

Mr. Alfred Morris asked the Secretary of State for Transport what the level of traffic was on the M6 between the Thelwall viaduct and the M55 Preston Northern bypass when last counted; what the level is expected to be by the end of the century; and what plans he has made for widening this motorway or making alternative provision in this corridor.

Mr. Peter Bottomley: The last traffic count between Thelwall viaduct and the M55 (Preston Northern bypass) was taken in 1984, and showed an average flow of 52,000 vehicles per day; by the end of the century the level of traffic is expected to have increased by between 15 per cent. and 40 per cent. A scheme to widen the M6 between junctions 20 and 21a, including Thelwall viaduct is included in the national trunk road programme.

Roads (Morecambe-Heysham)

Mr. Alfred Morris asked the Secretary of State for Transport what plans he has made for improving road communications between the M6 and the developing industrial areas of Morecambe-Heysham and Heysham docks.

Mr. Peter Bottomley: At the Department's request, Lancashire county council has carried out a study to establish what improvements are necessary to cope with future traffic demands in the area. Its report is under consideration and a decision on it will be announced as soon as possible.

A59 (Improvement)

Mr. Alfred Morris asked the Secretary of State for Transport what studies have been carried out by his Department into the provision of an improved A59 between Liverpool and Preston; and what were the dates and results of such studies.

Mr. Peter Bottomley: In the late 1960s a study identified three possible improvement schemes on the A59 Liverpool to Preston for inclusion in the national programme. By 1980 it became clear that the traffic figures no longer

justified the scheme and they were suspended from the programme. In 1981 a bypass of Burscough and Rufford was reinstated. Consultants were appointed in August 1984 to study trunk roads in the Preston-Ormskirk area. Their report was received earlier this year and is currently under consideration.

Cumbria (Coast Road)

Mr. Alfred Morris asked the Secretary of State for Transport what plans he has for improving the A595/A596 coast road in Cumbria.

Mr. Peter Bottomley: There are six schemes, valued at some £21 million in the national trunk road programme. They are:

Under construction
A595/A596 Thursby bypass

In preparation
A596 Wigton bypass
A596/A66 Workington bypasses
A595 Howgate-Hayes Castle Improvement
A595 Hensingham bypass
A595 Egremont bypass

In addition, the Department continually monitors conditions on these trunk roads and introduces smaller improvements when justified on safety and economic grounds. As part of this monitoring we are currently investigating the A595 between Ironbridge and Yeorton Brow, south of Egremont.

Road Construction

Mr. Alfred Morris asked the Secretary of State for Transport what was the total mileage of new motorways and other trunk roads opened in the northern, north-western and Yorkshire and Humberside regions in each of the years since 1979; and what were the comparable figures for the other English regions.

Mr. Peter Bottomley: The information requested is set out below.

Miles of new road constructed

Region	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
South East							
Motorways	14	15	12	11	9	7	24
Trunk roads	7	14	15	4	4	4	7
Total	21	29	27	15	13	11	31
South West							
Motorways	—	—	—	—	—	—	—
Trunk roads	3	—	4	1	3	18	9
Total	3	—	4	1	3	18	9
West Midlands							
Motorways	5	5	—	—	17	1	15
Trunk roads	—	5	—	—	5	5	10
Total	—	10	—	—	22	6	25
North West							
Motorways	—	8	9	7	6	2	8
Trunk roads	5	—	7	6	3	1	3
Total	5	8	16	13	9	3	11
Northern							
Motorways	—	—	—	—	—	—	—
Trunk roads	—	—	3	8	14	2	10
Total	—	—	3	8	14	2	10
Yorkshire and Humberside							
Motorways	9	—	—	—	—	—	—
Trunk roads	3	1	6	6	14	5	6
Total	12	1	6	6	14	5	6
East Midlands							
Motorways	—	—	—	—	—	—	—
Trunk roads	2	1	2	4	2	3	13
Total	2	1	2	4	2	3	13
Eastern							
Motorways	18	14	—	2	21	8	10
Trunk roads	16	19	21	27	1	10	14
Total	34	33	21	29	22	18	24
Greater London							
Motorways	—	—	—	—	—	—	—
Trunk roads	1	—	1	—	—	4	—

Region	1979	1980	1981	1982	1983	1984	1985
Total	1	—	1	—	—	4	—
All Regions							
Motorways	41	42	21	20	53	18	57
Trunk roads	37	39	59	56	46	52	72
Total	78	82	80	76	99	70	129

Note:
The regions shown are those areas covered by the Department of Transport's nine regional offices.

Mr. Alfred Morris asked the Secretary of State for Transport which outstanding trunk road schemes in the Northern, North Western and Yorkshire and Humberside regions may now be built as dual carriageways rather than single carriageways following the publication of the revised rules in standard TD20/85 on 28 April.

Mr. Peter Bottomley: No changes in the standard of trunk road schemes are proposed in the northern and Yorkshire and Humberside regions. In the north-west region, a section of the proposed Macclesfield relief road is to be upgraded from single to dual carriageway.

Roads (Statistics)

Mr. Alfred Morris asked the Secretary of State for Transport what is the total mileage of motorway and of dual carriageways in the northern, north-western and Yorkshire and Humberside regions.

Mr. Peter Bottomley: The total mileage of motorway and dual carriageways by standard region as at 1 April 1985, was:

	Motorway	Dual Carriageways
Northern	95·8	283·5
North Western	292·4	296·3
Yorkshire and Humberside	195·4	284·9

Highway Schemes (Cost)

Mr. Alfred Morris asked the Secretary of State for Transport if he will give an up-to-date estimate of the cost of outstanding highway schemes in the northern, north-western and Yorkshire and Humberside regions.

Mr. Peter Bottomley: The latest estimated works costs of national road schemes outstanding in the northern, north-west and Yorkshire and Humberside regions are given below:

	£ Million
Northern	80
North-West	470
Yorkshire and Humberside	200

These figures exclude the costs of scheme preparation, land acquisition and other miscellaneous items which add between 20 per cent. and 25 per cent. to the costs of a national road scheme.

Wigan, Westhoughton and Hindley Bypass

Mr. Alfred Morris asked the Secretary of State for Transport if he will now publish the anticipated timescale for decisions and action relating to the construction of the Wigan, Westhoughton and Hindley bypass.

Mr. Peter Bottomley: We hope to appoint consultants for this later this month. A detailed programme will be drawn up after the appointment. Construction is programmed to start after April 1989.

Dearne Towns Link

Mr. Alfred Morris asked the Secretary of State for Transport if he will make it his policy to build the Dearne towns link as a trunk road.

Mr. Peter Bottomley: There are no plans to do so. We consider carefully proposals for changes to the trunk road network put by the local highway authorities.

Roads (Bradford)

Mr. Lawler asked the Secretary of State for Transport what was the total sum spent on the repair and maintenance of roads in the Bradford metropolitan district council area in 1979-80, 1980-81, 1981-82, 1982-83, 1983-84, 1984-85 and 1985-86, giving the figures in actual prices and in terms of 1979-80 prices.

Mr. Peter Bottomley: Returns of actual expenditure on highway maintenance are submitted by individual highway authorities to the Department in relation to their area as a whole. Prior to April 1986 the highway authority for Bradford was West Yorkshire Metropolitan county council. I am afraid therefore I have no details of maintenance expenditure within Bradford for this period.

Orange Badge Scheme

Mr. Alfred Morris asked the Secretary of State for Transport what consideration has been given to the problems of people with severe upper limb disabilities, including thalidomide victims, in his review of the orange badge scheme; when he expects to issue his discussion paper; and if he will make a statement.

Mr. Peter Bottomley: The problems faced by those with severe upper limb disabilities will be carefully considered in the review. The discussion paper will be issued shortly, when we have the information we are still awaiting from some authorities.

Roads (Maintenance)

Mr. Lawler asked the Secretary of State for Transport what was the total sum spent on the repair and maintenance of roads nationally, for the years 1979-80 to 1985-86, inclusive, in actual prices and in real terms.

Mr. Peter Bottomley [*pursuant to the reply*, 7 July, 1986, c. *1*]: The following reply should be substituted for that given:

The total sums spent on the repair and maintenance of all roads and bridges in England, including motorways and trunk roads, for the years 1979-80 to 1985-86 were as follows:

	Cash (£ million)	*Real (£ million)*
*1979-80	715	715
1980-81	786	648
1981-82	972	722
1982-83	1,052	722
1983-84	1,068	697
1984-85	1,145	710
†1985-86	1,237	711

* 1979-80 prices calculated from the Department's highway maintenance price index.
† Estimated.

Okehampton Bypass

Dr. David Clark asked the Secretary of State for the Environment what discussions he has had with the Dartmoor national park authority over the permanent siting of spoil heaps, arising from the construction of the proposed Okehampton bypass, within the boundaries of the national park.

Mr. Peter Bottomley [*pursuant to his reply*, 3 July 1986, c. 595]: The Department's agent for the highway works, Devon county council, has had discussions with the Dartmoor national park authority at officer level on the advice to be given to tenderers about the need for them to obtain planning permission for any use of land within the national park for the disposal of surplus material arising from the construction of the bypass.

FOREIGN AND COMMONWEALTH AFFAIRS

South Africa

Mr. Canavan asked the Secretary of State for Foreign and Commonwealth Affairs whether he will make a statement on Her Majesty's Government's current policy on the present situation in South Africa.

Mrs. Chalker: As my right hon. Friend the Prime Minister confirmed in the House on 17 June, our objectives remain an end to apartheid, a solution to the South African problem by negotiation and a suspension of violence on all sides. We shall continue with our partners to do what we can to help achieve these goals.

Intergovernmental Agreements

Mr. Austin Mitchell asked the Secretary of State for Foreign and Commonwealth Affairs if it is the practice at meetings of representatives of European Community member states meeting on the occasion of Council meetings but not as members of the Council to give their assent to intergovernmental agreements not by formal signature but by their acceptance of the undertaking during such meetings.

Mrs. Chalker: My right hon. Friend the Prime Minister has referred the hon. Member to previous instances where this practice has been followed. — [*Official Report*, 12 June 1986, c. *287*.]

Mr. Austin Mitchell asked the Secretary of State for Foreign and Commonwealth Affairs in what way the text of the 1984 intergovernmental agreement was recorded; and in what languages.

Mrs. Chalker: I have nothing to add to the reply that my right hon. Friend the Prime Minister gave the hon. Member on 12 June at column *287*.

Verbal Agreements

Mr. Austin Mitchell asked the Secretary of State for Foreign and Commonwealth Affairs if there is any precedent for a verbal agreement accepted informally by representatives of EC member states without an agreed text being described as a treaty.

Mrs. Chalker: On the assumption that the hon. Member is referring to the 1984 intergovernmental agreement, the draft text for adoption was before the representatives of the member states meeting within the Council in a written form and the text as adopted appears in written form in the Council minutes. Agreement to that text was expressed orally. Article 11 of the Vienna convention on the law of treaties provides that the consent of a state to be bound by a treaty

"may be expressed by signature, exchange of instruments constituting a Treaty, ratification, acceptance, approval or accession or by any other means if so agreed".

My right hon. Friend the Prime Minister has previously referred the hon. Member to precedents, on 12 June 1986 at column *287*.

Ghana

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's relations with Ghana.

Mrs. Chalker: We enjoy good relations with the Republic of Ghana, a senior and respected member of the Commonwealth, though our two countries do not necessarily agree on every issue.

Trade between the United Kingdom and Ghana increased by almost 50 per cent. in 1985 and our pledged programme aid doubled to £14 million.

Council of Ministers

Mr. Peter Bruinvels asked the Secretary of State for Foreign and Commonwealth Affairs what estimate he has of the additional cost arising for Her Majesty's Government as a result of the current United Kingdom Presidency of the Council of Ministers; and what estimates he has of the number of ministerial meetings arising.

Mrs. Chalker: Additional costs on the FCO vote are likely to amount to just under £2 million. There are likely to be 10 ministerial meetings held in the United Kingdom during our Presidency.

NATIONAL FINANCE

Personal Incomes

Mr. Shore asked the Chancellor of the Exchequer whether he will provide figures for the weekly earnings after income tax, national insurance contributions and child benefit at *(a)* actual prices and *(b)* constant April

1985 prices of (i) a single man, (ii) a married man, (iii) a married man with two children under 11 years, (iv) a married man with four children, two under 11 years, one 11 to 15 years, and one over 16 years, whose gross weekly earnings are at (v) the lowest decile, (w) the lower quartile, (x) the median, (y) the upper quartile and (z) the highest decile for April 1979 under the June 1979 tax-benefit regime and April 1985.

Mr. Lawson: I shall let the right hon. Member have a reply as soon as possible.

Lead-free Petrol

Dr. David Clark asked the Chancellor of the Exchequer if he will make a statement on the progress of his discussions with oil companies about his proposals for tax concessions on lead-free petrol.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

EDUCATION AND SCIENCE

Further and Higher Education

8. **Mr. George** asked the Secretary of State for Education and Science what representations he has received from the National Association of Teachers in Further and Higher Education about the report of Her Majesty's Inspectorate for 1985 on further and higher education.

69. **Mr. Stan Thorne** asked the Secretary of State for Education and Science what representations he has received from the National Association of Teachers in Further and Higher Education about the report of Her Majesty's Inspectorate for 1985 on further and higher education.

71. **Mr. Wareing** asked the Secretary of State for Education and Science what representations he has received from the National Association of Teachers in Further and Higher Education about the report of Her Majesty's Inspectorate for 1985 on further and higher education.

77. **Mr. Ron Davies** asked the Secretary of State for Education and Science what representations he has received from the National Association of Teachers in Further and Higher Education about the report of Her Majesty's Inspectorate for 1985 on further and higher education.

Mr. Walden: None.

Health Education

14. **Mrs. Currie** asked the Secretary of State for Education and Science if he has plans to publish more detailed guidance to schools on health education.

Mr. Chris Patten: Her Majesty's Inspectorate published last week a discussion document on "Health Education from 5 to 16", offering professional guidance in the health education field. My right hon. Friend intends shortly to issue a draft circular on the particular issues associated with the provision of sex education in schools. He has no present plans to publish other more detailed guidance on health education.

78. **Mr. Nicholls** asked the Secretary of State for Education and Science what representations he has received on health education in schools.

Mr. Chris Patten: My right hon. Friend receives a considerable amount of correspondence about all aspects of health education provision, including sex education, education about smoking and health, teaching intended to combat drug and alcohol misuse, and healthy eating. The Government have made clear tha they regard health education as an essential element in the school curriculum.

Local Authority Expenditure

15. **Mr. Weetch** asked the Secretary of State for Education and Science what response he has had to his offer to discuss the report of Her Majesty's Inspectorate on the effects of local authority expenditure policies on education provision in England with local authority elected members.

Mr. Chris Patten: Local authority elected members have welcomed my right hon. Friend's offer of discussions on this topic.

26. **Mr. Patchett** asked the Secretary of State for Education and Science what response he has had to his offer to discuss the report of Her Majesty's Inspectorate on the effects of local authority expenditure policies on education provision in England with local authority elected members.

27. **Mr. Lofthouse** asked the Secretary of State for Education and Science what response he has had to his offer to discuss the report of Her Majesty's Inspectorate on the effects of local authority expenditure policies on education provision in England with local authority elected members.

34. **Mr. Ray Powell** asked the Secretary of State for Education and Science what response he has had to his offer to discuss the report of Her Majesty's Inspectorate on the effects of local authority expenditure policies on education provision in England with local authority elected members.

Mr. Chris Patten: I refer hon. Members to the answer I gave earlier today to the hon. Member for Ipswich (Mr. Weetch).

Schools (HMI Report)

16. **Mr. Park** asked the Secretary of State for Education and Science what representations he has received from local education authorities about the report of Her Majesty's Inspectorate on schools (1985).

32. **Mr. Janner** asked the Secretary of State for Education and Science what representations he has received from local education authorities about the report of Her Majesty's Inspectorate on schools (1985).

35. **Mr. Tom Cox** asked the Secretary of State for Education and Science what representations he has received from local education authorities about the report of Her Majesty's Inspectorate on schools (1985).

56. **Ms. Clare Short** asked the Secretary of State for Education and Science what representations he has received from local education authorities about the report of Her Majesty's Inspectorate on schools (1985).

76. **Mr. Flannery** asked the Secretary of State for Education and Science what representations he has received from local education authorities about the report of Her Majesty's Inspectorate on schools (1985).

Mr. Chris Patten: The Department has no record of any representations from local education authorities about the report of Her Majesty's Inspectorate on "The Effects of Local Authority Expenditure Policies on Education Provision in England—1985". My right hon. Friend has invited the Local Authority Associations to discuss the report at a future date.

31. **Mr. O'Brien** asked the Secretary of State for Education and Science what representations he has received from teachers' unions about the report of Her Majesty's Inspectorate on schools (1985).

43. **Mr. Stott** asked the Secretary of State for Education and Science what representations he has received from teachers' unions about the report of Her Majesty's Inspectorate on schools (1985).

44. **Mrs. Beckett** asked the Secretary of State for Education and Science what representations he has received from teachers' unions about the report of Her Majesty's Inspectorate on schools (1985).

61. **Mr. Tony Banks** asked the Secretary of State for Education and Science what representations he has received from teachers' unions about the report of Her Majesty's Inspectorate on schools (1985).

Mr. Chris Patten: The Department has no record of any representations to my right hon. Friend from the teachers' unions about the report of Her Majesty's Inspectorate on "The Effects of Local Authority Expenditure Policies on Education Provision in England—1985.

66. **Mr. Ashton** asked the Secretary of State for Education and Science what representations he has received on the report of Her Majesty's Inspectorate (1985) on the level of maintenance of school buildings.

Mr. Pike asked the Secretary of State for Education and Science what representations he has received on the report of Her Majesty's Inspectorate (1985) on the level of maintenance of school buildings.

70. **Mr. Soley** asked the Secretary of State for Education and Science what representations he has received on the report of Her Majesty's Inspectorate (1985) on the level of maintenance of school buildings.

72. **Mr. Cohen** asked the Secretary of State for Education and Science what representations he has received on the report of Her Majesty's Inspectorate (1985) on the level of maintenance of school buildings.

Mr. Dunn: The Department regularly receives letters from members of the public about the maintenance of school buildings but there have been no major representations on this issue since the publication of the Report by Her Majesty's Inspectors on "The Effects of Local Authority Expenditure Policies on Education Provision in England 1985".

Teaching Materials

17. **Mr. Loyden** asked the Secretary of State for Education and Science what steps he intends to take to deal with the problem of shortages of teaching materials in schools.

Mr. Chris Patten: In successive rate support grant settlements the Government have made provision for local authorities to increase their spending on items such as books, equipment and materials, provided they can make savings through increased efficiency and contain costs generally. We are also making extra resources available to enable authorities to provide additional books and equipment for GCSE courses.

Polytechnics

18. **Mr. Jessel** asked the Secretary of State for Education and Science what further representations he has received about the recommendations of the National Advisory Body.

Mr. George Walden: In my reply of 10 June to the hon. Member for Liverpool, West Derby (Mr. Wareing) I said that since the secretariat of the National Advisory Body wrote to institutions on 4 April with proposals for student numbers in 1987-88, about 470 representations had been received. Since then a further 250 representations have been received.

37. **Miss Boothroyd** asked the Secretary of State for Education and Science what representations he has received in the past month from directors of polytechnics about the National Advisory Body's planning exercise for 1987-88.

39. **Mr. Clelland** asked the Secretary of State for Education and Science what representations he has received in the past month from directors of polytechnics about the National Advisory Body's planning exercise for 1987-88.

55. **Mr. Corbyn** asked the Secretary of State for Education and Science what representations he has received in the past month from directors of polytechnics about the National Advisory Body's planning exercise for 1987-88.

74. **Mr. Derek Fatchett** asked the Secretary of State for Education and Science what representations he has received in the past month from the directors of polytechnics about the National Advisory Body's planning exercise for 1987-88.

Mr. Walden: I refer the hon. Members to the Answer I gave earlier today to the hon. Members for Newcastle upon Tyne, East (Mr. Brown) and Knowsley, North (Mr. Kilroy-Silk).

47. **Dr. Michael Clark** asked the Secretary of State for Education and Science if he will indicate the number of students at polytechnics, the proportion of school leavers gaining places and how this compares with previous years.

Mr. Walden: The figures for English polytechnics and English school leavers are as follows:

	Academic Year			
	1979-80	*1983-84*	*1984-85*	**1985-86*
Number of full-time and part-time students (thousands)	175·2	215·8	220·3	228·2

	Academic Year			
	1979-80	1983-84	1984-85	*1985-86
Percentage of school leavers whose intended destination was a full-time course at a Polytechnic starting in the year shown	2·1	2·7	2·9	2·8

* Provisional.

School Syllabuses

19. **Mr. Sackville** asked the Secretary of State for Education and Science if he is satisfied that the scope of syllabuses are being sufficiently protected by education authorities in responding to falling school rolls.

Mr. Chris Patten: My right hon. Friend is well aware that falling pupil numbers may make it difficult for schools to offer a broad curriculum, matched to the abilities of their pupils, without incurring disproportionate costs. This is why he urges local authorities and the governors of voluntary schools, on educational as much as on financial grounds, to rationalise provision so as to maintain schools of sufficient size. The Government published their proposals on school size in "Better Schools" for consultation with the partners, and my right hon. Friend intends to issue further guidance shortly.

School Libraries

20. **Mr. McWilliam** asked the Secretary of State for Education and Science whether he is satisfied with the level of purchasing of new books in school libraries.

65. **Mr. Jack Thompson** asked the Secretary of State for Education and Science whether he is satisfied with the level of purchasing on new books in school libraries.

Mr. Terry Lewis asked the Secretary of State for Education and Science whether he is satisfied with the level of purchasing of new books in school libraries.

Mr. Chris Patten: A survey which Her Majesty's Inspectorate conducted in 1984 of school libraries in six local education authority areas revealed a wide diversity of provision between authorities and within the same authority. The Government recognise the importance of school libraries and look to local education authorities and schools to explore ways in which the resources available can be most effectively deployed.

Graduates (Industrial Employers)

21. **Mr. Beith** asked the Secretary of State for Education and Science if he has any plans to seek to remedy the shortfall in graduates for industrial employers.

Mr. Walden: My right hon. Friend has already responded to industry's strongly expressed concern about areas of skill shortages through a range of measures aimed at increasing significantly the numbers of relevant graduate places by the end of the decade.

Huddersfield Polytechnic

22. **Mrs. Peacock** asked the Secretary of State for Education and Science if he has any plans to visit Huddersfield polytechnic.

Mr. Walden: My right hon. Friend has no such plans.

School Attendances

23. **Mr. Heddle** asked the Secretary of State for Education and Science if he will make a statement on school attendances.

Mr. Chris Patten: Unjustified absence is a serious problem in a minority of schools. In the Government's view there is scope for the education welfare services to focus their efforts more sharply on such absence, and to take early, preventive action before irregular attendance becomes habitual. On 10 February the Department issued a circular "School attendance and education welfare services", to local education authorities. It contained a number of recommendations about the functions and organisation of the services, commented on their implications for the training of education welfare officers, and asked authorities to inform the Secretary of State by 31 May how far their existing and planned policies corresponded to those recommendations. Early in 1987 we will ask for more detailed information about authorities' arrangements for implementing the recommendations in the circular.

Schools (Finance)

24. **Mr. Robert B. Jones** asked the Secretary of State for Education and Science if he has any plans to seek powers to regulate the method of distributing finance between schools.

45. **Mr. Edward Leigh** asked the Secretary of State for Education and Science if he plans to change the method of funding of secondary schools.

Mr. Chris Patten: No.

Sex Education

25. **Mr. Batiste** asked the Secretary of State for Education and Science whether he has plans to meet representatives of Family and Youth Concern to discuss sex education in schools.

Mr. Chris Patten: My right hon. Friend has no plans at present to meet representatives of Family and Youth Concern and has received no request for such a meeting.

Birkbeck College

28. **Mr. Fisher** asked the Secretary of State for Education and Science what representations he has received on the future of Birbeck college.

38. **Dr. Marek** asked the Secretary of State for Education and Science what representations he has received on the future of Birbeck college.

Mr. Walden: My right hon. Friend has received over 400 representations about the funding of Birkbeck college. The University Grants Committee is currently reviewing the basis on which it allocated resources in respect of part-time students at Birkbeck college.

Russian Language

29. **Mr. Maclennan** asked the Secretary of State for Education and Science what steps he is taking to promote the teaching of Russian as a foreign language in schools and colleges.

Mr. Chris Patten: My right hon. Friend published last month a draft statement of policy on foreign languages in the school curriculum which made clear his view that, within available resources, more pupils should have an opportunity to study Russian at school, in particular as a first foreign language. The draft statement is now the subject of consultation. In higher education, student numbers reflect demand: the Government are concerned to ensure that this demand is met in thriving and viable departments.

School Reorganisation Plans

30. **Mr. Wainwright** asked the Secretary of State for Education and Science what was the shortest and what was the longest period in which he replied with his formal decision on school reorganisation proposals for local education authorities since 1983.

Mr. Dunn: The shortest period between publication of school reorganisation proposals and a final decision by the Secretary of State since 1983 was 2·3 months and the longest period was 23·2 months. In both cases this includes the two-month period during which statutory objections can be made and the further month allowed before a local education authority must submit these objections and their comments to the Secretary of State.

Scottish Universities (Grants)

33. **Mr. Bruce** asked the Secretary of State for Education and Science what representations he has received from Scottish universities about the latest round of grant allocation.

Mr. Walden: My right hon. Friend has received a letter from the Principal of Edinburgh university, and I heard representations at first hand when I visited Aberdeen university on 2 June. We have also received about two dozen representations on the 1986-87 grant allocations for Scottish universities from hon. Members, university staff and students.

General Certificate of Secondary Education

36. **Mr. Soames** asked the Secretary of State for Education and Science if he will make a statement on progress on introducing the GCSE.

Mr. Chris Patten: The Government have devoted £10 million to a training programme for the GCSE which is the most ambitious ever mounted. Schools will be able to close for two days this term to complete the training programme. Together, the LEAs and Government are directing £60 million this year to books and equipment for the new exams. The Government will be making available a further £20 million over the next two years. Almost all syllabuses are now approved and most of them are in schools. I welcome the fact that all the teachers' associations are now co-operating in preparation for the GCSE.

46. **Mr. Maples** asked the Secretary of State for Education and Science what response he has received to the steps he recently announced to help teachers prepare for the GCSE.

Mr. Alton asked the Secretary of State for Education and Science what recent representations he has received concerning the funding available for the introduction of the GCSE.

Mr. Chris Patten: Since my right hon. Friend's announcement of 10 June of increased support for books and equipment to the GCSE, both the NUT and the NAS/UWT have advised their members to co-operate with the preparations for the introduction of the GCSE. The Department has received a general welcome for this announcement, including an official response from the Professional Association of Teachers.

58. **Mr. Cyril D. Townsend** asked the Secretary of State for Education and Science how many syllabuses have now been approved for the GCSE.

Mr. Chris Patten: The Secondary Examinations Council has now approved 281 GCSE syllabuses which virtually completes the programme for the approval of syllabuses. The examining groups have already circulated most of the approved versions and they will distribute the remainder as soon as possible.

67. **Mr. Bellingham** asked the Secretary of State for Education and Science what representations he has received from Norfolk county council about preparations for the GCSE.

Mr. Chris Patten: The Department has received no recent representations from Norfolk county council about preparations for the GCSE. However, my right hon. Friend will be meeting a deputation from Norfolk county council in the middle of July.

75. **Mr. John Mark Taylor** asked the Secretary of State for Education and Science what recent representations he has received from local education authorities about the implementation of the new GCSE programme.

Mr. Chris Patten: Since the beginning of June the Department has received six letters from local education authorities about the arrangements for the introduction of the GCSE. The authorities concerned are: Avon; Buckinghamshire; Devon; Kingston; North Yorkshire; and Shropshire.

I also met a deputation from Bradford on 27 June to discuss GCSE issues. The main issues raised concerned the provision of resources and the training programme.

Design Courses

40. **Mr. Sedgemore** asked the Secretary of State for Education and Science whether he is satisfied with the number of students studying on design courses.

Mr. Walden: The Government attach great importance to design. Between 1979 and 1984 the number of full time equivalent home and EC students on advanced courses in design in the public sector, which accounts for the majority of such courses increased by some 70 per cent. from a little over 8,000 to around 14,000.

Teachers (Dispute)

41. **Sir John Farr** asked the Secretary of State for Education and Science what steps he is taking to end disruption in schools still being caused by teachers in dispute.

Mr. Chris Patten: In accepting a 1986-87 pay offer on 9 May, all six school teacher unions gave an assurance that there would be a return to peace and calm in schools immediately. Pupils should now be receiving a normal, uninterrupted service and I trust that local education authorities, as employers, are ensuring that teachers are carrying out their contractual obligations.

Technological Skills

42. **Mr. Ashdown** asked the Secretary of State for Education and Science what further steps he will take to overcome the deficiencies in technological skills of those engaged in British industry.

Mr. Walden: My right hon. Friend is maintaining the PICKUP programme which is encouraging and supporting universities and colleges to develop more and better training for adults in employment and the Department is playing its part in the Government's adult training campaign to bring home to employers the importance of investing in the training of their employees. In addition, my right hon. Friend is reforming teacher training to promote the teachings of technology and of its economic importance.

Open University

48. **Mr. Freud** asked the Secretary of State for Education and Science if he will make a statement on the level of supply and demand for places with the Open University in the forthcoming academic year.

Mr. Walden: The university predicts that it will receive about 58,500 applications for the 1987 academic year. It expects to make some 35,400 offers in order to fill the 22,000 places available.

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what was the value of the Government grant to the Open University for each year since 1971-72 in cash terms, constant 1985-86 prices and indexed using 1971-72 as a base, including and excluding Government loans to the institution; and what was and is the number of undergraduates studying at the institution on degree courses for each year.

Mr. Walden: The information is as follows:

Financial year	*Recurrent grant (£ million)*	*Recurrent grant in 1985-86 real terms (£ million)*	*Recurrent grant indexed in real terms: 1971-72 = 100*	*Student numbers in academic (calendar) years*
1971-72	6·63	30·92	100·0	19,581
1972-73	7·90	34·14	110·4	31,902
1973-74	9·78	39·43	127·5	28,424
1974-75	13·86	46·83	151·5	42,636
1975-76	16·38	44·03	142·4	49,358
1976-77	23·57	55·99	181·0	51,035
1977-78	24·15	50·37	162·9	55,127
1978-79	29·96	56·49	182·7	58,788
1979-80	36·71	59·22	191·5	60,963
1980-81	47·13	64·02	207·1	61,446
1981-82	51·27	63·32	204·8	60,550
1982-83	54·21 (55·21)*	62·57 (63·73)	202·4 (206·1)	64,422
1983-84	55·72 (56·42)*	61·55 (62·33)	199·0 (201·6)	66,403
1984-85	58·25 (59·05)*	61·75 (62·60)	199·7 (202·5)	66,763
1985-86	60·93	60·93	197·1	67,433

* Figures in brackets are based on the inclusion of £1 million, £0·7 million and £0·8 million in 1982-83, 1983-84 and 1984-85 respectively, to enable the Open University to develop its professional, industrial and commercial updating (PICKUP) activities. These sums were originally made available as loans but were converted to grant with effect from the financial year 1986-87. The university's PICKUP activities are part of its non-degree continuing education programme.

Glasgow and Strathclyde Universities

49. **Mr. MacKenzie** asked the Secretary of State for Education and Science when he proposes to visit Glasgow university and Strathclyde university.

Mr. Walden: My right hon. Friend does not at present have plans to visit Glasgow university or Strathclyde university.

Higher Education

50. **Mr. Roy Hughes** asked the Secretary of State for Education and Science if he proposes to have any early discussions with university authorities concerning the future development of higher education.

Mr. Walden: My right hon. Friend and I met representatives of the Committee of Vice-Chancellors and Principals on 26 June and discussed a number of issues including the future funding of universities.

Mr. Forman asked the Secretary of State for Education and Science (1) if he will set out the number of students in *(a)* universities and *(b)* public sector institutions who are taking mixed honours degrees composed of more than one subject and indicate the proportions which these represent of the total number of undergraduates in each case;

(2) how many students in *(a)* universities and *(b)* public sector institutions are following courses of study based on single subjects and mixed subjects, respectively; and what were the equivalent figures in each year from 1970 to the latest available date.

Mr. Walden: The required information for further education and public sector higher education could be extracted only at disproportionate cost. Equivalent information for universities is not currently collected. The number of students on modular first degree courses in public sector institutions in England, in 1984, was 6,400

which represented 3·6 per cent. of all first degree students in the public sector. The revised subject classification introduced for the collection of 1985 university statistics will in future enable students studying combinations of subjects to be identified.

Mr. Forman asked the Secretary of State for Education and Science how many students in *(a)* universities and *(b)* public sector institutions are following courses of study as undergraduates of two years, three years and more than three years duration, respectively; and what were the equivalent figures in each year from 1970 to the latest available date.

Mr. Walden: The available information is shown in the following table:

Full-time and sandwich new entrants

thousands

	Academic year beginning					
	1979	*1980*	*1981*	*1982*	*1983*	*1984*
Universities (GB)						
Undergraduate						
2 year*	80·7	0·5	0·6	0·7	0·7	0·6	0·6
3 year		62·1	59·8	56·4	53·5	54·5
4 or more years		18·5	18·3	19·0	19·6	20·1
Public sector (England)						
First degree only						
2 year†		0·1	0·2	0·2	0·2	0·2	0·2
3 year		26·2	27·9	32·7	33·3	32·2	31·5
4 or more years		12·9	13·3	16·5	18·8	19·0	19·8

* Mainly diploma students.

† These are likely to be entrants who have been granted exemption from the 1st year(s) of the course.

Mr. Radice asked the Secretary of State for Education and Science what has been the young mature entry index for higher education in each year since 1974.

Mr. Kenneth Baker: The available figures for the young mature entry index, which is defined as the number of home full-time and sandwich initial entrants aged 21 to 24 expressed as a percentage of the numbers of "potential entrants" in the age group, are shown in the following table. In this context "potential entrants" means those with one or more A-levels or Scottish equivalent who did not enter higher education at younger ages.

Young mature entry indices to higher education in Great Britain

	Academic year beginning					
	1980	*1981*	*1982*	*1983*	*1984*	**1985*
Men	10·8	10·8	10·5	10·4	10·8	11·5
Women	4·9	4·8	4·5	4·3	4·6	4·9

* Provisional.

Universities (Funds)

51. **Mr. Parry** asked the Secretary of State for Education and Science what representations he has received from the Association of University Teachers about the funding of universities in 1986-87.

53. **Mr. Straw** asked the Secretary of State for Education and Science what representations he has received from the Association of University Teachers about the funding of universities in 1986-87.

59. **Mr. Tom Clarke** asked the Secretary of State for Education and Science what representations he has received from the Association of University Teachers about the funding of universities in 1986-87.

62. **Mr. McNamara** asked the Secretary of State for Education and Science what representations he has received from the Association of University Teachers about the funding of universities in 1986-87.

79. **Mr. Blair** asked the Secretary of State for Education and Science what representations he has received from the Association of University Teachers about the funding of universities in 1986-87.

Mr. Walden: I refer hon. Members to my reply of 1 July to the hon. Member for Cynon Valley (Mrs. Clwyd) at column *473*.

Mr. Radice asked the Secretary of State for Education and Science what is the percentage charge in real terms, measured by the gross domestic product deflator, in the funding of each university by the University Grants Committee between 1980-81 and 1986-87, excluding those amounts representing: compensation for changes in home student fees, compensation for redundancy and early retirement, changes to take account of capital in recurrent expenditure, local authority rates and additions made for the engineering and technology, information technology and new blood programmes.

Mr. Kenneth Baker: The exclusion of the funding elements selectively listed by the hon. Member gives an unrealistic impression of changes in the funding of universities by the University Grants Committee between 1980-81 and 1986-87. The payment of items such as local authority rates and compensation for early retirements is part and parcel of the cost of running large institutions. The engineering and technology, information technology and new blood programmes are important features in the life of universities which should not simply be ignored. Between 1980-81 and 1986-87 total recurrent and equipment grant paid to universities by the University Grants Committee increased by 39·3 per cent. in cash terms which is equivalent to an increase of 1·3 per cent. in real terms (using the GDP deflator).

However, neither this increase nor the figures specifically requested by the hon. Member, which are as follows, accurately reflect the changes in universities' overall financial position over the period: increases in income from overseas students and other private sources

and reductions in tuition fees for home students (paid from public funds in most cases) must also be taken into account.

Changes in UGC recurrent and equipment grant to universities between 1980-81 and 1986-87 in real terms (using the GDP deflator), with selected exclusions listed by the hon. Member, were:

	Per cent.
Aston	−33·3
Bath	−6·9
Birmingham	−19·1
Bradford	−34·5
Bristol	−15·5
Brunel	−19·6
Cambridge	−13·7
City	−22·8
Durham	−13·8
East Anglia	−17·0
Essex	−20·0
Exeter	−20·5
Hull	−21·6
Keele	−35·7
Kent	−22·8
Lancaster	−16·8
Leeds	−17·9
Leicester	−9·6
Liverpool	−19·7
London Graduate School of Business Studies	+25·0
London University	−17·4
Loughborough	−7·2
Manchester Business School	−26·2
Manchester	−17·4
University of Manchester Institute of Science and Technology	−30·4
Newcastle	−15·1
Nottingham	−15·3
Oxford	−14·6
Reading	−18·2
Salford	−46·3
Sheffield	−18·0
Southampton	−11·8
Surrey	−27·1
Sussex	−21·7
Warwick	−12·0
York	−2·8
Aberystwyth U.C.	−21·4
Bangor U.C.	−20·8
Cardiff U.C.	−19·0
St. David's Lampeter	−5·7
Swansea U.C.	−21·7
University of Wales Institute of Science and Technology	−22·8
Welsh National School of Medicine	−10·1
Aberdeen	−25·3
Dundee	−20·8
Edinburgh	−16·6
Glasgow	−9·4
Heriot-Watt	−13·2
St. Andrews	−22·1
Stirling	−23·6
Strathclyde	−20·2

Education (School Premises) Regulations 1981

52. **Mr. Colvin** asked the Secretary of State for Education and Science if he will review the Education (School Premises) Regulations 1981.

Mr. Dunn: My Department keeps under continuous review the evidence available to it regarding the appropriateness of the requirements of the regulations.

Science and Mathematics Teachers

54. **Mr. Evennett** asked the Secretary of State for Education and Science what additional measures he is considering to seek to improve the recruitment and retention of science and mathematics teachers.

Mr. Kenneth Baker: I refer my hon. Friend to the answer I gave earlier today to my hon. Friend the Member for Stratford-on-Avon (Mr. Howarth).

Pupil-Teacher Ratio

57. **Mr. Marlow** asked the Secretary of State for Education and Science if he will make a statement on the effect of the reduction of pupil-teacher ratio on education standards over the last five years.

Mr. Chris Patten: My right hon. Friend recognises that the pupil-teacher ratio is one factor affecting the standards achieved by pupils, and the Government's public expenditure plans as announced in this year's White Paper (Cmnd 9702) provide for a further modest improvement in overall PTRs between January 1985 and January 1987. It is important that schools should use the flexibility allowed by smaller PTRs to give teachers adequate time for curriculum planning and development, and improve teacher deployment, not simply to reduce class sizes.

Deaf-Blind Children

60. **Mr. Ashley** asked the Secretary of State for Education and Science what response he has had to the draft consultative document on the education of deaf-blind children.

Mr. Dunn: A number of responses have been received and are being considered. However many of the bodies who were consulted have been unable to meet the original deadline of June 16, and so this was extended until July 4 in order to allow the widest possible range of comments to be considered.

Teacher Shortages

63. **Mr. Spearing** asked the Secretary of State for Education and Science what information he has concerning the shortage of key teachers in particular education authorities; and what action he is proposing to ensure that they are enabled to discharge their statutory obligations.

Mr. Chris Patten: The Department does not maintain detailed records of teacher recruitment in individual local education authorities. We are aware that some authorities have had difficulties in recruiting enough teachers with certain specialisms in the secondary or primary age ranges. An expansion of the primary training system was begun in 1982, and we have encouraged more students to specialise in the teaching of younger pupils. On the question of secondary specialisms, I refer the hon. Member to the answer given by my right hon. Friend earlier today to my hon. Friend the Member for Stratford-on-Avon (Mr. Howarth).

Expenditure

64. **Mr. Andrew F. Bennett** asked the Secretary of State for Education and Science by how much proposed

education spending has been increased in 1986-87 and 1987-88 since he came to office; what percentage of gross domestic product will be spent on education in 1986-87 and 1987-88; and how it compares with the percentage in 1978-79.

Mr. Chris Patten: Since taking office my right hon. Friend has announced increased funding for the introduction of the GCSE and an increase of £36 in the value of individual student awards. The total expenditure concerned is £24·5 million in 1986-87 and £14 million in 1987-88. An additional £5 million has also been made available in 1986-87 for scientific and technological equipment for the introduction of the GCSE by my right hon. and noble Friend the Secretary of State for Employment. All of this expenditure falls within the overall public expenditure planning totals.

Public expenditure on education in the United Kingdom in 1978-79 was 5·3 per cent. of GDP for that year. The plans for education spending in 1986-87 set out in the 1986 Public Expenditure White Paper (Cmnd. 9702) represent 4·4 per cent. of forecast GDP. Decisions on the level of provision for local authority current expenditure on education in 1987-88 remain to be taken.

Single Sex Education

68. **Sir John Biggs-Davison** asked the Secretary of State for Education and Science what is his policy towards school closures and reorganisation that effectively extinguish parental choice of single sex education.

Mr. Dunn: My right hon. Friend considers all proposals for school closures and reorganisations which come before him on their individual merits, taking into account all the relevant educational social and financial factors. Circular 4/82 made clear my right hon. Friend's view that proposals should have regard to parental preference for maintaining opportunities for single-sex education in schools.

National Advisory Body (Planning Exercise)

73. **Mr. Nellist** asked the Secretary of State for Education and Science what representations he has received in the past month from the National Union of Students about the National Advisory Body's planning exercise for 1987-88.

Mr. Walden: None.

School Leavers (Higher Education)

80. **Mr. Michael Forsyth** asked the Secretary of State for Education and Science what is the number and proportion of school leavers taking up places in higher education; and how this compares with 1979.

Mr. Walden: Information is not available precisely in the form requested. Data on the intended destinations of school leavers showing those who were planning to pursue degree courses (including teacher training courses) and those whose intention was to follow other further or higher education courses is shown in the table:

*School leavers in academic year—Intended destinations**

	1978-79		*1984-85*	
Full-time courses	*Number (thousands)*	*As percentage of all leavers*	*Number (thousands)*	*As percentage of all leavers*
Degree (including teacher training) courses	58·1	7·9	57·7	7·8
Other further and higher education courses	99·4	13·5	151·4	20·5
Total full-time further and higher education courses	157·6	21·4	209·1	28·3

* Whose intended destination was perceived or outcome known, by the Head Teacher at the time of the completion of the School Leavers Survey.

Source: School Leavers Survey. Data are subject to sampling error.

Education (Grants and Awards) Act

81. **Mr. Lilley** asked the Secretary of State for Education and Science to what extent the Education (Grants and Awards) Act has been used to assist in specific programmes to help low attainers in schools.

Mr. Chris Patten: At present education support grants are not being used to assist in specific programmes to help low attainers in schools although many ESG supported activities will benefit low attainers even though they are not specifically so targetted.

However the Government are funding three major research projects in mathematics on the needs of low attaining pupils in secondary schools at a cost of some £1 million. The lower attaining pupils' programme itself was set up in 1982 and provides for expenditure of about £3 million a year to be supported through the urban programme.

Crime Prevention

82. **Mr. Ryder** asked the Secretary of State for Education and Science by what means he is encouraging education for crime prevention in schools.

Mr. Chris Patten: My right hon. Friend is encouraging education for crime prevention in schools in a number of ways, including the following:

—through the Government's policy, as set out in "Better Schools", for improving standards of academic achievement and behaviour at all schools;

—through the arrangements for paying Education Support Grant in respect of approved schemes for

(*a*) promoting social responsibility in schools, and

(*b*) combating the misuse of drugs

—through promoting better co-operation between police and the schools;

—through action to increase parental involvement in schools;

—through various projects on which grant is payable under the Urban Programme and through grants made by my right hon. Friend the Home Secretary under Section 11 of the Local Government Act 1966.

Mr. Yeo asked the Secretary of State for Education and Science what action his Department is taking as a result of the Downing street seminars on crime prevention.

Mr. Chris Patten: At the seminar in January of this year the Department undertook two assignments: to collect and disseminate examples of good crime prevention strategies in relation to school premises and to commission a research study on the nature and extent of wilful damage to buildings and property and to advise on cost-effective and practical solutions. The first was completed on 26 June when a discussion document was sent by the Department to all local education authorities and interested national bodies in England. The research study has been commissioned and is now in progress. The findings are expected to be available in the spring of 1987 and the Department will issue practical guidance on school security before the end of 1987.

School Buildings

83. **Mr. Alex Carlile** asked the Secretary of State for Education and Science when he now expects to complete his survey into the state of school buildings.

Mr. Dunn: Because many survey returns have still not been received from local education authorities, it is not possible to say when the survey will be completed. Authorities are being pressed to submit outstanding returns as soon as possible.

School Leavers (Examinations)

84. **Mr. Madel** asked the Secretary of State for Education and Science what information he has as to international comparisons of quality between school leavers' examinations at 16 and at 18 years.

Mr. Dunn: This information is not available. However, I am sending my hon. Friend a copy of the Department's statistical bulletin 9/84 — "International Statistical Comparisons in Higher Education" — which contains some information on examinations taken by pupils in a number of countries prior to entering higher education.

Student Grants

85. **Mr. Raynsford** asked the Secretary of State for Education and Science if he will seek to estimate the number of students in full-time further and higher education in receipt of grants who have recourse to borrowing to help finance their studies.

Mr. Walden: No.

Low Attainers

86. **Mr. Couchman** asked the Secretary of State for Education and Science if he will make a statement on the progress of his policies to help low attainers.

Mr. Chris Patten: I am sending my hon. Friend a copy of the speech which my right hon. Friend made on the occasion of the Open Day for the lower attaining pupil's programme at Warwick University on 1 July. Briefly the main impact of the programme so far has been on the motivation of pupils and on their attitude to school. The challenge for the future is to exploit this to raise the eucational attainment of the pupils concerned.

Research

87. **Mr. Hirst** asked the Secretary of State for Education and Science if he will estimate the total funding of research work by his Department in 1986-87; and if he will make a statement.

Mr. Walden: The total funding of research by the Department of Education and Science in 1986-87 is estimated to be about £1,276 million.

National Staff College (Teachers)

88. **Mr. Rowe** asked the Secretary of State for Education and Science whether he has any plans to introduce a national staff college for teachers.

Mr. Chris Patten: My right hon. Friend has no such plans at present. He already funds the National Development Centre for School Management Training and aids by specific grant the attendance of heads and other senior school teachers on approved courses of management training, and is considering how such training might be further developed.

Royal Greenwich Observatory

89. **Mr. Carter-Jones** asked the Secretary of State for Education and Science what representations he has received seeking the transfer of the Royal Greenwich observatory to the north-west.

Mr. Walden: My right hon. Friend and I have received 29 letters from right hon. and hon. Members and other interested parties seeking a transfer of the Royal Greenwich observatory to the north-west. In addition I received a deputation representing north-west interests in my office on 3 June.

Medical Faculties (Funding)

90. **Mr. Ryman** asked the Secretary of State for Education and Science if he will make a statement on the current level of funding of medical faculties; what steps are taken to ensure that this level fulfils the criteria laid down in the Medical Act 1978 in relation to standards; and if he will make a statement.

Mr. Walden: The education committee of the General Medical Council has responsibility under the Medical Act 1983 (the currently operative legislation) for establishing the required standards for medical education and ensuring that they are met. My right hon. Friend has seen no evidence that current levels of university funding have reduced standards below what that Commitee regards as necessary. The Government have announced their willingness to increase financial provision for the universities if they can demonstrate real progress in the pursuit of better management, improved standards of teaching, selectivity in research funding and rationalisation of small departments. It will be for the universities themselves to decide the distribution of any extra money among subject departments.

Secondary Schools

Mr. Greenway asked the Secretary of State for Education and Science what was the actual and real spending per primary and secondary school pupil including teachers, materials and all aspects of education provision in 1970, 1974, 1975, 1979 and 1985; and if he will make a statement.

Mr. Dunn: I refer my hon. Friend to the answer I gave to the hon. Member for Great Grimsby (Mr. Mitchell) on 1 July, at column *470*.

Teachers (Duties)

Mr. Meadowcroft asked the Secretary of State for Education and Science what advice his Department has given to local education authorities on the contractual duties of teachers.

Mr. Chris Patten: The Department has not issued advice to local education authorities on teachers' contractual duties. The Government made clear in August 1985 that they wish to see progress towards a clear definition of the range of teachers' duties linked to their contracts of employment.

Grammar Schools

Mr. Pawsey asked the Secretary of State for Education and Science, pursuant to the answer of 10 March, *Official Report*, column *332*, what were the corresponding figures for grammar schools in the United Kingdom 10, 15 and 20 years ago both in absolute terms and as a percentage of all public sector secondary schools.

Mr. Dunn: The data are as follows:

United Kingdom

	1976	*1971*	*1966*
Grammar schools*	499	991	1,295
As a percentage of all public sector secondary schools	9	16	20

* Excludes public sector schools in Scotland with a purely selective intake policy as did the answer of 10 March, at column *332*.

University Students

Mr. Radice asked the Secretary of State for Education and Science what was the total number of part-time students at university in each year since 1974; and what proportion they were of total university student numbers.

Mr. Kenneth Baker: The information is shown in the following table.

Student numbers in universities in Great Britain

Academic year beginning	*Part-time* (000s)*	*Per cent. part-time*
1974	24·1	8·8
1975	25·0	8·7
1976	26·0	8·7
1977	27·3	8·9
1978	28·1	8·9
1979	30·0	9·3
1980	31·9	9·7
1981	33·2	10·0
1982	33·5	10·2
1983	34·6	10·6
1984	36·0	11·0

* Excluding the Open University.

School Curriculum

Mr. Deakins asked the Secretary of State for Education and Science what subjects, other than sex education are defined by his Department as essential elements in the curriculum.

Mr. Chris Patten: The Government's White Paper "Better Schools" envisages all schools offering a curriculum which is broad, balanced, relevant and differentiated within the framework of appropriate local education authority policies. We believe that English, mathematics and a broad and balanced course in science have a place in the curriculum of all pupils up to the age of 16. Pupils should also engage in physical education; should study elements drawn from the humanities and the arts; should consolidate their understanding of the values and foundations of British society and develop economic awareness; and should take part in practical and technological work in subjects such as craft, design and technology. Most pupils should also study at least one foreign language. The place of religious education in the curriculum is governed by statute.

Teachers (In-service Training)

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the estimated expenditure on in-service training and induction by local authorities for the latest year for which a figure is available; and what this figure represents as a proportion of expenditure on teachers' salaries.

Mr. Chris Patten: I refer the hon. Member to my reply of 6 May, at column *44*, to my hon. Friend the Member for St. Ives (Mr. Harris). The supported expenditure listed there is equivalent to about 1·9 per cent. of expenditure on teachers' salaries.

Assemblies and Collective Acts of Worship

Sir John Biggs-Davison asked the Secretary of State for Education and Science what information he has received from Her Majesty's Inspector of Schools as to which schools in the west Essex area of Essex comply with the requirements of the Education Act regarding assemblies and collective acts of worship and which do not; and if he will make a statement.

Mr. Chris Patten: My right hon. Friend has received no such information. Where parents or others are concerned that the requirements of the Education Act 1944 in relation to assemblies and collective acts of worship are not being met, they should inform the school concerned or the local authority and, if necessary, complain to my right hon. Friend who will have the matter investigated.

Conductive Education

Mr. Ashley asked the Secretary of State for Education and Science (1) what proportion of mentally or physically handicapped children who receive conductive education proceed to normal schools;

(2) how many residential and non-residential schools in Britain provide conductive education;

(3) how many schools for mentally and physically disabled children in Britain are based on the principle of

conductive education; how many children they cater for; what is the teacher-pupil ratio; and if he gives any financial support to them.

Mr. Dunn: The Department does not collect information about the movement of individual children. It is known that a number of schools and units use forms or derivatives of conductive education but details are not available centrally. More information on these and other aspects of conductive education is likely to become available, however, as a result of a detailed study of this method which the Spastics Society has proposed to carry out. An application for central Government support towards the project is at present under active consideration.

Mr. Ashley asked the Secretary of State for Education and Science (1) how many courses there are for training teachers of conductive education; and how many teachers are involved;

(2) how many people have received training to become teachers of conductive education; and what proportion of them have received combined training in therapy, nursing and teaching.

Mr. Dunn: There are no institutional courses approved by my right hon. Friend which provide training in conductive education. On-the-job training may be provided for teachers at schools which use some form of conductive education but no details of any such provision or of the number of teachers involved are available centrally.

Four-term School Year

Mr. Peter Bruinvels asked the Secretary of State for Education and Science if he will set up a committee to examine the prospects, merits and viability of a four-term school year.

Mr. Dunn: No. As I explained in my reply of 8 April at column *41*, the Association of County Councils has invited comments on the report of a working party which it published in January.

Clinical Academic Posts

Mr. Ryman asked the Secretary of State for Education and Science if he will make a statement on the number of clinical academic posts which have been frozen or withdrawn over the past five years.

Mr. Walden: Information on numbers of academic posts frozen or withdrawn is not collected by Government Departments. A survey report by the University Hospitals Association and the National Association of Health Authorities, published in September 1985, indicated that a total of 279 clinical academic posts were abolished or frozen in the three academic years 1981-82 to 1983-84 in England and Wales, with 49 posts unfrozen and 78 new posts established, giving a net loss over the three years of 152. Of the new posts established, 31 were under the University Grants Committee's new blood scheme; a further 65 such new posts were established in 1984-85 and 1985-86. There has also been a significant increase in the numbers of clinical academic posts funded, in whole or in part, other than from university general funds.

Mr. Ryman asked the Secretary of State for Education and Science what information he has about difficulties in recruiting clinical academic staff and as to the causes of those difficulties.

Mr. Walden: Parity between the pay of university clinical staff and their counterparts in the NHS has existed since 1968. The delay in translating the 1985 NHS doctors and dentists pay award to clinical academic staff in universities resulted in a number of letters from staff at universities with medical schools which claimed that the situation was affecting recruitment. That correspondence ended in February when the Government agreed that clinical academics' pay, should in principle be linked to NHS doctors' pay, which is settled following DDRB recommendations; and that the universities will not be given less favourable treatment than the hospital and community Health Service in any decisions to provide additional funds to meet additional costs arising from DDRB pay awards.

Students (Benefits)

Mrs. Shields asked the Secretary of State for Education and Science what recent representations he has received on the effects of benefit changes on students.

Mr. Walden: A total of 56 letters have been received since 18 June when my right hon. Friends the Secretaries of State for Education and for Social Services announced the benefit changes which are proposed for implementation later this year.

Student Grant

Mr. Simon Hughes asked the Secretary of State for Education and Science what recent representations he has received on the present level of the student grant.

Mr. Walden: A total of 2,243 letters have been received since the beginning of the year.

Pre-Vocational Courses

Mr. Key asked the Secretary of State for Education and Science if he has received the report of the working party on criteria for pre-vocational courses; pre-16; and if he will make a statement.

Mr. Chris Patten: The report was submitted last month to my right hon. Friend and my right hon. Friend the Secretary of State for Wales by the chairman of the working party, Mr. R. S. Johnson, director of education for Leeds.

The report's key recommendations are that: all single subject courses, by whomsoever offered, should be governed by the GCSE national criteria; and that grouped and integrated pre-vocational courses should be governed by the new criteria proposed by the working party.

We are issuing the report to all interested parties inviting comments, by 31 October, on the proposed arrangements for the approval and monitoring of single subject courses and on the proposed criteria for grouped and integrated courses. We shall then invite the Secondary Examinations Council to prepare final version of the criteria, in consultation with the working party, for our final approval. We aim to publish the final approved versions of the criteria in spring 1987 and intend that these

should govern pre-vocational courses offered in the compulsory years of secondary education from September 1988.

We welcome the emphasis placed in the criteria on the curricular principles of breadth, balance and relevance. We believe it is vital that all fourth and fifth year secondary pupils continue to acquire the knowledge, understanding and skills associated with the main curricular requirements. These are an essential foundation for subsequent learning, training and work. We are grateful to the working party for producing its report and to the Secondary Examinations Council for hosting and servicing it.

Copies of the report are being placed in the Library.

Pre-school Places

Mr. Robin Cook asked the Secretary of State for Education and Science (1) if he will publish in the *Official Report* the figures for the number of pre-school places per 1,000 of the under-five population in education authorities grouped by political control on the classification used by the Secretary of State for the Environment in his reply to the hon. Member for Blackburn (Mr. Straw) on 15 January, *Official Report*, column *577*;

(2) if he will publish in the *Official Report* a table listing education authorities by the number of pre-school places they provide per 1,000 of the under-five population.

Mr. Dunn [*pursuant to his reply*, 8 April, 1986 c. *53-55*]: The headings to the tables given did not adequately explain the definitions used. Information on the number of places is not available. The number of children aged under five years attending maintained nursery and primary school per 1,000 of the three and four-year-old population in January 1985 was as follows:—

Number of pre-school children per 1,000 of the population aged three and four at January 1985.

	Number
CONSERVATIVE BETWEEN JUNE 1979 AND JUNE 1985	
Greater London	
Barnet	570
Bexley	260
Bromley	170
Croydon	390
Ealing	450
Enfield	540
Harrow	320
Havering	370
Hillingdon	620
Kingston upon Thames	550
Merton	630
Redbridge	240
Sutton	170
West Midlands	
Solihull	650
Merseyside	
Sefton	620
Wirral	480
Greater Manchester	
Bury	490
Trafford	190
Non Metropolitan Counties	
Buckinghamshire	180
Dorset	140
East Sussex	380
Hereford & Worcester	160
Kent	120
Lincolnshire	260
Norfolk	310
Suffolk	260
Surrey	210
West Sussex	90
LABOUR BETWEEN JUNE 1979 AND JUNE 1985	
Greater London	
Barking	690
Haringey	740
Hounslow	660
Newham	740
West Midlands	
Coventry	560
Sandwell	710
Wolverhampton	730
Merseyside	
Knowsley	550
St. Helens	560
Greater Manchester	
Manchester	690
Salford	830
Tameside	700
Wigan	590
South Yorkshire	
Barnsley	680
Doncaster	720
Rotherham	540
Sheffield	600
West Yorkshire	
Wakefield	680
Tyne and Wear	
Gateshead	640
Newcastle upon Tyne	700
North Tyneside	830
South Tyneside	820
Sunderland	690
ILEA	510
Non-metropolitan counties	
Durham	690
OTHER AUTHORITIES	
Greater London	
Brent	610
Richmond upon Thames	400
Waltham Forest	580
West Midlands	
Birmingham	620
Dudley	420
Walsall	880
Merseyside	
Liverpool	750
Greater Manchester	
Bolton	640
Oldham	630
Rochdale	570
Stockport	460
West Yorkshire	
Bradford	520
Calderdale	610
Kirklees	640
Leeds	550

	Number
Non-Metropolitan Counties	
Avon	480
Bedfordshire	320
Berkshire	250
Cambridgeshire	410
Cheshire	380
Cleveland	700
Cornwall	510
Cumbria	530
Derbyshire	470
Devon	210
Essex	180
Gloucestershire	340
Hampshire	200
Hertfordshire	490
Humberside	500
Isle of Wight	400
Lancashire	480
Leicestershire	300
North Yorkshire	410
Northamptonshire	480
Northumberland	540
Nottinghamshire	520
Oxfordshire	170
Shropshire	300
Somerset	340
Staffordshire	430
Warwickshire	430
Wiltshire	200

Teacher-Pupil Ratio

Mr. Robin Cook asked the Secretary of State for Education and Science (1) if he will publish in the *Official Report* a table listing education authorities by teacher-pupil ratio in secondary schools, primary schools and overall for the latest year for which figures are available;

(2) if he will publish in the *Official Report* the teacher-pupil ratio in secondary schools, primary schools and overall of *(a)* all the councils under Conservative control and *(b)* all the councils under Labour control for the latest year for which figures are available.

Mr. Dunn [*pursuant to his reply*, 21 April 1986, c. *2-6*]: The headings to the tables given did not adequately explain the definitions used. In January 1985, the latest date for which information is available, the pupil-teacher ratios in maintained primary and secondary schools, the overall pupil-teacher ratio for each local education authority, and an indication of the political control of each authority are given below:

	Pupil-teacher ratio in maintained primary schools	*Pupil-teacher ratio in maintained secondary schools*	*Overall Pupil-teacher ratio*
Conservative between June 1979 and June 1985			
Barnet	19·9	14·3	15·9
Bexley	23·2	16·7	18·3
Bromley	23·3	16·4	18·3
Croydon	22·1	15·4	17·3
Ealing	20·1	14·6	16·4
Enfield	22·6	15·1	17·0
Harrow	21·0	14·3	16·7
Havering	22·7	15·6	17·3
Hillingdon	22·4	15·7	18·0
Kingston-upor-Thames	22·2	15·2	17·2
Merton	21·8	16·8	17·3
Redbridge	23·6	16·0	18·1
Sutton	24·9	16·8	19·1
Solihull	23·3	16·2	18·3
Sefton	23·3	16·6	18·4
Wirral	23·7	16·0	18·3
Bury	22·4	15·4	17·5
Trafford	22·9	16·4	18·3
Buckinghamshire	24·2	16·4	19·5
Dorset	23·7	17·1	18·5
East Sussex	23·1	17·1	18·3
Hereford and Worcester	24·1	17·4	18·6
Kent	23·6	17·0	19·0
Lincolnshire	24·4	17·2	18·9
Norfolk	22·1	16·5	18·4
Suffolk	22·1	17·0	18·3
Surrey	22·3	16·3	18·6
West Sussex	23·4	16·9	19·2
Labour between June 1979 and June 1985			
Barking	21·1	15·4	17·0
Haringey	18·9	13·1	14·5
Hounslow	20·0	15·7	16·9
Newham	20·2	13·8	15·0
Inner London	17·1	13·1	13·6
Coventry	22·3	15·6	16·8
Sandwell	22·3	15·1	17·0
Wolverhampton	19·3	14·9	15·8
Knowsley	21·6	14·9	16·3
St. Helens	22·5	15·5	17·6
Manchester	22·1	14·3	16·2

	Pupil-teacher ratio in maintained primary schools	Pupil-teacher ratio in maintained secondary schools	Overall Pupil-teacher ratio
Salford	21·3	15·0	16·9
Tameside	23·3	15·7	17·8
Wigan	21·2	15·1	16·9
Barnsley	21·1	16·2	17·2
Doncaster	21·2	16·4	17·7
Rotherham	21·6	16·5	18·1
Sheffield	20·0	15·4	17·0
Wakefield	21·7	17·0	18·5
Gateshead	19·2	15·4	16·3
Newcastle upon Tyne	19·3	14·4	15·7
North Tyneside	19·1	14·1	15·4
South Tyneside	20·8	14·6	16·1
Sunderland	21·9	15·9	17·7
Durham	22·0	16·8	18·5
Other authorities			
Brent	18·4	12·3	13·7
Richmond-upon-Thames	21·0	16·4	17·6
Waltham Forest	21·1	13·8	15·4
Birmingham	22·6	16·3	18·0
Dudley	23·2	15·6	18·3
Walsall	20·8	14·8	16·6
Liverpool	20·6	15·8	17·2
Bolton	23·9	15·8	18·1
Oldham	22·9	16·6	18·1
Rochdale	22·5	14·9	16·7
Stockport	23·2	16·2	18·3
Bradford	20·2	16·8	17·0
Calderdale	21·8	16·8	17·7
Kirklees	22·1	16·8	18·1
Leeds	22·5	16·3	17·7
Avon	24·1	16·6	18·7
Bedfordshire	23·1	17·3	18·2
Berkshire	23·2	16·0	17·8
Cambridgeshire	23·3	16·9	19·3
Cheshire	22·8	17·0	18·6
Cleveland	22·2	16·3	18·2
Cornwall	23·5	16·9	18·7
Cumbria	21·1	15·7	17·2
Derbyshire	22·4	16·8	18·3
Devon	23·7	16·8	18·8
Essex	23·9	17·0	19·0
Gloucestershire	23·1	16·8	19·0
Hampshire	24·1	17·2	19·6
Hertfordshire	22·2	16·0	17·8
Humberside	20·9	16·2	17·4
Isle of Wight	23·8	17·8	18·5
Lancashire	23·7	16·6	18·8
Leicestershire	22·9	16·1	17·8
North Yorkshire	22·0	16·6	18·0
Northamptonshire	22·2	16·3	17·7
Northumberland	23·3	16·9	18·6
Nottinghamshire	21·0	15·6	17·6
Oxfordshire	23·9	17·2	18·2
Shropshire	21·5	15·9	17·8
Somerset	24·2	17·6	19·2
Staffordshire	22·4	16·1	17·9
Warwickshire	22·6	16·9	18·7
Wiltshire	23·4	17·3	19·2
England	22·2	16·1	17·8

SOCIAL SERVICES

Departmental Experts

Mrs. Renée Short asked the Secretary of State for Social Services how many independent experts have resigned from committees of his Department since March; and what reasons each has given for resignation.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

Health Care (Research)

Mr. Wigley asked the Secretary of State for Social Services what has been the expenditure in each of the past five years on research into the evaluation of health care within the National Health Service; and if he will make a statement.

Mr. Whitney: It is not possible to provide information in the form requested. The Department has supported a number of studies to evaluate health care within the

National Health Service as part of its programme of research on health and personal social services. This programme amounted to:

	£ million
1981-82	13·4
1982-83	12·0
1983-84	11·5
1984-85	10·6
1985-86	*11·1

* Estimated figure.

Examples of studies within this programme include:

Evaluation of the Dornier Lithotripter: Department of Community Medicine and United Medical and Dental Schools of Guy's and St. Thomas's hospitals.

Evaluation of long stay accommodation for elderly people: Health care research unit, University of Newcastle upon Tyne.

Costs and benefits of cardiac transplantation programmes at Harefield and Papworth hospitals: Brunel university and Cambridge university.

An evaluation of the role of the hospital community liaison nurse: South Glamorgan health authority.

Evaluation of the Worcester development project for the mentally ill: University of Birmingham and University of London.

Single Payments

Mr. Gordon Brown asked the Secretary of State for Social Services if he will make a statement on what action he proposes to take to reduce the backlog of claims for single payments in Scotland.

Mr. Major: There has been an increase in single payment claims in Scotland recently resulting from a number of "take-up" campaigns being mounted by local authorities and other agencies. Extra staff are being deployed on this work.

Housing Benefit

Mr. Alton asked the Secretary of State for Social Services how many private tenants who are currently in receipt of housing benefit are unemployed.

Mr. Major: It is estimated that in December 1985, the latest date for which information is available, about 260,000 private tenants who were in receipt of housing benefit were unemployed.

Mr. Raynsford asked the Secretary of State for Social Services what representations his Department has received from local authority associations about the uprating of housing benefit in the current year.

Mr. Major: Prior to the uprating statement in February, local authority representatives indicated to the Department that they would prefer the July uprating of the needs allowances to be linked to the cash increase in retirement pensions. They also asked for there to be no taper changes, and for the rules concerning benefit periods to be eased during the transition to annual April upratings. No representations have been received since then.

Mr. Raynsford asked the Secretary of State for Social Services, pursuant to the answer of 1 July to the hon. Member for Fulham on the question of housing benefit uprating, when in the past the annual uprating of the needs allowance has produced a reduction in entitlement, as stated in the answer of 12 May, *Official Report*, column *381*; and what is his assessment of the amount by which the weekly increase in the needs allowance in the current year falls short of the level at which it would have been set if the traditional uprating formula had been applied.

Mr. Major: The last occasion when some claimants experienced a reduction in housing benefit entitlement when the needs allowances were uprated according to the traditional formula was last November when the cash increase in the needs allowance for a pensioner couple was lower than the cash increase in the retirement pension. As I explained in my reply to the hon. Member on 12 May, at column *381*, the traditional formula could not be used for this July's uprating because the measurement period covered only May 1985 to January 1986.

Mr. Meadowcroft asked the Secretary of State for Social Services how much housing benefit is paid each year to tenants of private landlords of property not subject to the fixing of fair rents; and if he will make a statement.

Mr. Major: Information is not available centrally on housing benefit paid to tenants of privately rented property according to type of tenure.

Supplementary and Unemployment Benefits

Mr. Maxton asked the Secretary of State for Social Services (1) how many people were in receipt of supplementary benefit while registering as available for work on 1 April;

(2) what was the number of men over the age of 60 years who were in receipt of supplementary benefit or unemployment benefit but were not required to register for employment as at 1 April;

(3) how many people were in receipt of unemployment benefit on 1 April.

Mr. Major: All claimants for unemployment benefit, irrespective of their age, are required to be available for work and to sign at an unemployment benefit office (UBO). Supplementary benefit claimants aged 60 or more are not required to be available for work and are usually paid by order book. Registration at a jobcentre for employment has been voluntary since October 1982, except for those under 18 years. The information requested, at the latest available dates, is in the table.

	Date	*Numbers (thousands)*		
		Unemployment Benefit	*Unemployment Benefit + Supplementary Benefit*	*Supplementary Benefit*
All claimants signing at UBOs	February 1986	751	206	1,727
Men age 60 or over signing at UBO	November 1985	41	2	12
Men age 60 or over but under 65 paid by order book	December 1985	—	—	124

Low Income Families

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will give the reasons for the further delay in publishing the 1983 low income families tables.

Mr. Major: The reasons for the delay include the delayed start in the processing of the data from which the tables are derived and technical difficulties in connection with ensuring consistency with earlier figures in the series, for example, arising from the introduction of MIRAS and housing benefit in 1983. The tables will be published shortly.

Waiting Lists

Mr. Austin Mitchell asked the Secretary of State for Social Services if he will instruct the chairman of the National Health Service management board to make a priority of reducing waiting lists.

Mr. Hayhoe: I refer the hon. Member to my reply to him on 18 June at column *575*.

Staff (Birkenhead)

Mr. Frank Field asked the Secretary of State for Social Services what is the number of staff in each of the Birkenhead offices of his Department; if he will distinguish between the complement of staff allowed and the number of staff actually in post; and if he will make a statement on what changes he plans in the size of the staff over the coming year.

Mr. Major: The number of staff allocated, and the number of staff in post, on 1 July 1986 for each of the Birkenhead offices is as follows:

	Staff Allocation	*Staff in Post*
Birkenhead (North) ILO	202	*191
Birkenhead (South) ILO	126	126·5

Abbreviation: ILO—integrated local office.
* 200 anticipated by 1st August.

There are no current plans to change the number of staff allocated to these offices over the coming year.

Wheelchairs

Mr. Pawsey asked the Secretary of State for Social Services what representations he has received about the reliability of battery-powered wheelchairs.

Mr. Newton: I am unaware of any recent representations to Ministers about the reliability of battery-powered wheelchairs supplied by the Department. All new contracts for batteries placed by the Department are for those of the semi-traction type, which are more suitable for wheelchairs than the starter/lights/ignition type supplied previously.

Conductive Education

Mr. Ashley asked the Secretary of State for Social Services what is his estimate of the number of children in Britain suffering mental or physical disability; and how many of them have experienced conductive education.

Mr. Newton: I regret that information is not available centrally to enable reliable estimates to be made.

Mr. Ashley asked the Secretary of State for Social Services if he will provide assistance to the organisation Rapid Action for Conductive Education.

Mr. Newton: We have received no application for assistance from the organisation Rapid Action for Conductive Education, but any such application would be considered in the light of the usual criteria for assisting voluntary organisations.

Mr. Ashley asked the Secretary of State for Social Services what is his estimate of the number of adults in Britain suffering from Parkinson's disease, multiple sclerosis and strokes; and what estimate he has of the numbers of them who would benefit from conductive education.

Mr. Newton: I regret that information is not available centrally to enable such estimates to be made.

Mr. Ashley asked the Secretary of State for Social Services (1) if he will introduce legislation to provide a statutory right to conductive education for those mentally and physically disabled children who could benefit from it;

(2) what research his Department has carried out on conductive education; and what funding he has given to research or projects carried out by outside organisations;

(3) if he will provide special funding for the development of conductive education for mentally and physically disabled children.

Mr. Newton: Officials from this Department and the Department of Education and Science are currently discussing with the Spastics Society possible support for a study of current provision and an evaluation of the implications of wider development of conductive education in this country. Should this project go forward, we will then consider in the light of the outcome what further steps might be appropriate.

Mr. Ashley asked the Secretary of State for Social Services what steps he takes to monitor the progress of mentally or physically disabled children who are undergoing conductive education; and if he will make a statement.

Mr. Newton: The Department does not collect information on individual children who may be mentally or physically disabled. It is known that a number of schools and units use forms or derivatives of conductive education but details are not available centrally.

Mr. Ashley asked the Secretary of State for Social Services if he will list the specific children's disabilities for which conductive education has been found particularly appropriate.

Mr. Newton: Conductive education has been used to assist children suffering with disorders of movement. We are not aware, however, of firm evidence which might indicate that conductive education is particularly appropriate in the case of specific disabilities.

Mr. Ashley asked the Secretary of State for Social Services what representations he has received on conductive education.

Mr. Newton: We have received approximately 70 letters on the subject of conductive education during the period 1 April to 30 June 1986.

Chronically Sick and Disabled Persons (Report)

Mr. Alfred Morris asked the Secretary of State for Social Services what assessment he has made of the implications of the increase in the price of the annual report required by section 22 of the Chronically Sick and Disabled Persons Act 1970 for sales and readership of the report; what were the sales of the 1983 report; and what are the current and estimated out-turn sales of the 1984 report.

Mr. Newton: The increased price of the two-part 1984 report reflects the cost of presenting the required information in a form that adds considerably to the report's usefulness in the field of research and development of equipment for the disabled and thus ultimately to the disabled themselves. The narrative element of the report is now availalble, as part I, at a cost lower than that of the whole report in previous years, while the more detailed content of part II is expected to appeal to researchers. The comparative figures of sales are:

1983 report: 386 copies sold
1984 report: Part I: 362 copies sold to date
Part II: 271 copies sold to date

The indications are that total sales will be generally in line with those of previous years.

Immunisation

Mr. Alfred Morris asked the Secretary of State for Social Services what methods are being used to strengthen the uptake of health authority immunisation against measles, pertussis, tetanus, poliomyelitis and rubella.

Mr. Whitney: Last August, the Department asked health authorities to draw up programmes for increasing the uptake of childhood immunisation, particularly against measles and whooping cough, and to designate a person to take responsibility for immunisation programmes.

The Health Education Council, with special Government funding, is running a publicity campaign to promote immunisation against whooping cough. This will continue throughout the current whooping cough epidemic. The National Rubella Council, which is funded by the Department, is continuing its campaign to improve uptake of immunisation against rubella among schoolgirls and adult women of childbearing age.

Mr. Alfred Morris asked the Secretary of State for Social Services what is the total budget of the Health Education Council; and what part of that budget is allocated for immunisation education.

Mr. Whitney: The Health Education Council's budget for 1986-87 is £9·6 million and its budgeted expenditure on immunisation education is approximately £51,000. The scope for additional effort in the field of whooping cough immunisation is being assessed with the council.

Mr. Alfred Morris asked the Secretary of State for Social Services how much has been spent by his Department on research into the safety of immunisation and the frequency of contra-indications to immunisation.

Mr. Whitney: The National Biological Standards Board which is funded by the Department and is responsible among other things for ensuring the purity, potency and safety of vaccines, each year carries out research connected with its standardisation and control. In the last financial year approximately £750,000 was spent on this research.

The following research projects supported by the Department include work on the frequency of contra-indications to immunisation.

Project	*Cost £*
1. Professor D.L.Miller/Dr. E. Ross Middlesex Hospital Medical School National Childhood Encephalopathy Study (funding ceased)	280,000
2. Dr. P.E. M. Fine London School of Hygiene and Tropical Medicine Investigation of the impact of immunisation programmes on the pattern of infectious diseases (funding ceased)	40,000
3. Dr. C. Miller Central Public Health Laboratory, Colindale, London Rubella Monitoring and Research Programme	350,000
4. Professor R. M. Anderson Imperial College of Science and Technology Quantitative investigations of different policies for vaccination against pertussis, measles and rubella	88,000

Mr. Alfred Morris asked the Secretary of State for Social Services whether local authorities which empower nurses to immunise at home, and the nurses so empowered, will be fully indemnified for any accident that may occur in connection with the immunisation.

Mr. Hayhoe: Nurses undertaking vaccination and immunisation at home, where so employed by their health authorities to do so, are fully indemnified by their employers providing that they operate within the policies of those health authorities.

Mr. Alfred Morris asked the Secretary of State for Social Services if he will consider the introduction of a requirement that children should show proof of measles immunisation prior to admission to school; and if he will also consider this strategy for immunisation against other vaccine-preventable diseases.

Mr. Whitney: We have no plans to make immunisation compulsory by this or other means. The Department will continue to urge health authorities to encourage in various ways voluntary immunisation among children.

Mr. Alfred Morris asked the Secretary of State for Social Services if, in view of the expense of the recent case on behalf of a 16-year-old boy, vaccinated at the age of 14 months against diphtheria, pertussis and tetanus, he will consider introducing a disability no fault compensation scheme.

Mr. Whitney: I refer the right hon. Member to my replies to my hon. Friend the Member for Newbury (Mr. McNair-Wilson) on 28 January at columns *493-94* and to the hon. Member for Holborn and St. Pancras (Mr. Dobson) on 21 November 1985 at column *288*.

Rubella

Mr. Alfred Morris asked the Secretary of State for Social Services if, further to his answer, 14 May, *Official Report*, column *496*, he will procure an estimate, based on a sample of children with congenital rubella syndrome, of the cost of their hospitalisation, surgical requirements and of treatment and subsequent care during their lifetime.

Mr. Whitney: A study to obtain the information requested by the right hon. Member might be a suitable subject for research, although we would need to consider carefully what benefits would emerge from such a study for the future planning of health service provision. We would certainly consider any proposal submitted to the Department for research along these lines, but I cannot guarantee that it would necessarily command a high priority compared with other claims on the Department's research budget.

"Growing Old in Britain"

Mr. Carter-Jones asked the Secretary of State for Social Services what changes in his policy towards the elderly he intends to make in response to the British Medical Association's Report on "Growing Old in Britain", a copy of which has been sent to him; and if he will make a statement.

Mr. Whitney: I understand that the British Medical Association report, "All our Tomorrows: Growing Old in Britain", has been put forward primarily as a discussion document for the medical profession and the general public. The BMA has made it clear that it has so far taken no decisions of policy on the matters raised in the report. If firm proposals for action by the Government emerge from the consultation process, we will consider them.

Hypothermia

Mr. Carter-Jones asked the Secretary of State for Social Services what further measures he proposes to take to seek to reduce the incidence of hypothermia amongst the elderly; and if he will make a statement.

Mr. Whitney: As I indicated in my reply to the hon. Member for Tooting (Mr. Cox) on 19 May, at columns *55-56*, we are considering the results of a study by officials of hypothermia statistics. We are also considering the provision to help with fuel bills during exceptionally severe weather in the light of last winter's experience.

Pharmaceutical Whitley Council

Mr. Chapman asked the Secretary of State for Social Services if he will make a statement following the meeting of the management side of the pharmaceutical Whitley council on 25 June with particular reference to the reasons why the two parts of the offer cannot be taken separately.

Mr. Hayhoe: Remuneration and conditions of service are matters for the Whitley councils. I understand that at the meeting of the Pharmaceutical Whitley council on 25 June it was agreed that the management side's clarification of its final offer of 10 April should be sent to the staff side in writing. Staff side would then put this letter, together with the final offer, to a ballot of its members. The management side letter was sent on 30 June. A response from the staff side is awaited.

Medicines Inspectorate

Mr. Grylls asked the Secretary of State for Social Services what have been the numbers and grades of staff lost from the medicines inspectorate within the last 24 months *(a)* by transfers to other posts within the Department of Health and Social Security and *(b)* to posts outside the Civil Service.

Mr. Hayhoe: In the past two years one officer at grade 6 transferred to other pharmaceutical work within the Civil Service. One officer at principal pharmaceutical officer grade transferred on promotion to another post within medicines division. Two officers at principal pharmaceutical officer grade left the Civil Service. Three officers at pharmaceutical officer grade 1 left the Civil Service.

NHS (Wages and Salaries)

Mr. Chapman asked the Secretary of State for Social Services what proportion of the total funds made available for the National Health Service goes in wages and salaries; and what information he has about how this figure compares with other European Community countries.

Mr. Hayhoe: I shall let my hon. Friend have a reply as soon as possible.

Bexley Health Authority

Mr. Evennett asked the Secretary of State for Social Services what recent representations he has received from Bexley health authority regarding the future financing of the authority.

Mr. Hayhoe: None.

War Pensions

Mr. Ashley asked the Secretary of State for Social Services in what way, and for how long, the war pensions are affected of a person in receipt of *(a)* a war disability and *(b)* war retirement pension, who is sent to prison.

Mr. Major: Payments of war disablement pension are normally suspended during imprisonment following conviction. If the war pensioner is married, half the basic pension plus the dependency allowance is normally paid to his wife. On release the pension is usually restored and arrears of one year's basic pension (or arrears for the period of imprisonment if less than a year) are paid, less any amount paid to his wife during the arrears period.

I assume that by "war retirement pension" the right hon. Member has in mind service pensions and service retired pay. These are not part of the war pensions provisions, but are matters for my right hon. Friend the Secretary of State for Defence. I understand that his normal practice is to allow pensioners to retain these pensions during imprisonment.

Hospital Waiting Lists (Coventry)

Mr. Nellist asked the Secretary of State for Social Services if he will provide details available to him of the waiting list for each specialty at hospitals in Coventry.

Mr. Whitney: The information requested is given in the table.

Number of cases on in-patient waiting list for admission to NHS hospitals in Coventry at 31 December 1985 (provisional)*

Specialty	*Number*
Walsgrave General Hospital	
Neurology	30
Cardiology	66
General surgery	1,232
ENT	650

Specialty	Number
Urology	332
Thoracic surgery	135
Neurosurgery	454
Gynaecology	828
Psychogeriatrics	35
Total	3,762
Coventry and Warwickshire Hospital	
Traumatic and orthopaedic surgery	1,122
Oral surgery	231
Total	1,353
Gulson Hospital	
Radiotherapy	14
Total	14
Whitley Hospital	
Rheumatology	12
Total	12
Paybody Hospital	
Ophthalmology	1,153
Total	1,153

* It should be noted that in certain specialties a hospital may maintain a waiting list which is common to more than one hospital within a district health authority.

Speech Therapy Services

Mr. Dobson asked the Secretary of State for Social Services if he will make a statement on the current provision of speech therapy services in the National Health Service as compared to *(a)* the National Health Service provision in 1979, *(b)* the private sector provision *(c)* the population's need for speech therapy and *(d)* the provision in other industrialised countries.

Mr. Whitney [*pursuant to his reply*, 7 July 1986]: In 1984, the latest year for which information is available centrally, there were about 286,000 attendances by in-patients and 541,000 attendances by out-patients at speech therapy departments at National Health Service hospitals in England. These represent increases of 44 per cent. in the numbers of in-patient cases treated and 39 per cent. in the number of out-patient attendances since 1979. At 30 September 1984, there were 2,150 (whole-time equivalents) speech therapists employed by district health authorities in England. That represents an increase of 42 per cent. over the 1,510 (whole-time equivalents) employed in 1979.

There are no generally agreed criteria for measuring need for speech therapy and no firm figures to show the prevalence of speech impairment in the population. However, speech therapists continued to extend the services they offer and the conditions they treat. The figures provided above show the importance health authorities attach to the improvement of their speech therapy services.

There is no information held centrally on the provision of speech therapy services in the private sector or in other industrialised countries.

Spectacles

Mr. Kennedy asked the Secretary of State for Social Services what is the percentage of patients entitled to complex lenses at cost price; and, of these, how many have actually received them at this price.

Mr. Hayhoe [*pursuant to his reply*, 7 July 1986]: The overall number of those entitled to help towards the cost of lenses defined as "complex" is not known. However, it is estimated that of the 2 per cent. of patients who were supplied with complex lenses under the general ophthalmic service in the year beginning 1 April 1985, some 5,700 (or 18·5 per cent.) purchased them at cost price.

Information is not available centrally on the number of patients for whom complex lenses were dispensed under the hospital eye service.

DEFENCE

Civilian Manpower

Mr. Wigley asked the Secretary of State for Defence if he will publish a table showing the number of civilians employed at his Department's bases in the United Kingdom for each of the past seven years.

Mr. Lee: The number of civilians employed by the Ministry of Defence, including United Kingdom based and serving in the United Kingdom; United Kingdom based but serving overseas; and locally engaged overseas, is published in the statistical volume of the annual defence White Paper. The information requested which excludes United Kingdom based staff serving overseas and locally engaged staff is as follows:

Ministry of Defence Civilian Staff

Thousands

Financial Year	1 April
1980-81	233·6
1981-82	223·7
1982-83	211·2
1983-84	203·2
1984-85	193·7
*1985-86	168·6
1986-87	†164·8

* Excludes ROFs after transfer to independent Companies Act status on 2 January 1985.
† Estimate.

Mr. Wigley asked the Secretary of State for Defence how many civilian employees at his Department's bases in the United Kingdom were made redundant last year; and what was the total redundancy payment made to these people.

Mr. Lee: The total number of staff made redundant in the Ministry of Defence during the period 1 January—31 December 1985 was 550. I am unable to provide exact details of the costs of these redundancies as some provisional payments are still to be finalised. However, the estimated cost is £2,805,682.

Commando Carriers

Mr. Best asked the Secretary of State for Defence (1) what plans he has for the conversion of existing merchant ships into commando carriers; and if he will make a statement;

(2) what proposals he has for the construction of a commando carrier as a replacement for HMS Hermes.

Mr. Lee: The concept of an aviation support ship to provide the commando lift capability previously provided by HMS Hermes in her secondary role as commando carrier is under consideration within the context of our overall amphibious shipping studies.

Research and Development

Mr. Deakins asked the Secretary of State for Defence what is the latest annual figure for expenditure on military research and development and military equipment, respectively; what proportions of these expenditures were in the south of England, defined as south of a line from Bristol to the Wash; and what were the comparable figures for 1965 and 1975.

Mr. Lee: In 1986-87 MOD plans to spend £398 million, £1,940 million and £6,711 million in connection with the procurement of defence equipment on research, development and production respectively. Most of this is work carried out under contract, which could not without disproportionate effort be broken down by geographical region. A majority of the procurement executive's own units are however located in the south of England as defined by the hon. Member.

Tigerfish Torpedo

Sir John Farr asked the Secretary of State for Defence if he will make a statement on the bringing into service of the Mk. 24 Tigerfish heavyweight torpedo.

Mr. Lee: I refer my hon. Friend to the answer I gave on 1 July at column *521-22* to my hon. Friend the Member for Crawley (Mr. Soames).

Nuclear Warheads

Mr. Meadowcroft asked the Secretary of State for Defence what is the average useful life of a nuclear warhead on a United Kingdom missile.

Mr. Stanley: It would not be in the public interest to provide this information.

Fylingdales Installation

Mr. Ashdown asked the Secretary of State for Defence whether the new phased array radar installation at Fylingdales will have the capacity to counter strategic ballistic missiles on their elements aimed at western Europe or north America.

Mr. Stanley: As I said in reply to the hon. Member on 26 June at column *321* the function of this radar is to provide early warning of a strategic ballistic missile attack on either the European or North American members of NATO. It does not have an anti-ballistic missile role.

Mr. Ashdown asked the Secretary of State for Defence, pursuant to the answer of 4 February, *Official Report*, column *121-2*, and 26 June, *Official Report*, column *321*, on what criteria it has been determined that the existing radar installations at Fylingdales are owned by the United States Government, whereas the ownership of the modernised radar systems will be shared between both Governments; and if he will make a statement.

Mr. Stanley: In accordance with the memorandum of agreement dated 15 February 1960 concerning the establishment of a ballistic missle early warning station in the United Kingdom (Cmnd. 946), the ownership of the system is shared between Her Majesty's Government and the United States Government. The radar equipment is the property of the United States Government, while the land and fixed supporting facilities belong to the Ministry of Defence. No change in these arrangements is envisaged as a result of the modernisation programme.

Royal Wedding

Mr. Canavan asked the Secretary of State for Defence what is the total estimated cost to his Department of providing security and ceremonial services at the wedding of His Royal Highness Prince Andrew.

Mr. Stanley [*pursuant to his reply*, 25 June 1986, c. *167*]: The present estimate of the totalcost is some £12,000.

Written Answers to Questions

Wednesday 9 July 1986

PRIME MINISTER

Commercial Information (Confidentiality)

Mr. Tony Lloyd asked the Prime Minister if she will list the bodies to which outside members are appointed where the Official Secrets Act is used to secure the confidentiality of commercial information received from sources outside Government and placed in the hands of the outside members; and if she will list the purpose of each such body.

The Prime Minister: This information is not held centrally and could be provided only at disproportionate cost. However, when appointments are made to the boards of non-departmental public bodies, Departments are responsible for bringing to the attention of candidates appropriate rules of conduct which take into account the nature of the body and its relationship to other organisations.

ATTORNEY-GENERAL

Recorderships

Mr. Meadowcroft asked the Attorney-General what criteria are applied by the Lord Chancellor when he decides not to renew recorderships.

The Attorney-General: Under section 21 of the Courts Act 1971 recordership is a part-time judicial office which is held for a specified term (usually about three years) and is renewable by the Lord Chancellor until the age of 72. Until then, the Lord Chancellor will normally renew the appointment provided that he is satisfied as to the recorder's continuing fitness for it, particularly with reference to his judicial performance and behaviour, and whether or not he has complied with the terms of his appointment. In making these decisions, the Lord Chancellor always acts after receiving advice in writing from officials and relevant presiding judges. This advice is based on consultations with the judiciary and the profession. The Lord Chancellor has in fact never decided not to renew a recordership except in accordance with such advice from officials and presiding judges. His overriding consideration, as with all judicial appointments, is always the maintenance of public confidence in the competence and independence of the judiciary, and in the integrity and impartiality of the administration of justice.

OVERSEAS DEVELOPMENT

Africa (Famine)

92. **Mr. Evennett** asked the Secretary of State for Foreign and Commonwealth Affairs whether there are any new Commonwealth initiatives for the relief of famine in Africa.

Mr. Raison: I am not aware of any specifically Commonwealth initiatives.

South African Refugees

Mr. Pike asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans for increasing educational provision for refugees from South Africa.

Mr. Raison: We have put proposals to the Commonwealth Secretariat, which, if accepted by other Commonwealth Governments, would result in a new Commonwealth financed fellowship programme, which could include assistance for refugees.

SOCIAL SERVICES

Health Service Commissioner (Report)

Mr. Malins asked the Secretary of State for Social Services when he expects to receive the annual report of the Health Service Commissioner for 1985-86.

Mr. Hayhoe: The Health Service Commissioner has, as in previous years, made a single report on the performance of his functions in England, Scotland and Wales. My right hon. Friends the Secretaries of State for Social Services and for Wales, and my right hon. and learned Friend the Secretary of State for Scotland have laid the report before the House today. It will be published tomorrow (HC 481) and copies will be available from the Vote Office.

Hospitals

Mr. Irving asked the Secretary of State for Social Services what studies have been carried out on the effects of hospital run-down on patients and staff and in the build-up of alternative services.

Mr. Whitney: For some years many of the studies commissioned by the Department in the fields of mental illness and mental handicap have been concerned with the effectiveness of community oriented services. They have compared the new forms of care for patients with more traditional services and looked at ways in which problems can be overcome.

Amongst other studies on services in these areas, these have included:

Evaluation of new services and of joint service planning for residents of Darenth Park.

The experience of direct care staff involved in the transfer of residents from Leybourne Grange to living in the community.

Evaluation of community care for mentally handicapped people in Wales.

Several studies based on the development of services for mentally ill people at Worcester and the replacement of the existing services provided by Powick hospital.

A building evaluation by the Department's building directorate.

A study of long stay patients in Goodmayes hospital.

Evaluation of the transition for patients at Friern hospital, from psychiatric hospital to district based services.

All these studies seek to assist in the complex tasks of planning and the provision of services, as care for those with mental illness or mental handicap becomes more firmly located in primary care settings.

Research Budget

Mr. Wigley asked the Secretary of State for Social Services if he will publish a table, taking his Department's

budget for research in 1981-82 as an index of 100, showing what has been the relative change in the index for each subsequent year.

Mr. Whitney: The Department funds a programme of research which includes social security, health and personal social services, computers, building and equipment for the National Health Service. National Health Service authorities also carry out research and we look to the much larger programme arranged by the Medical Research Council for bio-medical research.

The table requested is as follows:

	1981-82 = 100
1981-82	100
1982-83	95
1983-84	88
1984-85	77
1985-86	*78

* Estimated figure.

RAWP Process

Mr. Austin Mitchell asked the Secretary of State for Social Services for how many years he proposes to continue the resource allocation working party process.

Mr. Hayhoe: The Government remain fully committed to the principle of securing equal opportunity of access to health care for people in equal need. The current review of the resource allocation working party formula is examining the scope for improving the measurement of need, to ensure that as regions approach their resource allocation working party targets these targets represent relative need as fairly as possible.

The long-term resource assumptions issued to health authorities in 1983 were aimed at achieving broad equity between regions by 1993-94. (There are wider disparities between districts, which will take longer to redress). Even when broad equity between health authorities is reached, there will remain a need for some continuing redistribution of resources to take account of population movements and changes in population needs.

Invalidity Allowance

Mr. Kirkwood asked the Secretary of State for Social Services whether he will extend invalidity allowance to include men aged 65 years and women aged 60 years and under in receipt of unemployability supplement or invalidity benefit; if he will estimate the cost of such a change; and if he will make a statement.

Mr. Newton: I have no plans to extend invalidity allowance in the way outlined in the question. The estimated cost of such an extension is about £3 million in 1986-87.

Association of Crossroads Care Attendant Schemes

Mr. Alfred Morris asked the Secretary of State for Social Services what reply is being sent to the director of the Association of Crossroads Care Attendant Schemes in reply to her letter of 20 June; if he will publish the correspondence between his Department and the director since 14 April in the *Official Report;* and if he will make a statement.

Mr. Whitney: I have today replied to the letter of 20 June from the director of the Association of Crossroads Care Attendant Schemes Ltd. and hope to meet her shortly. A number of letters have been exchanged since 14 April between the director and the Department on various subjects, and I do not believe it would be appropriate to publish such correspondence in the *Official Report.*

Chronically Sick and Disabled Persons Act

Mr. Tony Lloyd asked the Secretary of State for Social Services how many cases he has before him for investigation as to whether a local authority is in breach of section 2 of the Chronically Sick and Disabled Persons Act; how many cases there have been investigated since May 1979; and what is the shortest, median and longest period of time taken by his Department to conclude investigations of such cases since May 1979.

Mr. Newton: At present six complaints of alleged failure by a local authority to comply with section 2 of the Chronically Sick and Disabled Persons Act 1970 are under consideration.

Forty-one previous such complaints have been considered since May 1979. The shortest time taken to complete the necessary investigations was four weeks; the longest two years and four months; and the median is five months.

Pharmaceuticals (Product Licences)

Mr. Tony Lloyd asked the Secretary of State for Social Services if he will publish the number of applications for parallel product licences for pharmaceuticals he has *(a)* granted and *(b)* received since March 1986; and if he will make a statement.

Mr. Hayhoe: Since the product licences (parallel importing) scheme was first introduced in May 1984, 2,940 licence applications have been received, 1,264 licences have been granted and altogether 2,302 applications (that is 78 per cent.) have been cleared. The working of the scheme itself is kept under continuous review.

During the period 1 March 1986 to 27 June 1986, 439 applications for product licences (parallel importing) were received and 360* licences were granted. Some 50 new applications are currently being submitted each week.

Note: * The licences granted include some in respect of applications received before 1 March 1986.

Medicines Inspectorate

Mr. Grylls asked the Secretary of State for Social Services if he has any plans to increase the capability of the Medicines Inspectorate to inspect overseas production facilities.

Mr. Hayhoe: Twenty-five per cent. of the Medicines Inspectorate on-site time is spent in overseas production facilities. There are no proposals in the 1986-87 annual programme for increasing this figure.

Geriatric Patients (Accommodation)

Mrs. Ann Winterton asked the Secretary of State for Social Services whether it is the policy of his Department to provide accommodation where necessary to geriatric-type patients of less than 65 years of age.

Mr. Whitney: It is not clear whether my hon. Friend had primarily in mind younger physically disabled people

or people suffering prematurely from dementia. In either case our policy is that a full range of services should be available in every health district or local authority area, including special accommodation, whether in hospital or elsewhere, where this is appropriate.

Sporting Accidents

Mr. Alfred Morris asked the Secretary of State for Social Services what information he has on the number of fatal accidents and serious injuries, separately, for each of the last 10 years, in respect of *(a)* boxing, *(b)* rugby, *(c)* football, *(d)* motor racing and *(e)* horse racing.

Mr. Whitney: The table shows the number of occasions in the last 10 years when, on a death certificate, the stated categories of sporting activity have been mentioned. The figures prior to 1982 are not strictly comparable with later years. It is regretted that no information is available centrally about non-fatal serious injuries.

Mentions of boxing, rugby, football and motor racing on death certificates, 1976-85

	1976	*1977*	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Boxing	—	—	1	—	—	1	—	—	—	—
Rugby	2	3	4	3	5	2	6	2	1	1
Football	6	3	4	*4	7	*4	5	5	1	†61
Horse Racing	2	—	1	—	—	—	—	—	—	—
Motor Sports	24	18	17	14	19	8	8	15	20	15
Motor car racing	3	2	—	4	3	—	—	2	—	2
Karting	1	1	2	—	—	1	1	1	1	1
Motor car rally	4	4	—	—	2	—	—	—	1	1
Stock car racing	1	—	—	—	—	—	1	1	2	—
Drag car racing	—	—	—	—	—	—	—	—	1	—
Motor cycle racing	10	7	7	6	10	5	3	4	12	5
Speedway	2	2	3	1	—	—	2	2	—	—
Motocross	—	—	—	—	—	1	—	2	—	—
Scrambling	3	—	2	—	—	1	—	—	3	3
Motor cycle events, stunts	—	—	2	3	—	—	—	—	—	—
Marshalls at motor sport	—	1	1	—	2	—	—	—	—	1
Spectators at motor sport	—	1	—	—	2	—	1	—	—	—
Unspecified motor sport	—	—	—	—	—	—	—	3	—	2

* Includes 1 spectator.
† Includes 56 spectators.

Breast Cancer

Mr. Hancock asked the Secretary of State for Social Services when the United Kingdom working group on breast cancer screening will make its final report.

Mr. Hayhoe: I expect to receive its final report this autumn.

Captain Balnave

Mr. Hancock asked the Secretary of State for Social Services when his Department will expedite the payment to Captain Balnave of 23 Malvern road, Southsea, Portsmouth, awarded to him on appeal.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Assistance Applications (Manchester)

Mr. Alfred Morris asked the Secretary of State for Social Services whether his Department's Manchester offices are currently able to process applications for assistance within 14 days; what representations he has received relating to delays in processing applications; if he has any plans to seek to change the obligation to process applications within 14 days; and if he will make a statement.

Mr. Major: Generally the Department's Manchester offices process claims for benefit within 14 days of their being referred to an adjudication officer. The exception at the moment is claims for single payments, which can be subject to delays. The offices have received a substantial rise in the number of such claims as a result of recent "take up" campaigns in the area.

I shall be replying in detail, in the next few days, to the five specific cases raised with my by the right hon. Member. No other specific representations have been made to me.

Current regulations provide that, so far as practicable, claims should be decided within 14 days of their reference to an adjudication officer. There are no plans to change this.

Hospital Staffing

Mr. Conway asked the Secretary of State for Social Services if he will make a statement on the outcome of the talks on hospital medical staffing which the Minister for Health has been holding with representatives of the Joint Consultants Committee, chairmen of regional health authorities and others.

Mr. Hayhoe: I am today publishing a consultative document on hospital medical staffing which has been agreed, as a basis for consultation, between the three parties to the talks. I believe that these proposals will lay the foundation for resolving the long-standing problems of the medical staffing of hospitals. This will be in the interests of both patients and doctors alike. Copies of the consultative document are being placed in the Library.

Invalid Care Allowance

Dame Jill Knight asked the Secretary of State for Social Services, following his statement on 23 June that invalid care allowance will in future be paid to married women, whether he is now able to announce his decison on the arrears that will be payable.

Mr. Fowler: On 23 June I told the House that invalid care allowance would in future be payable to married women, but that we would look at the question of arrears in the light of the impending judgment by the European Court in the case of Mrs. Jacqueline Drake. The judgment delivered on 24 June held that the exclusion of married women from invalid care allowance is contrary to the European Community's equal treatment directive, but said nothing about arrears. We have, however, decided in the interests of fairness that, provided the qualifying conditions are met, arrears should be payable back to December 1984, the date of implementation of the directive, on claims received before the end of 1986.

SCOTLAND

Forestry

Mr. Alex Carlile asked the Secretary of State for Scotland whether he has any plans for a comprehensive revision of forestry planting.

Mr. John MacKay: The policy on forestry planting remains as set out in the statement made to the House by my right hon. Friend the Member for Ayr (Mr. Younger) on 10 December 1980, at columns 927-28. There are no plans at present for a revision of that policy.

Students (Discretionary Awards)

Mr. Andrew F. Bennett asked the Secretary of State for Scotland if he will make a statement on the availability and take-up of discretionary awards for 16 to 18-year-olds in full-time education in Scotland, with special reference to the proportion of students in receipt of an award and the average value of awards granted, for each of the last three years.

Mr. Allan Stewart: Education authorities in Scotland may at their discretion make awards to young people aged 16 and over to enable them to undertake courses of full-time education. In general, assistance is given in respect of courses other than those at first degree or postgraduate level, which attract awards from the Scottish Education Department.

In determining the amount payable in any particular case, education authorities must apply the rates and scales prescribed in the Education Authority Bursaries (Scotland) Regulations 1985.

A higher school bursary may be awarded to young persons aged 16 and over who stay on at school. Those who leave school and undertake full-time courses at further education establishments may be awarded a category A bursary (if aged 16 or 17) or a category B bursary (if aged 18 or over).

The following table sets out for each type of bursary the number and percentage of young people assisted and the average awards granted in each of the last three years for which the information is available.

Year	*Number of awards*	*Total number at school aged 16 and over*	*Percentage of column 3 assisted*	*Average value of awards granted* £
		I Higher school bursaries		
1982-83	7,669	73,700	10·4	377
1983-84	8,241	72,317	11·4	386
1984-85	8,261	70,876	11·7	412
		II Further education bursaries category A (16 and 17)		
1982-83	7,235	26,900	26·9	504
1983-84	7,294	24,600	29·7	514
1984-85	7,743	24,600	31·5	535
		III Further education bursaries category B (age 18 and over)		
1982-83	9,444	26,900	35·1	1,292
1983-84	10,562	24,600	42·9	1,420
1984-85	10,736	24,600	43·6	1,464

Local Government Finance

Mr. Foulkes asked the Secretary of State for Scotland what is the new closing date for submissions on the Green Paper "Paying for Local Government" in Scotland.

Mr. Ancram: The Green Paper "Paying for Local Government" (Cmnd. 9714) asked for comments in Scotland to be sent in by 31 July 1986. This general closing date remains unchanged.

Chapelcross Nuclear Power Station

Mr. Foulkes asked the Secretary of State for Scotland if he will list all directives issued in respect of Chapelcross nuclear power station since 1979.

Mr. Allan Stewart [*pursuant to his reply*, 26 June 1986, c. *314*]: No directives have been issued in respect of the Chapelcross licence.

Mr. Foulkes asked the Secretary of State for Scotland what reports he has received since 1979 from the Nuclear Installations Inspectorate in respect of Chapelcross power station; which of these have been published; and what action has been taken to implement any recommendations in these reports.

Mr. Allan Stewart [*pursuant to his reply*, 26 June 1986, c. *314*]: I refer the hon. Member to the reply I gave him on 26 June, at columns *313-14*. The implementation of recommendations made in the published quarterly reports is pursued by the Nuclear Installations Inspectorate and recorded as appropriate in subsequent reports.

Mr. Foulkes asked the Secretary of State for Scotland what has been the annual production of titanium and plutonium at Chapelcross in each year since 1979; and what has been the destination of this production in each case.

Mr. Allan Stewart [*pursuant to his reply*, 26 June 1986, c. *314*]: The hon. Member is aware that the nuclear reactors at Chapelcross are available to meet defence requirements for nuclear materials. It would not, therefore, be in the national interest to reveal details of their production.

EDUCATION AND SCIENCE

Higher Education

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will publish, in tabular form, for each year since 1979 the number of mature students in higher education, the proportion they formed of total

student numbers, and the total amount of mandatory or discretionary grant awards made at constant 1985-86 and at cash prices, for those students.

Mr. Walden: The number of home full-time and sandwich initial entrants aged 21 or more are given in the following table. Information in respect of maintenance expenditure for such students is not collected.

Higher education in Great Britain

Academic year beginning	*Mature entrants (000's)*	*Mature entrants per cent.*
1979	34·0	23·9
1980	33·2	22·7
1981	36·0	23·1
1982	35·9	22·3
1983	36·8	22·9
1984	37·1	22·8
*1985	39·1	23·9

* Provisional.

Mathematics and Science Teachers

Mr. Greenway asked the Secretary of State for Education and Science how many mathematics and science teachers are on scale 2 posts and above; and what are the comparable figures for teachers of other subjects.

Mr. Chris Patten: Information derived from a survey of a sample of maintained secondary schools in England carried out by the Department in 1984 is as follows:

Full-time teachers	*All teachers teaching named subject**		*Teachers for whom named subject was most important teaching subject†*	
	Numbers on Scale 2 and above (000s)	*Percentage on Scale 2 and above per cent.*	*Numbers on Scale 2 and above (000s)*	*Percentage on Scale 2 and above per cent.*
Mathematics	28·5	70	19·5	72
Remedial mathematics	6·7	66	1·2	69
Computer studies	7·1	76	1·1	85
Biology	9·4	66	6·3	70
Chemistry	8·2	70	5·4	79
Physics	9·3	73	5·9	80
Other individual sciences‡	5·6	74	1·2	86
General/integrated/combined sciences	18·9	67	4·0	56
Subjects other than mathematics and science	‖272·4	71	111·0	72
TOTAL: teachers with timetabled teaching duties	¶	¶	155·7	72

* Teachers counted once for each subject being taught.
† Included in figures in the previous columns.
‡ Figures for the components were not separately recorded in the survey.
‖ Because teachers are counted once in this column for each subject being taught this figure will include any teachers who were teaching both mathematics and/or science and other subjects.
¶ Not applicable.

Further and Higher Education

Mr. Ron Davies asked the Secretary of State for Education and Science if he will publish information available to him as to which local education authorities have tertiary colleges, indicating the names of these colleges within each local education authority.

Mr. Dunn: The information is as follows:

Richmond-upon-Thames
Richmond-upon-Thames College, Twickenham

Dudley
Halesowen College

Wolverhampton
Bilston College

Knowsley
Knowsley Central Tertiary College

Wigan
Leigh College
Wigan College

Wakefield
Wakefield District College

Cheshire
South Cheshire College, Crewe

Derbyshire
South East Derbyshire College

Devon
Exeter College
North Devon College, Barnstaple

Dorset
Weymouth College

Durham
Peterlee College

Essex
Harlow College

Gloucestershire
Royal College of Dean

Hampshire
Cricklade College, Andover
Alton College
Fareham College
Brockenhurst College

Lancashire
Nelson and Colne College
W R Tuson College, Preston
Accrington and Rossendale College
Runshaw College, Leyland
Blackburn College
Skelmersdale College

North Yorkshire
Selby College

Shropshire
Oswestry College

Somerset
Bridgwater College
Strode College, Street
Yeovil College

In addition, New College Swindon operates under further education regulations but is not described as a tertiary college.

A further three tertiary colleges are due to open in September 1986 in South Bristol (Avon), Newcastle-under-Lyme (Staffordshire) and Consett (Durham).

Mr. Ron Davies: asked the Secretary of State for Education and Science which education authorities have submitted plans for reorganisation which include tertiary colleges.

Mr. Dunn: Proposals for secondary reorganisation including tertiary colleges from Gateshead, Sheffield, South Tyneside, Sunderland, Essex and Oxfordshire local education authorities are currently before my right hon. Friend. In addition, proposals from Bury and Manchester have been approved and are awaiting implementation.

Mr. Ron Davies: asked the Secretary of State for Education and Science what are his target staff:student ratios for *(a)* university higher education, *(b)* public sector higher education, and *(c)* non-advanced further education in the public sector.

Mr. Walden: My right hon. Friend does not have a target for SSRs in the university sector, but has been pleased to note the improvements achieved in the last few years—to 1 : 10 : 3 in 1984.

The overall target SSR for the public sector of higher education recommended by the National Advisory Body for Public Sector Higher Education is 1 : 12. Good progress is being made towards this: by 1984 the SSR had reached 1 : 10·8, compared with 1 : 8·4 in 1979.

The derivation of a national SSR target for non-advanced further education (NAFE), and the pace of achieving it, are among the subjects under consideration by a joint group of DES, Welsh Office Education Department and local authority representatives, which is conducting a study of efficiency in NAFE.

Mr. Ron Davies asked the Secretary of State for Education and Science if he will list the criteria used for planning the allocation of funding in both sectors of higher education; and if he will make a statement on the educational objectives served by the two systems of allocation of funds.

Mr. Walden: My right hon. Friend is advised on the planning and funding of higher education by the University Grants Committee and the National Advisory Body for Public Sector Higher Education. The UGC described the criteria used in its present planning exercise in letters to universities on 9 May 1985, 19 November 1985 and 20 May 1986. The approach adopted by the NAB was described in a note sent to local education authorities and colleges in December 1985. My right hon. Friend's predecessor wrote to the UGC on 30 January 1985 and to the NAB on 20 December 1985, offering guidance to inform their respective planning exercises. Copies of all these letters are in the Library.

On broader objectives, I refer the hon. Member to the Green Paper "The Development of Higher Education into the 1990s" published in May 1985.

In-service Training

Mr. Davies asked the Secretary of State for Education and Science (1) if he will set out the national and local priorities, the subject priorities, the categories of training priorities, and the balance of funding between them under the terms of the proposed in-service training arrangement outlined in the draft circular of 12 June;

(2) what funds will be available for in-service training under the new arrangements proposed in the draft circular issued on 12 June for the year 1986-87;

(3) if he will express the funds available to finance the new proposed in-service training arrangements outlined in the draft circular of 12 June as a percentage of the estimated salary bill per teacher.

Mr. Chris Patten: As my right hon. Friend told the House on 10 June, at column 190, funds to be made available through the intended new scheme will be decided as part of the overall settlement of local authority expenditure for the coming year. He will then decide which areas should qualify as national priorities under the scheme.

Natural Environment Research Council

Mr. Coombs asked the Secretary of State for Education and Science if he will arrange for an exhibition relating to the work of the Natural Environment Research Council to be displayed in the Upper Waiting Hall.

Mr. Walden: I understand that, under procedures agreed by the Services Committee, arrangements have been made with the authorities of the House for the exhibition to be held in the Upper Waiting Hall from 28 July to 1 August 1986.

Welsh Plant Breeding Station

Mr. Geraint Howells asked the Secretary of State for Education and Science if he plans to make any financial cuts in the Welsh plant breeding station at Gogerddan, Aberystwyth, in the next three years; and if he will make a statement.

Mr. Walden: I shall reply to the hon. Member as soon as possible.

EMPLOYMENT

Labour Statistics

Mr. Austin Mitchell asked the Paymaster General (1) if he will provide an estimate for every year since 1978 of the number of people identified in statistics for the United Kingdom employed labour force as full-time employees and self-employed people who also have at least one part-time job;

(2) if he will provide estimates for every year since 1978 of the number of people in the United Kingdom with more than one part-time job.

Mr. Trippier: Information is not available in the exact form requested.

The regularly published employed labour force series does not identify persons with more than one job.

The labour force survey provides information on a different basis but allows the above analysis. Available estimates are presented in the following tables.

Table 1

Estimates of full-time† employees and self employed in the United Kingdom who also have a part-time† job*

000's

Year	Full-time employees	Self employed
1979	238	30
1981	279	60
1983	305	70
1984	337	109
1985‡	391	121

Table 2

Estimates of persons in part-time† employment in the United Kingdom with a second part-time† job*

000's

Year	
1979	91
1981	127
1983	160
1984	253
1985‡	281

Notes:

* Estimates relate to the spring of each year. Figures for 1984 and 1985 exclude those on Government schemes, whereas earlier years include those on schemes if reported as in employment.

† The definition of full and part-time is based on the respondent's own assessment, not on the number of hours worked.

‡ Preliminary estimates.

Mr. Austin Mitchell asked the Paymaster General if he will provide estimates for every year since 1978 of a list of the number of people in the United Kingdom who have at least one part-time or full-time job.

Mr. Trippier: The only consistent time series for the United Kingdom is the quarterly estimates of the employed labour force published in *Employment Gazette*. However, some people who have a second job as an employee are counted twice and their numbers are not separately identifiable. The estimates since 1978 are as follows:

Employed Labour Force in the United Kingdom in June each year

Year	000's
1978	24,999
1979	25,375
1980	25,306
1981	24,323
1982	23,894
1983	23,602
1984	24,065
1985	24,396

The labour force survey provides information on a different basis but is able to identify those who have a second job. Available estimates of persons in employment are presented in the following table.

Labour Force Survey Estimates of Persons in Employment in the United Kingdom*

Year	000's
1979	24,770
1981	24,152
1983	23,311
1984	23,617
1985†	23,823

* Estimates relate to the spring of each year. Figures for 1984 and 1985 exclude those on Government schemes, whereas earlier years include those on schemes if reported as in employment.

† Preliminary results.

Technical and Vocational Education Initiative

Mr. Ron Davies asked the Paymaster General what further funds will be made available specifically for technical and vocational education initiative related in-service training as a result of the expansion of technical and vocational education initiative into a national programme announced in Cmnd. 9823.

Mr. Trippier: TRIST will not receive further funding as a result of TVEI expansion. It will be replaced in 1987 (subject to enabling legislation) by a new scheme of specific grants to local authorities administered by the Education Departments. As pointed out in paragraph 3.14 of the White Paper, the resources available under the new in-service training scheme are to be spent on training to meet needs of the greatest national and local priority, including the extension of TVEI.

HOUSE OF COMMONS

Earnings and Costs

Mr. Austin Mitchell asked the Lord Privy Seal whether he will publish the annual figures earnings and labour costs per unit of output since 1979.

Mr. Trippier: I have been asked to reply.

Annual figures since 1979 for average earnings and for unit labour costs are given in tables 5.6 and 5.7 respectively of the July 1986 edition of *Employment Gazette*, a copy of which is in the Library.

HOME DEPARTMENT

Young Persons (Arrests)

Mr. Austin Mitchell asked the Secretary of State for the Home Department if he will state the number of persons aged under 18 years and of no fixed abode who were arrested in Greater London in each year since 1979.

Mr. Mellor: The information requested is not collected centrally an could be provided only at disproportionate cost.

Babies (Prisons)

Mr. Dubs asked the Secretary of State for the Home Department how many babies were received into prison accompanying their mothers in the last year for which figures are available.

Mr. Mellor: Eighteen in the year ending 30 June 1986. Twenty four babies joined their mothers in prison at a later

stage and 59 babies returned with their mothers to prison after being born in an outside hospital. One baby was born in Holloway.

Water Cannon

Mr. Soley asked the Secretary of State for the Home Department what evaluation his Department has carried out on the Amac One water cannon vehicle; and what involvement his Department's officials had in design discussions with, and assistance to, the manufacturers.

Mr. Giles Shaw: Our officials have not evaluated any AMAC vehicle nore have they given any advice or assistance on design to the manufacturers.

Reward System

Mr. Cohen asked the Secretary of State for the Home Department what safeguards exist to stop possible abuse of the reward system by (i) members of the public, and (ii) police officers; and if he will make a statement.

Mr. Giles Shaw: It is an offence for any person in any way to counsel, incite or procure the commission of a crime. It is open to a person who believes that a reward has been improperly offered or paid to bring that matter to attention.

Racial Attacks

Mr. Cohen asked the Secretary of State for the Home Department if he will make a statement about his meeting on 30 June with the Joint Committee Against Racialism on the matter of racial attacks; and whether any of its recommendations are to be implemented.

Mr. Hurd: I had a constructive and helpful meeting with the Joint Committee Against Racialism. I share its view that racial attacks require particular attention from the police. We discussed the ways in which the police are giving increased attention to this problem, and ways of further improving the effectiveness of that response. I am considering a number of specific suggestions put forward by the committee.

Police National Computer

Mr. Cohen asked the Secretary of State for the Home Department if he will describe the audit and logging procedures currently used with the police national computer; and whether, in cases of abuse, these procedures would identify the officer who performed the check and the number of requests made by that officer.

Mr. Giles Shaw: All police national computer transactions have always been recorded centrally on magnetic tape by the computer. These records indicate the time of the transaction as well as the terminal from which it originated. It has recently become possible to record centrally also the identity of the originator of any inquiry and the reasons for the inquiry.

Mr. Cohen asked the Secretary of State for the Home Department if he will list those constabularies that have, or intend to have, an interface with the police national computer; and if he will indicate whether the linkage is to a computer used for command and control or criminal information or both.

Mr. Giles Shaw: The following police forces in England and Wales have a direct link to the police national computer through their own force computer system(s):

Force	*Command and control*	*Criminal information systems*
Avon and Somerset	Yes	—
Bedfordshire	Yes	—
Cambridgeshire	Yes	—
Cleveland	Yes	—
Cumbria	Yes	—
Durham	—	Yes
Essex	Yes	—
Humberside	—	Yes
Kent	—	Yes
Lincolnshire	—	Yes
Merseyside	Yes	—
Metropolitan	Yes	—
North Yorkshire	—	—
Northamptonshire	—	—
Nottinghamshire	—	—
South Wales	Yes	—
South Yorkshire	Yes	Yes
Staffordshire	Yes	Yes
Suffolk	Yes	Yes
Sussex	Yes	—
Warwickshire	Yes	Yes
West Mercia	Yes	—
West Midlands	Yes	—
Wiltshire	Yes	—

The following forces have indicated that they intend to implement a direct link to the PNC in due course, but have not yet informed the Department as to the nature of the force system(s) to which the PNC is to be linked.

Devon and Cornwall
Dorset
Hampshire
Hertfordshire
Lancashire
Northumbria
Surrey

Mr. Cohen asked the Secretary of State for the Home Department if he will state the number of accesses in, and the maximum and minimum number of entries, in the last year to current number of entries, for each index of the police national computer over the last year.

Mr. Giles Shaw: The total number of accesses and the maximum and minimum number of entries in the year to June 1986 and the current number of entries for each substantive index of the police national computer are as follows:

Index	*Number of Accesses*	*Maximum Number of Entries*	*Minimum Number of Entries*	*Current Number of Entries*
1. Stolen and Suspected Vehicles	19,489,664	390,692	349,916	380,925
2. Vehicle Owners		38,146,538	35,646,695	38,146,538
3. Chassis (Engine Numbers)	948,899	644,411	534,633	644,411
4. Fingerprints	210,253	3,655,730	3,516,722	3,655,730

Index	Number of Accesses	Maximum Number of Entries	Minimum Number of Entries	Current Number of Entries
5. Fingerprints Scene of Crime	16,224	6,628,252	6,240,783	6,628,252
6. Criminal Names	1,108,803	5,119,354	4,977,206	6,628,252
7. Wanted (Missing Persons)	1,549,034	112,922	104,123	104,123
8. Disqualified Drivers	675,263	321,068	298,986	314,163
9. Convictions	18,539	1,170,432	478,391	1,170,432
10. Major Investigations	87,461	118,974	103,000	118,944

There have also been the following joint accesses:

to indices 6 and 7—1,450,986
to indices 6, 7 and 8—5,657,324
to indices 4 and 6—459,947

Mr. Cohen asked the Secretary of State for the Home Department if he will state the current number, the maximum number and minimum number of entries for each of the sub-categories of the stolen and suspect vehicle index of the police national computer over the last year.

Mr. Giles Shaw: The number of entries in each of the sub-categories of the stolen and suspect vehicle index of the police national computer as of 21 June, together with the maximum and minimum number of entries for the previous 12 months, is as follows:

Sub Category	21 June 1986	Maximum in last 12 months	Minimum in last 12 months
Lost or stolen	289,705	289,705	259,120
Obtained by deception	575	595	533
Found or apparently abandoned	24,435	25,873	21,554
Removed into police custody	11,997	12,225	10,233
Removed by police from one street to another	344	563	183
Repossessed by finance company	93	112	76
Suspected of being involved in a particular incident, for example: crime	3,341	3,520	3,299
Owned or used by police	6,102	6,220	6,102
Of interest to the police, for example: owned by known criminals or by missing persons	30,827	35,391	30,827
Seen or checked by the police in note-worthy circumstances: for example at night in an area where a series of crime is under investigation	10,824	13,666	10,813
Details not to be passed over open radio for example: police vehicles used in observation duties	4,283	4,369	3,845

Mr. Cohen asked the Secretary of State for the Home Department if he will state the current number, the maximum number and minimum number of entries for each of the sub-categories of the wanted and missing persons index of the police national computer over the last year.

Mr. Giles Shaw: The current, maximum and minimum number of entries for each of the sub-categories of the wanted and missing persons index of the police national computer for the 12-month period ending June 1986 are as follows:

Sub-category	June 1986	Maximum	Minimum
Wanted persons	30,838	30,838	27,762
Failed to appear in court	20,079	20,228	19,468
Suspected of offence	4,132	4,132	3,798
Impending prosecution	49	106	39
Deserter from Armed Forces	4,519	10,398	4,519
Location desired: eg: for services of summons	37,006	39,986	36,889
Missing	2,220	2,324	1,936
Found	20	20	8
Absconded from Local Authority care	587	695	564
Absconded from hospital	47	65	36
Absconded from youth custody	86	98	77
Absconded from prison	439	439	359
Absconded from remand	16	38	16
Absconded from school	60	126	60
Absconded from detention	8	8	4
Recalled to youth custody	1	3	1
Recalled to prison	243	249	229
Recalled to detention	0	2	0
Notify if in custody	2	141	2

Drugs

Mr. Higgins asked the Secretary of State for the Home Department what estimates he has made of the trend in the street price of illegal drugs, including cannabis, heroin and cocaine over the last three years; and if he will seek to monitor such changes as an indication of the extent to which importation and distribution of illegal drugs are being prevented by the work of the Government Departments concerned.

Mr. Mellor: The information collated by the national drugs intelligence unit suggests that since the beginning of 1984 there has been little change in the mean prices of illicit heroin and cannabis resin, whereas that of cocaine appears to have risen slightly. Street prices are one of a number of indicators which we monitor as part of our continuing assessment of the drug misuse situation.

Wormwood Scrubs Prison

Mr. Hancock asked the Secretary of State for the Home Department (1) what is the cost of rectifying the faults in the building of new kitchens at Wormwood Scrubs;

(2) what was the nature of the problems encountered in the construction of new kitchens at Wormwood Scrubs.

Mr. Mellor: A proposed new kitchen was built as part of a redevelopment programme started in 1982.

Subsequently the decision to retain the chapel, the demolition of which was envisaged under the original redevelopment plan, together with population pressures restricting the amount of accommodation at the prison that could be taken out of use at one time, led to the abandonment of the scheme and the formulation of an alternative. Under the new plan the kitchen, which has never been used for its intended purpose, will be used instead as a laundry and for prison industries.

Community Radio

Mr. Cartwright asked the Secretary of State for the Home Department if he will list the cable based community radio stations now operating under the experimental arrangements begun in 1978; what arrangements exist to ensure that they observe acceptable standards of objectivity and decency; and when the results of this experiment are to be reviewed.

Mr. Giles Shaw: Since part I of the Cable and Broadcasting Act 1984 came into force on 1 January 1985 all licensable cable programme services, including those established under the arrangements in 1978, have been subject to regulation by the Cable Authority and have ceased to be regarded as experimental. We understand from the authority that of those cable radio services established under the 1978 arrangements Milton Keynes and Thamesmead are still operating. In common with all licensed services the authority is required by section 10 of the Act to do all that it can to secure that these services include nothing which offends against good taste or decency and that all news given (in whatever form) in programmes which originate in the United Kingdom is presented with due accuracy and impartiality.

Radio Thamesmead

Mr. Cartwright asked the Secretary of State for the Home Department what criteria were used in granting Radio Thamesmead a special events licence; and how the use of that licence will be supervised.

Mr. Giles Shaw: Radio Thamesmead applied for an experimental special event licence to broadcast to the site of the Thamesmead town show from 24-26 August. The application satisfied the criteria set out in the reply given to a question from my hon. Friend the Member for Thanet, North (Mr. Gale) on 28 January 1986, at column 486, relating as it did to a recognised event of not more than two weeks' duration at a single site. Equipment used under any special event licence may be inspected, and transmissions monitored, with a view to ensuring that the conditions included in the licence are followed.

Roy Percy Steptiford

Mr. Maxwell-Hyslop asked the Secretary of State for the Home Department why no reply has been received by Ashford, Sparkes and Harward, solicitors in Tiverton, acting for Roy Percy Steptiford, to their letter, dated 30 April to his Department's Prison Department; and why neither reply nor acknowledgement has been received to the follow-up letter, dated 10 June, asking why no reply had been received to the earlier letter; and what action he proposes to take in this matter, and when.

Mr. Mellor: Inquiries into the matter raised by Messrs Ashford, Sparkes and Harward in their letter of 30 April 1986 took longer than foreseen, but a full reply has now been sent. We regret the failure to acknowledge the solicitors' letters in this case and will examine carefully the implications for our procedures for handling such correspondence.

Local Government Boundary Commission for Wales

Dr. Marek asked the Secretary of State for the Home Department when he expects the review by the Local Government Boundary Commission for Wales of county electoral divisions in Clwyd to be completed; and if he will make a statement.

Mr. Mellor: I understand that the Local Government Boundary Commission for Wales had hoped to submit final proposals on new county electoral divisions in Clwyd to me in June 1987. However, it has not yet received draft proposals from Clwyd county council and therefore cannot say whether it will be possible to adhere to this timetable.

ENVIRONMENT

Water Authorities (Privatisation)

Mr. Austin Mitchell asked the Secretary of State for the Environment what representations he has received about the effect of privatisation of water authorities on drinking water.

Mr. John Patten: The Government's proposals for privatising the water authorities in England and Wales were set out in the White Paper (Cmnd. 9734) published in February. This dealt, amongst other things, with the quality of drinking water. My Department has to date received 337 representations on the White Paper, which include comments on this aspect as on others.

Land Sales

Mr. Dover asked the Secretary of State for the Environment if he will seek powers to direct the sale of land by public bodies and statutory authorities other than local authorities, once that land has been included on the land register for a year.

Sir George Young: My right hon. Friend has powers under part X of the Local Government Planning and Land Act 1980 to direct public bodies, as defined in schedule 16 to that Act, to take steps to dispose of their interest in any land which is entered on the land register. Disposal of land surplus to the requirements of Government Departments is the responsibility of the relevant Minister.

For last year's public expenditure survey Departments drew up plans with the general aim of disposing, wherever possible, of land then declared to be surplus by 1 April 1988. These plans are being revised in the course of this year's survey. Nationalised industries have a commercial incentive to dispose of surplus assets, including land.

Expenditure Limits

Dr. Twinn asked the Secretary of State for the Environment whether he intends to make orders under section 48(5) of the Local Government Act 1985 to set limits for expenditure in any year by the London boroughs grant scheme and similar schemes elsewhere in the United Kingdom.

Sir George Young: No. My right hon. Friend has decided that orders are not necessary for 1986-87. Where collective schemes have been established they are already operating on the basis of agreed budgets. My right hon. Friend would, however, reconsider this decision should any scheme propose to increase its budget significantly in the course of this financial year. For the moment, my right hon. Friend has come to no conclusion on whether orders will be needed for 1987-88.

Community Programme

Mr. Steen asked the Secretary of State for the Environment if he will make a statement as to the cost of and the results gained from the two pilot comprehensive community programmes in Bradford and Gateshead funded under the urban programme.

Sir George Young: I refer my hon. Friend to the reply given to him on 30 June, at column 367.

European Regional Development Fund

Mr. Tony Lloyd asked the Secretary of State for the Environment if he will give details by year for total European regional development fund moneys for the borough of Trafford.

Mr. Tracey: The amount of grant-aid awarded to local and public authorities carrying out infrastructure works under the European regional development funds is as follows:

	£
1975	—
1976	—
1977	—
1978	—
1979	27,600
1980	159,600
1981	—
1982	78,000
1983	—
1984	—
1985	237,500
1986	—

The figures exclude ERDF grant-aid committed to the Mersey basin programme, which is expected to benefit the Trafford area. They also exclude grant awarded to schemes under the fund's industry section, which is the responsibility of my right hon. Friend the Secretary of State for Trade and Industry.

Privately Rented Housing

Mr. Winnick asked the Secretary of State for the Environment if he will state the Government's policy towards the privately rented housing sector and the Rent Act.

Mr. John Patten: Our policy continues to be to encourage a healthy and responsible private rented sector which can play a greater role in meeting housing needs. We want to improve the quality of accommodation available to those seeking rented homes, while allowing landlords reasonable returns on their investments. As my right hon. Friend, the Member for Wanstead and Woodford told the House on 12 June 1985, at column 890, when he was Secretary of State for the Environment, we hope to introduce legislation to encourage the supply of more homes for renting in the private sector, but probably not during the lifetime of this Parliament.

Local Government Finance

Mr. Winnick asked the Secretary of State for the Environment if he will now allow local authorities to spend in excess of 20 per cent. of their capital receipts.

Mrs. Rumbold: I refer the hon. Gentleman to the replies given to my hon. Friend the Member for Lewisham East (Mr. Moynihan) on 20 November, at column 246, and to the hon. Member for Burnley (Mr. Pike) on 18 April, at column 508. Only housing receipts are subject to a prescribed proportion of 20 per cent.; the proportion for other receipts is generally 30 per cent.

Housing Starts

Mr. Winnick asked the Secretary of State for the Environment what has been the number of public sector housing starts in England and Wales during the current year; what is the likely estimate of the total number of such starts for the year; and if he will give the comparable figures for 1984 and 1985, respectively.

Mr. Joh Patten: The provisional number of public sector housing starts in England in January to May 1986 and the corresponding figure for 1985, together with the annual figures for 1984 and 1985, were published in table 2 of my Department's press notice No. 363 issued on 3 July; a copy is in the Library. In January to May 1984 there were 17,700 public sector starts in England. It is not the practice to make forecasts of housebuilding.

For information on housebuilding in Wales, I refer the hon. Member to my right hon. Friend the Secretary of State for Wales.

TRADE AND INDUSTRY

South Africa

94. **Mr. Nicholls** asked the Secretary of State for Trade and Industry if he will place a paper in the Library setting out details of Anglo-South African trade and of the British jobs dependent on that trade.

Mr. Alan Clark: The published trade statistics are already in the Library and show that South Africa remains a major trading partner of the United Kingdom. Furthermore, my hon. Friend will have noted from my recent answers to the hon. Member for Birkenhead (Mr. Field) on 23 June 1986, at column 41, and to my hon. Friend the Member for Southend East (Mr. Taylor) on 24 June, at column 142, that a large number of jobs are involved in that trade, with certain sectors particularly vulnerable to any disruption.

European Community (Internal Market)

Mr. John Mark Taylor asked the Secretary of State for Trade and Industry what initiatives Her Majesty's Government will be taking in the Presidency of the Council of the European Community towards an improved internal market.

Mr. Alan Clark: It will be a major priority of the United Kingdom Presidency to tackle barriers to trade within the

Community. In particular we will be seeking to make maximum progress in implementing the new Presidency acion programme, 1 July 1986 to 1 July 1987. The programme includes some 149 individual proposals for consideration by the Council during this period, details of which I gave in my reply to the hon. Member for Newham, South (Mr. Spearing) on 25 June, at columns 174-78. Priority areas for action include the creation of a free market in financial services and the transport sector; the liberalisation of capital movements; freedom of establishment for the professions; the removal of technical barriers to trade, for example, in the field of product standards; and the removal of physical barriers to the free movement of goods through simplification of frontier formalities.

Schools (Micro-computers)

Mr. Greenway asked the Secretary of State for Trade and Industry if he will make a statement on his policy towards the provision of micro-computers for schools.

Mr. Pattie: My Department continues to take a close interest in the development of the use of micro-computers in schools. I wish to see the United Kingdom maintain and extend its excellent record in this area.

We are therefore willing to provide support for further development on a selective basis, though the direct responsibility for computer provision rests with the local education authorities and individual schools. At present, we are providing £3·5 million over three years to enable LEAs and schools to purchase more educational software and a further £1 million over the same period to investigate the use of interactive video technology, building in such cases on the successful example of the micros in schools schemes. We have also recently provided each middle and secondary school in the United Kingdom with a free modem, enabling them to explore the use of databases through a microcomputer. We will consider further support as opportunities and needs arise.

Competition Policy

Mr. Yeo asked the Secretary of State for Trade and Industry what recent representations he has received regarding competition policy.

Mr. Howard: My right hon. Friend and I receive regular representations on many aspects of competition policy. On 5 June my right hon. Friend announced a review of law and policy on mergers and restrictive trade practices and invited interested parties to contribute their views in the first instance by the end of July.

Clothing and Textiles

Sir John Farr asked the Secretary of State for Trade and Industry how he accounts for the decline in both clothing and textile production in the first quarter of 1986; and what steps he is taking to seek to reverse this.

Mr. Peter Morrison: According to the latest provisional figures, clothing production in Q1 1986 was 8 per cent. below Q4 1985 and under 1 per cent. below Q1 1985. For textiles, production was less than 1 per cent. below Q4 1985 but 2 per cent. above Q1 1985. It is therefore too early to treat the fall in the first quarter of 1986 as a genuine decline in either industry.

Sir John Farr asked the Secretary of State for Trade and Industry if, in view of rising imports, falling exports and an increased trading deficit in the textile and clothing industry for the quarter ended 31 March, he will launch a new financial initiative to seek to stimulate the industry and preserve employment by large-scale investment in the latest generation of British-made textile and clothing machinery.

Mr. Peter Morrison: Schemes of investment assistance aimed specifically at the present clothing and textile industry are not permitted under present European Community policy. However, companies in the industry can apply for assistance under the Department's national schemes of support and also through its regional schemes aimed at projects safeguarding and creating new jobs. In April this year my right hon. Friend the Secretary of State for Trade and Industry announced a scheme to assist universities, polytechnics and colleges with the purchase of advanced clothing and textile machinery with a view to improving the facilities for training entrants to the industry.

British Steel

Mr. Hickmet asked the Secretary of State for Trade and Industry what are the financial results for British Steel for each of the last six years; and if he will make a statement.

Mr. Channon: The British Steel Corporation's annual accounts, published yesterday, show a profit—loss on ordinary activities after interest but before exceptional items as follows:

	£ million
1980-81	−660
1981-82	−327
1982-83	−383
1983-84	−174
1984-85	−114
1985-86	+ 76

The figure for 1984-85 reflects the cost of the miners' strike, estimated to be £180 million.

This run of results demonstrates extremely encouraging progress and reflects great credit on the chairmen, Board and work force of the corporation.

DEFENCE

Amphibious Forces

Mr. Best asked the Secretary of State for Defence when he expects to announce his decision as to the future of the United Kingdom's amphibious forces.

Mr. Stanley: I refer my hon. Friend to what was said by my hon. Friend the Parliamentary Under-Secretary of State for Defence Procurement on 1 July during the debate on the defence Estimates at column 859.

Mr. Ashdown asked the Secretary of State for Defence if he will make a statement on the future of Britain's amphibious vessel force, including assault ships HMS Intrepid and HMS Fearless.

Mr. Stanley: I refer the hon. Member to what was said on this matter in the debate on the defence Estimates on 1 July by my hon. Friend the Parliamentary Under-Secretary of State for Defence Procurement at column 859 and by myself at column 916.

NATO Nuclear Warheads

Mr. Lawler asked the Secretary of State for Defence how many nuclear warheads are currently deployed in Europe by the North Atlantic Treaty Organisation; and what has been the trend in numbers deployed since 1945.

Mr. Stanley: In 1979, NATO Defence Ministers agreed to reduce by 1,000 the number of NATO nuclear warheads stockpiled in Europe and, additionally, to withdraw one warhead for every cruise and Pershing II warhead introduced into Europe as a result of their decision to modernise NATO's long range intermediate nuclear forces (LRINF). In 1983, at their meeting in Montebello, the Ministers decided to reduce the stockpile by a further 1,400 warheads. These two actions together, when fully implemented, will bring the NATO nuclear stockpile in Europe to its lowest level for over 20 years. The number of NATO nuclear warheads deployed in Europe is classified, but the number of NATO LRINF and SRINF systems with nuclear or nuclear capable variants is set out in figures 14 and 15 of annex A to Volume 1 of the "Statement on the Defence Estimates 1986" (Cmnd. 9763-1).

Royal Ordnance plc

Mr. Charles Wardle asked the Secretary of State for Defence what are the arrangements for meeting the expenses of the sale of Royal Ordnance plc.

Mr. Lee: Parliamentary approval for preliminary expenses in 1985-86 was given in a winter Supplementary estimate for class I, vote 6 (HC 9). It was intended that expenses in 1986-87 would be met by receipts from the sale and parliamentary approval for expenditure in the current year has been sought in Supply Estimates for class I, vote 6 (HC 284-I). A Supplementary Estimate will, if necessary, be presented later in the year to seek substantive provision for such expenses as may be incurred. Pending approval of these Estimates, urgent expenditure will be met by repayable advances from the contingencies fund.

ENERGY

Severn Tidal Power Group

19. **Mr. Heathcoat-Amory** asked the Secretary of State for Energy when he plans to publish the feasibility study of the Severn Tidal Power Group.

Mr. Peter Walker [*pursuant to his reply*, 12 May 1986, c. *333*]: The Severn Tidal Power Group is publishing its report today, and I am arranging for copies to be placed in the Libraries of both Houses.

I am determined that we shall fully explore the possibilities of any energy resource which has the potential to extend the diversity of our energy supplies. No Government have done more to support research into renewable sources, including record spending on wind, geothermal hot dry rocks, and the tidal resource.

Tidal energy is one of our most promising renewble energy resources. The Severn barrage could theoretically provide 5 per cent. of the United Kingdom's current electricity requirement. We must quickly discover the extent to which it is technically viable and could make an economic and significant contribution to electricity supply.

I am therefore delighted to announce that, together with interested parties, my Department is to launch a further programme, costing nearly £5·5 million, aimed at reducing uncertainty on costs, performance, and regional and environmental issues.

This will include:

—advanced investigations and site exploration of a Severn barrage on a line near to Cardiff and Weston. My Department, the CEGB, and the Severn Tidal Power Group will share equally the £4·2 million cost;

—a grant from my Department of up to £400,000 towards the cost of studies into a Mersey barrage proposed by the Mersey Barrage Company. This will be reduced by the amount of any support received from other sources, such as the European regional development fund. The Merseyside and North Wales electricity Board will be participating in the studies, and the CEGB will also contribute substantial amounts of expertise;

— generic studies funded by my Department, including construction techniques and the potential of small sites around the United Kingdom, costing approximately £300,000.

This collaborative programme should reduce uncertainty to the point where it will be possible to make decisions on whether or not to plan for construction.

Oil Embargo

96. **Mr. Stern** asked the Secretary of State for Energy if he will list those countries against which the United Kingdom maintains an oil embargo.

Mr. Buchanan-Smith: Her Majesty's Government's guidance to companies exporting North sea crude oil is that they should do so only in the markets of our partners in the European Community and the International Energy Agency, or where there is an existing pattern of trade outside these areas (in practice, Finland and certain Caribbean destinations only). Exports to all destinations outside these three groups are precluded by this policy.

NORTHERN IRELAND

Fair Employment Act (Northern Ireland) 1976

Mr. Bell asked the Secretary of State for Northern Ireland if he will list the numbers, type and date of cases under the Fair Employment Act (Northern Ireland) 1976 in which a section 42 certificate has been issued since 1976; and if he will state the religion of the complainant and name of the respondent in each case.

Mr. Scott: The recorded number of section 42 certificates signed by Northern Ireland Office Ministers in each year since 1976 is as follows:

	Number
1976	0
1977	1
1978	3
1979	0
1980	1
1981	3
1982	0
1983	2
1984*	3
1985	1
1986†	1

*These three certificates proved to be defective and three fresh certificates were issued in July 1985.

†To 25 June.

All of the complainants involved are believed to have been Roman Catholics. Nine cases involved either the Northern Ireland Office or Northern Ireland Departments, whilst the other six involved public bodies in Northern Ireland.

Section 42 certificates may also be signed by other Government Ministers with departmental responsibilities in Northern Ireland.

Action for Jobs Campaign

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland if he will make a statement about the action for jobs campaign in the Province.

Dr. Boyson: The aim of the action for jobs campaign in Northern Ireland, which was launched on 24 June, is to provide comprehensive information about the wide range of employment training and enterprise programmes which are available in the Province. Between them, these programmes are providing more than 15,000 jobs and 34,000 training places this year. Full details of all the measures are provided in the new booklet, "Action for Jobs in Northern Ireland" which is being distributed widely throughout the Province and publicised in a major advertising campaign. A copy of this booklet has been placed in the Library.

Companies

Mr. Peter Bruinvels asked the Secretary of State for Northern Ireland how many companies were *(a)* registered and *(b)* wound up in the Province during the last year for which figures are available; what were the equivalent figures for each of the past 10 years; and if he will make a statement.

Dr. Boyson: The figures for 1986 and 1985 are for the 12 months ending 31 March; the other figures are for calendar years.

Year	*New Companies registered*	*Companies wound up*	*Companies no longer in operation struck off the Register*
1986	990	117	698
1985	953	109	430
1984	906	120	323
1983	820	123	267
1982	907	69	189
1981	629	67	256
1980	608	58	87
1979	735	50	451
1978	812	58	—
1977	752	58	187
1976	616	62	343
1975	568	41	174

The increasing number of new companies being registered demonstrates that a strong spirit of enterprise exists in Northern Ireland. Government action is focused on encouraging this spirit and on strengthening the small business sector and promoting its expansion and development.

NATIONAL FINANCE

EC (Internal Market)

95. **Mr. Deakins** asked the Chancellor of the Exchequer when the ad hoc group on the internal market will report to the European Economic Community Council.

Mr. Brooke: The report of the ad hoc group on removal of fiscal barriers was presented to the council of Economic and Finance Ministers on 16 June. The outcome of the Council's discussion of the group's report is recorded in the reply given by my right hon. Friend the Chancellor of the Exchequer to my hon. Friend the Member for Carshalton and Wallington (Mr. Forman) on 20 June at column *646*.

Channel Tunnel

Mr. Brandon-Bravo asked the Chancellor of the Exchequer if any special arrangements have been made for the taxation of the profits arising from the operation of the Channel fixed link.

Mr. Norman Lamont: Agreement has been reached at official level between the two Governments that the United Kingdom and French concessionaires should each be liable to tax on its share of the profits only in the country in which it is resident. This means that the United Kingdom concessionaire will be exempt from French tax on the profits arising to it from the operation of the link, in much the same way as United Kingdom shipping companies and airlines are exempt from French tax under the United Kingdom/France double taxation convention. A provision to this effect will be included in a protocol to the convention, subject to parliamentary approval in the two countries.

Among other provisions to be included in this protocol are two which may be relevant to the link. Interest, which is ordinarily subject to a maximum withholding rate of 10 per cent. under the existing convention, will in general be exempted from tax in the country from which it is paid; and approved pension funds will become entitled to relief under the convention on their investment income.

Expenditure Increases

Mr. Cohen asked the Chancellor of the Exchequer, pursuant to the answer, 11 June, *Official Report*, column *198*, if he will now authorise the undertaking of an analysis of the relative impact on the least well-off in the United Kingdom of a £1 billion increase in expenditure on *(a)* measures to reduce unemployment, *(b)* child benefit, *(c)* introduction of a reduced tax rate band, *(d)* personal allowances and *(e)* a cut in the standard rate of income tax by 1 pence to 29 pence.

Mr. MacGregor: No.

EC Budget

Mr. Deakins asked the Chancellor of the Exchequer (1) if he will tabulate information available to him on the assessed base, in mecu and pound sterling, for each of the 12 member states of the European Economic Community for the year 1986, together with the unadjusted rate of that base levied, to three places of decimals, together with the

equivalent sum, in mecu and pound sterling, to be paid by Her Majesty's Government to the European Economic Community, on the basis of the Council budget, expressing that sum as an approximate percentage of income likely to accrue from domestic value added tax in 1986;

(2) if he will state the approximate sum, without adjustment, which would need to be paid by Her Majesty's Government in respect of own resources value added tax assessment levied at a rate of 1·4 per cent. of the base, together with the approximate percentage that sum constitutes of the likely income from value added tax in the United Kingdom during 1986.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

Economic and Finance Council

Mr. Robert B. Jones asked the Chancellor of the Exchequer if he will make a statement on the latest meeting of the European Community's Economic and Finance Council.

Mr. Lawson: The Economic and Finance Council met in Brussels on 7 July. I chaired the meeting, which was the first of the United Kingdom Presidency of the Community. My hon. Friend the Minister of State, Treasury, represented the United Kingdom.

The Council discussed the economic situation in the Community, and agreed that the policy guidelines set out in the 1985-86 annual economic report need not be changed. The Council also took note of the Commission's budgetary guidelines for individual member states for the forthcoming year.

The main business of the Council concerned the 1986 Community budget and the reference framework, in the light of the Commission's rectifying letter and the judgment of the European Court of Justice, which upheld the Council's contention that the European Parliament had acted illegally. The Council agreed, by a qualified majority, on conclusions relating to the budgetary situation in the current year. The main points of these conclusions were:

(a) following the European Court's judgment, a new 1986 budget should be established as quickly as possible;

(b) in the circumstances, the reference framework spending limits for 1986 could be raised;

(c) the Budget Council should determine the precise figures. In doing so, the Budget Council should limit the increase for agricultural spending in 1986 to amounts which can be justified mainly by the exceptional circumstance of the abnormally large depreciation of the dollar, and should examine the scope for economies in all areas of expenditure.

These conclusions were conveyed to the Budget Council, which met immediately after the Finance Council.

AGRICULTURE, FISHERIES AND FOOD

Farm Incomes (Rating)

Mr. Colin Shepherd asked the Minister of Agriculture, Fisheries and Food what assessment he has made of the implications of the rating of agricultural land or buildings for farm incomes; and if he will make a statement.

Mrs. Fenner: I estimate that, after allowing for tax relief, the rating of agricultural land and buildings might bring about a net reduction in total farm incomes of some £250 million. This represents approximately 22 per cent. of forecast farming income in 1985.

However, as my right hon. Friend the Secretary of State for the Environment has made clear, the Government have no plans to re-rate agricultural land and buildings.

Lamb Prices

Mrs. Clwyd asked the Minister of Agriculture, Fisheries and Food what he estimates to be the effect on long-term lamb prices of his order restricting the movement of sheep in north Wales and Cumbria.

Mr. Jopling: It is clearly too early to make such an assessment. But there are encouraging signs so far on prices and I would hope that there will be little or no long-term impact.

River Pollution

Mr. Onslow asked the Minister of Agriculture, Fisheries and Food if he will list, by water authority, the number of cases of river pollution resulting from farm silage effluent that were reported by his Department's farm waste unit in each of the years 1980 to 1984.

Mrs. Fenner: The number of pollution incidents resulting from farm silage effluent reported by each water authority in England and Wales to my Department's farm waste unit in each of the years 1980 to 1984 were:—

Water Authority	*1980*	*1981*	*1982*	*1983*	*1984*
Anglian	21	22	12	13	32
Northumbrian	22	2	3	14	15
North-West	178	292	65	145	121
Severn Trent	76	57	43	122	117
Southern	8	21	17	22	38
South-West	14	41	23	83	56
Thames	19	22	32	56	44
Welsh	6	31	15	75	74
Wessex	12	48	145	25	46
Yorkshire	20	41	18	20	30
TOTAL	376	577	373	575	573

Mr. Onslow asked the Minister of Agriculture, Fisheries and Food how many cases of river pollution resulting from fish farming operations have been reported to his Department in each of the last five years for which figures are available.

Mr. Gummer: No specific cases of river pollution resulting from fish farming operations have been reported to my Department.

Food Advisory Committee

Mr. Tony Lloyd asked the Minister of Agriculture, Fisheries and Food what is the mechanism for members

of the Food Advisory Committee who wish to receive permission to disclose information received in the course of their duties which is not otherwise to be disclosed; to whom applications for permission are to be made; and on how many occasions in each of the last five years such permission has been *(a)* sought and *(b)* granted;

(2) what is his policy towards instances of unauthorised disclosure of information by members of the Food Advisory Committee; and if he will make a statement.

Mrs. Fenner: Members of the Food Advisory Committee who wished to disclose information received in the course of their work for the committee would seek authority from the committee's administrative secretary. No such authority has been sought in the past five years. In the unlikely event of an unauthorised disclosure I would expect to deal with this by a disciplinary procedure.

Mr. Tony Lloyd asked the Minister of Agriculture, Fisheries and Food why he uses the Official Secrets Act as the basis for securing the commercial confidentiality of commercially sensitive information submitted to the Food Advisory Committee; and if he will make a statement.

Mrs. Fenner: Members of the Food Advisory Committee are told on appointment that where appropriate they must observe the confidentiality of information passed to them as part of their duties on that committee. It is the Official Secrets Act that makes it an offence to disclose such information without authority.

Mr. Tony Lloyd asked the Minister of Agriculture, Fisheries and Food what progress has been made in discussions with the British Library to ensure that all information submitted to the Food Advisory Committee relating to safety is placed there; and if he will make a statement.

Mrs. Fenner: Agreement has been reached with the British Library for the placing there of toxicological data which are cited in the published reports of the committee on toxicity of chemicals in food consumer products and the environment and which are included in reports of the Food Advisory Committee. My officials are in the process of writing to organisations about this.

Mr. Tony Lloyd asked the Minister of Agriculture, Fisheries and Food what is the current composition of the Food Advisory Committee; and if he will give the background and source of nomination of each member.

Mrs. Fenner: A copy of my Department's press notice No. 318 of 8 November 1985 which contains details of the current membership of the Food Advisory Committee has been placed in the Library of the House. The members of the committee were appointed personally in the light of their individual expertise; they were not appointed on the basis of nomination from particular organisations.

Pelagic Fishing

Mr. Austin Mitchell asked the Minister of Agriculture, Fisheries and Food when he plans to publish the findings of his study into the use of freezer vessels for pelagic fishing.

Mr. Gummer: I refer the hon. Member to the reply I gave to the hon. Member for Kingston upon Hull, West (Mr. Randall) on 12 June, at column *489*.

Cereal Producers

Mr. Livsey asked the Minister of Agriculture, Fisheries and Food if he will make it his policy to include all cereal producers, including integrated cereal/livestock producers, in the United Kingdom arrangements for the European Economic Community cereals co-responsibility levy; if he will also make it his policy not to grant any examptions to this scheme; and if he will make a statement.

Mr. Jopling [*pursuant to his reply*, 8 July 1986]: The Council of Agriculture Ministers agreed that the cereals co-responsibility levy should be payable on Community-grown cereals which are exported to non-Community countries, bought into intervention or which undergo first stage processing. The Council also agreed that operations exempt from the levy should be decided by management committee procedure. In accordance with this the Commission implementing regulations exempt from levy those first stage processing operations carried out by a producer on his agricultural holding where the product obtained is used on that holding for animal feed.

FOREIGN AND COMMONWEALTH AFFAIRS

South Africa

14. **Mr. Stan Thorne** asked the Secretary of State for Foreign and Commonwealth Affairs when the European Economic Community Council will next discuss action against South Africa to remove apartheid.

Mrs. Chalker: As I told the hon. Member for Warrington, North (Mr. Hoyle), Foreign Ministers of the Twelve regularly discuss the situation in South Africa, most recently in The Hague on 26 and 27 June. They are expected to do so again later this month.

20. **Mr. Michie** asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the impact of European Economic Community political co-operation on events in South Africa.

27. **Mr. Ashton** asked the Secretary of State for Foreign and Commonwealth Affairs what effective measures have now been taken by European Economic Community member states against South Africa.

Mrs. Chalker: The policy of the Twelve towards South Africa, as set out in the agreement adopted at Luxembourg on 10 September 1985, the EC/Front Line States joint communiqué adopted in Lusaka on 4 February and, most recently, the agreement reached at the meeting of the European Council in The Hague on 27 June, is designed to hasten the process of peaceful reform and to encourage the South African Government to begin a dialogue with genuine representatives of the black population. We believe that the position of the Twelve is a factor which the South African Government have to take into account.

21. **Mr. Madden** asked the Secretary of State for Foreign and Commonwealth Affairs what further action against South Africa was agreed by the European Economic Community at the end of June; and if he will make a statement.

22. **Mr. Ron Davies** asked the Secretary of State for Foreign and Commonwealth Affairs what measures have so far been agreed by European Economic Community member states against South Africa; and what further action is to be taken.

32. **Mr. Torney** asked the Secretary of State for Foreign and Commonwealth Affairs what action has been taken by the European Economic Community Council in view of the situation in South Africa; and what further measures are proposed.

38. **Mr. Park** asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government will propose at the next European Economic Community Council further measures against South Africa.

74. **Mr. Eadie** asked the Secretary of State for Foreign and Commonwealth Affairs what further measures are to be taken by European Economic Community member states against South Africa.

80. **Mrs. Clwyd** asked the Secretary of State for Foreign and Commonwealth Affairs what further measures are to be taken by the European Economic Community member states against South Africa as a result of the meeting at the end of June.

Mrs. Chalker: I refer the hon. Members to the statement made by my right hon. Friend the Prime Minister on 1 July.

23. **Mr. Simon Hughes** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has received from British financial institutions on the desirability or otherwise of financial sanctions on South Africa.

Mrs. Chalker: Like many other organisations and individuals, representatives of financial institutions continue to make known to us their views on the question of measures against South Africa.

28. **Mr. Yeo** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement about relations with South Africa.

68. **Mr. Hirst** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's policy towards South Africa.

Mrs. Chalker: I refer my hon. Friends to the reply that I gave earlier today to the right hon. Member for Glasgow, Rutherglen (Mr. Mackenzie).

33. **Mr. Frank Cook** asked the Secretary of State for Foreign and Commonwealth Affairs what representations Her Majesty's Government have made to the South African Government on the recent passing of legislation which gives the security forces the power to detain people for 180 days without trial.

54. **Mr. Fisher** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the most recent Government representations to the South African Government.

60. **Mr. Nellist** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations Her Majesty's Government have made on the situation in South Africa.

71. **Mr. Geraint Howells** asked the Secretary of State for Foreign and Commonwealth Affairs if his Department has taken any steps to persuade the South African Government to end the state of emergency.

Mrs. Chalker: On 25 June we made representations to the South African Government in Pretoria and London expressing deep concern at the restrictions imposed under the State of Emergency and at the detention without charge of community, church and trade union leaders. The Netherlands Government, acting on behalf of the Twelve, made a similar demarche to the South African authorities on 13 June.

35. **Mr. Dykes** asked the Secretary of State for Foreign and Commonwealth Affairs if he plans to make an official visit to South Africa.

91. **Mr. Willie W. Hamilton** asked the Secretary of State for Foreign and Commonwealth Affairs if he plans to seek to make an official visit to South Africa.

Mrs. Chalker: My right hon. and learned Friend is currently visiting Southern Africa in accordance with the mission entrusted to him at the recent European Council meeting at the Hague.

39. **Mr. Allen Adams** asked the Secretary of State for Foreign and Commonwealth Affairs if his officials have met the Archbishop of Canterbury's envoy, Mr. Terry Waite, to obtain his views on the crisis in South Africa following his recent visit there.

Mrs. Chalker: Mr. Waite called on my right hon. and learned Friend and me on his return from South Africa to discuss his impressions of the visit.

40. **Mr. Ray Powell** asked the Secretary of State for Foreign and Commonwealth Affairs when the European Economic Community Council will next discuss the situation in South Africa.

69. **Mr. Buchan** asked the Secretary of State for Foreign and Commonwealth Affairs how many of the European Heads of Government at their recent meeting supported mandatory economic sanctions.

79. **Mr. Weetch** asked the Secretary of State for Foreign and Commonwealth Affairs how many European Economic Community member states are now in favour of economic measures against South Africa; and if he will make a statement.

81. **Mr. Cartwright** asked the Secretary of State for Foreign and Commonwealth Affairs what recent consultations he has had with other European Community Foreign Ministers concerning their and the Community's policies towards South Africa.

Mr. Lofthouse asked the Secretary of State for Foreign and Commonwealth Affairs which European Economic Community member states now support Her Majesty's Government's opposition to economic sanctions against South Africa; and what further action the European Economic Community Council intends to take.

Mrs. Chalker: I refer the hon. Members to the reply that I gave earlier today to the hon. Member for Warrington, North (Mr. Hoyle).

43. **Mr. Dixon** asked the Secretary of State for Foreign and Commonwealth Affairs if he will take steps to co-ordinate action against South Africa by the European Economic Community Council and the Commonwealth.

Mrs. Chalker: In view of our unique position as member of both the European Community and the Commonwealth, we naturally have in mind views expressed in one forum when policy towards South Africa is discussed in the other.

44. **Mr. Frank Field** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the operation of the European Economic Community Ministers' code of conduct of European firms operating in South Africa.

Mrs. Chalker: The Government attach great importance to the EC code of conduct, which was revised and strengthened by European Governments last year. Individual member states are responsible for encouraging adherence to the code by their national companies. We are satisfied that the vast majority of British companies comply with the requirements of the code.

49. **Mr. Fatchett** asked the Secretary of State for Foreign and Commonwealth Affairs what consideration Her Majesty's Government have given to trade which the United Kingdom could lose with Nigeria and the other African nations if sanctions against South Africa are not introduced.

Mrs. Chalker: In framing policy towards South Africa we are giving due consideration to all factors.

51. **Mr. Barnett** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions the Government have had with the front-line states concerning sanctions against South Africa.

Mrs. Chalker: My right hon. and learned Friend attended the meeting between the Twelve and the front-line states in Lusaka from 3 to 4 February at which there was agreement on the importance of the measures which had been adopted at Luxembourg by the European Community states. Since then the Government have continued to consult closely with the front-line states, in particular during my recent visits to Africa and as the hon. Member will by now be aware, my right hon. and learned Friend is currently discussing the South African issue with the Government's of Zambia and Zimbabwe.

78. **Mr. Anderson** asked the Secretary of State for Foreign and Commonwealth Affairs what recent contacts he has had with the Government of South Africa.

Mrs. Chalker: We have had continuing contacts with the Government of South Africa, most recently in connection with my right hon. and learned Friend's intention to visit that country to carry out the mandate given him by the European Council.

93. **Sir John Biggs-Davison** asked the Secretary of State for Foreign and Commonwealth Affairs if he will state the progress he expects to be made before Her Majesty's Government will relax or withdraw measures which have been taken against South Africa.

Mrs. Chalker: As I have made clear on many occasions, our objective is to encourage dialogue between the South African Government and acknowleged opposition leaders in the context of a suspension of violence. The steps we might take to help this process are under constant review.

11. **Mr. Jim Callaghan** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has reveived advocating the use of economic sanctions against South Africa.

70. **Mr. Flannery** asked the Secretary of State for Foreign and Commonwealth Affairs how many representations asking for sanctions against South Africa he has received since May; and if he will make a statement.

Mrs. Chalker: I refer the hon. Members to the reply that I gave earlier today to the hon. Member for Walsall, North (Mr. Winnick).

Falkland Islands

17. **Mr. James Hamilton** asked the Secretary of State for Foreign and Commonwealth Affairs what recent progress has been made concerning a multilateral fishing régime around the Falklands; and if he will make a statement.

85. **Mr. Kenneth Carlisle** asked the Secretary of State for Foreign and Commonwealth Affairs what steps he will take to stop the excessive fishing around the Falkland Islands.

Mr. Eggar: The United Nations Food and Agricultural Organisation expects to circulate later this summer a technical study of the South West Atlantic fishery. This is an essential preliminary step to the establishment of a multilaterally-agreed coservation and management regime.

26. **Mr. Campbell-Savours** asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received regarding proposals for the resettlement of Falklanders.

Mr. Eggar: None. The attachment of the Islanders to their way of life and homes in the Falklands has repeatedly been made clear.

Romania

18. **Mr. David Atkinson** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on relations with Romania.

Mr. Renton: Relations with Romania are good though there are naturally matters about which our two Governments disagree. My right hon. and learned Friend visited Bucharest in February 1985. I myself was in Romania in May of this year, and we hope to welcome the Romanian Deputy Foreign Minister to London in the autumn for political consultations.

Afghanistan

19. **Mr. Moynihan** asked the Secretary of State for Foreign and Commonwealth Affairs whether he intends to discuss Afghanistan with the Soviet Foreign Minister on 14 and 15 July.

Mr. Eggar: My right hon. and learned Friend will be discussing a full range of arms control, regional, human rigts, and bilateral issues with Mr. Shevardnadze. He will certainly wish to raise with Mr. Shevardnadze the Soviet occupation of Afghanistan.

57. **Mr. Hayward** asked the Secretary of State for Foreign and Commonwealth Affairs what plans he has, during the British presidency of the European Community, to ensure continuing European recognition of, and help for, the Afghan people.

Mr. Eggar: During our presidency, we shall work to ensure that the plight of the Afghan people is not forgotten, nor their need for sustained humanitarian assistance.

Economic Sanctions

24. **Mr. Heathcoat-Amory** asked the Secretary of State for Foreign and Commonwealth Affairs if he will list his criteria in deciding whether to impose economic sanctions against any country.

Mrs. Chalker: Such decisions can only be taken in the light of the specific circumstances applicable at the time. There are no set criteria.

45. **Mr. Hanley** asked the Secretary of State for Foreign and Commonwealth Affairs if his Department will publish an assessment of the effectiveness of every case of the imposition of international economic sanctions in recent times.

Mrs. Chalker: The information requested is not readily available and could be provided only at disproportionate cost.

USSR (Human Rights)

25. **Mr. Woodall** asked the Secretary of State for Foreign and Commonwealth Affairs whether, during his meetings with the Soviet Minister for Foreign Affairs later this month, he will seek clarification of Soviet policy towards those citizens of the Union of Soviet Socialist Republics who wish to emigrate in accordance with international treaties to which the Union of Soviet Socialist Republics is a signatory.

Mr. Renton: I refer the hon. Member to the reply I gave earlier today to my hon. Friend the Member for South Hams (Mr. Steen). The Soviet Union has clear international commitments, of which we shall remind them, to allow those of its citizens who wish to emigrate to do so.

41. **Mr. McLoughlin** asked the Secretary of State for Foreign and Commonwealth Affairs whether he intends to raise human rights questions with the Soviet Foreign Minister on 14 and 15 July.

53. **Mr. Knowles** asked the Secretary of State for Foreign and Commonwealth Affairs what initiatives he proposes to take on East-West relations in the course of the visit to London of the Soviet Foreign Minister on 14 and 15 July.

Mr. Renton: I refer my hon. Friends to the reply I gave earlier today to my hon. Friend the Member for South Hams (Mr. Steen).

Arab-Israeli Dispute

29. **Sir Fergus Montgomery** asked the Secretary of State for Foreign and Commonwealth Affairs what plans he has during the British presidency of the European Community to contribute to the continuing search for a settlement of the Arab-Israeli dispute.

46. **Mr. Nelson** asked the Secretary of State for Foreign and Commonwealth Affairs whether he intends to take any initiative regarding the middle east peace discussions during his period as President of the European Economic Community Foreign Ministers.

59. **Mr. Litherland** asked the Secretary of State for Foreign and Commonwealth Affairs if, now that he has assumed the presidency of the European Community Council, he has any proposals to put to the European Economic Community Council of Ministers to resolve the Israel/Palestine question.

Mr. Renton: We and our European partners will continue to do all we can to support realistic initiatives towards a just and lasting settlement of the Arab-Israel dispute.

Angola

30. **Dr. Godman** asked the Secretary of State for Foreign and Commonwealth Affairs what action the Government are taking to implement the United Nations arms embargo on Angola.

Mrs. Chalker: There is no such embargo.

Cyprus

31. **Mr. Tom Cox** asked the Secretary of State for Foreign and Commonwealth Affairs when he last met the President of Cyprus; and what issues were discussed.

Mr. Eggar: My right hon. Friend the Prime Minister and my right hon. and learned Friend last met the President of the Republic of Cyprus on 7 April, when they discussed the UN Secretary General's initiative on Cyprus.

Arms Control

34. **Mr. Tom Clarke** asked the Secretary of State for Foreign and Commonwealth Affairs what initiatives he is contemplating in the field of verification of arms control agreements.

Mr. Renton: We are actively seeking solutions to verification issues which are a key element in several current arms control negotiations. We are constantly reviewing the scope for new initiatives in this field.

37. **Mr. Maples** asked the Secretary of State for Foreign and Commonwealth Affairs if he will set out the policy of the Government towards proposals that the United Kingdom and the Soviet Union should reach a bilateral nuclear arms control agreement.

Mr. Renton: As we have frequently stated, if the Soviet and US strategic arsenals were to be very substantially reduced, and if no significant changes had occurred in Soviet defensive capability, we would want to review our position and consider how best we could contribute to arms control in the light of the reduced threat. That remains the position.

64. **Mr. Bellingham** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on arms control in the light of recent proposals by Mr. Gorbachev.

Mr. Renton: I refer my hon. Friend to the answer that my hon. Friend the Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs gave to my hon. Friend the Member for Leicester, East (Mr. Bruinvels) on 30 June, at column 390.

86. **Mr. Strang** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions he plans to have with Mr. Shevardnadze on arms control treaties.

Mr. Renton: As my right hon. and learned Friend told the House on 18 June, he looks forward to discussions on

arms control with Mr. Shevardnadze, as do I. However, it would not be appropriate to go into further detail at this stage.

Nepal

36. **Mr. Wainwright** asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the answer of 11 June, *Official Report*, column *309*, what information he has now received concerning the persecution of Christians in Nepal.

47. **Mr. Alton** asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the answer of 11 June, *Official Report*, column *309*, what further information he has obtained about the treatment of Nepalese Christians.

Mr. Eggar: We have received further details of the incident referred to on 11 June by my hon. Friend the Member for Bournemouth, East (Mr. Atkinson). On 5 April an Indian priest and two Indian nuns were arrested in eastern Nepal. They have since been released from detention on bail. The Indian church authorities have complained about their treatment during detention. The matter is now the subject of court proceedings in Nepal.

Zimbabwe

42. **Sir John Farr** asked the Secretary of State for Foreign and Commonwealth Affairs what detailed assessment he has made of the impact on the economy of Zimbabwe were sanctions to be imposed on South Africa.

Mrs. Chalker: As I made clear during my visit to Zimbabwe last month, our great concern about the damage to the economies of Zimbabwe and other countries of the region which could follow the imposition of sanctions against South Africa has been an important consideration in determining our policy towards South Africa. We will continue to follow this aspect of the matter very closely.

Middle East

48. **Mr. Walters** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress towards a peace settlement in the middle east.

Mr. Renton: We regret the lack of progress towards peaceful solutions for the region's conflicts and will continue to look for ways to support realistic efforts by the parties to solve their differences.

Immigration

50. **Mr. Jessel** asked the Secretary of State for Foreign and Commonwealth Affairs what discussions have taken place with other Governments concerning uncontrolled immigration from Asia into Europe via East and West Berlin.

Mr. Eggar: The United Kingdom, as one of the four powers (with the US, France and the Soviet Union) responsible for Berlin, is in close touch with the French and US Governments, the German authorities in the city, the Government of the Federal Republic of Germany and the Soviet authorities on this matter.

USSR (Foreign Minister)

52. **Mr. Portillo** asked the Secretary of State for Foreign and Commonwealth Affairs what matters he will discuss with Mr. Shevadnadze, the Soviet Foreign Minister, when he visits London later this month; and whether these will include the issue of the reunification of divided families.

Mr. Renton: I refer my hon. Friend to the reply I gave earlier today to my hon. Friend the Member for South Hams (Mr. Steen), and to the reply I gave to my hon. and learned Friend, the Member for Burton (Mr. Lawrence) on 11 June, at column 315.

Palestine Liberation Organisation

55. **Mr. Parry** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to meet representatives of the Palestine Liberation Organisation.

Mr. Renton: I refer the hon. Member to the reply that I gave earlier today to the hon. Member for Dundee, West (Mr. Ross).

87. **Mr. Marlow** asked the Secretary of State for Foreign and Commonwealth Affairs what would be the precedent conditions for a meeting between Ministers and the Palestine Liberation Organisation.

Mr. Renton: I refer my hon. Friend to the reply that my hon. Friend the Minister of State, Foreign and Commonwealth Office, the Member for Wallasey (Mrs. Chalker) gave to my hon. Friend the Member for Crawley (Mr. Soames) on 1 July at column 468.

South Africa (Eminent Persons Group)

56. **Mr. Allan Roberts** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the findings of the Commonwealth Eminent Persons Group.

84. **Mr. Merlyn Rees** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the Government's response to the report of the Commonwealth Eminent Persons Group.

Mrs. Chalker: I refer the right hon. Member and the hon. Member to the reply that I gave earlier today to the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore).

73. **Mr. Norman Atkinson** asked the Secretary of State for Foreign and Commonwealth Affairs if the report of the Commonwealth Eminent Persons Group has been considered by the European Economic Community Council in its discussions on South Africa; and if he will make a statement.

Mrs. Chalker: In discussing South Africa the European Council took account of recent developments including the outcome of the mission by the Commonwealth Eminent Persons Group.

Punjab

58. **Mr. Chope** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will raise at his next meeting with Commonwealth Heads of Government the matter of human rights and civil liberties in the Punjab.

Mr. Eggar: No. The main threat to human rights in Punjab comes from terrorists who kill innocent people in order to attain a political end.

Nuclear Test Ban

61. **Mr. Wallace** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the United States Government to reach a nuclear test ban with the Soviet Union.

Mr. Renton: We welcome President Reagan's willingness to discuss verification issues with a view to ratification of the threshold test ban treaty and peaceful nuclear explosions treaty. Nuclear testing issues, including a comprehensive test ban treaty, are regularly discussed by us with the United States.

Sri Lanka (Terrorism)

62. **Mr. Lawler** asked the Secretary of State for Foreign and Commonwealth Affairs when he next plans to meet the High Commissioner of Sri Lanka to discuss terrorism.

Mr. Eggar: My right hon. and learned Friend has at present no plans to do so. Sri Lanka faces a serious terrorist problem. Both Sri Lankan Government and Tamil representatives are aware of our view that the only route to a lasting peace is through a negotiated settlement recognising the needs and interests of all communities. We therefore welcome recent moves to establish a basis for further direct talks and urge all those involved to maintain their efforts to reach a peaceful settlement.

South African Military Attachés

63. **Mr. Tony Banks** asked the Secretary of State for Foreign and Commonwealth Affairs if he will now arrange for the expulsion of South African military attachés from the United Kingdom.

Mrs. Chalker: I have nothing to add to the answer that I gave to the hon. Member for Cynon Valley (Mrs. Clwyd) on 5 March at column 178.

European Community (Foreign Policy)

65. **Mr. O'Brien** asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the steps he intends to take to improve foreign policy co-operation among member European Economic Community states; and if he will make a statement.

67. **Mr. Knox** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on progress towards a common European Community foreign policy.

Mrs. Chalker: The new treaty provisions on foreign policy co-operation embodied in title III of the Single European Act are the result of a United Kingdom initiative. They embody for the first time in an international agreement the commitment by the Twelve to consult each other so as to ensure that their combined influence is exercised as effectively as possible by co-ordinating their positions and taking joint action. Pending ratification of the Single European Act by all twelve member states, I shall encourage our partners to act in political co-operation in the spirit of the new treaty provisions.

Helsinki Agreement

66. **Mr. Lawrence** asked the Secretary of State for Foreign and Commonwealth Affairs whether he will raise the subject of emigration and freedom of movement in the context of the Helsinki agreement at his forthcoming meeting with the Soviet Foreign Minister in London.

Mr. Renton: I refer my hon. Friend to the replies I gave earlier today to my hon. Friend the Member for South Hams (Mr. Steen) and to the hon. Member for Hemsworth (Mr. Woodall).

Chile

72. **Mr. Beith** asked the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to meet representatives from the civilian National Assembly of Chile.

Mr. Eggar: No; but FCO Ministers and officials continue to be in contact with a wide range of Chilean opinion, and to have meetings with leaders of the democratic opposition parties.

89. **Mr. Foulkes** asked the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the Chilean authorities concerning the escalation of violence in Chile; and if he will make a statement.

Mr. Eggar: As I told the hon. Member for Manchester, Central (Mr. Litherland) on 11 June, we emphasise repeatedly to the Chilean authorities our conviction that early dialogue with the democratic opposition is essential if Chile is to achieve a peaceful and orderly return to democracy.

Contadora Process

75. **Mr. Tony Lloyd** asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he makes of the progress to date of the Contadora process.

Mr. Eggar: The Contadora process is widely recognised as having played an invaluable role in reducing tensions in the region, and in achieving agreement on the objectives on which a negotiated settlement in central America should be based. We share that assessment, and urge the central American states to reach quickly a comprehensive and verifiable agreement based on those objectives.

Mr. Oliver Tambo

76. **Mr. Eastham** asked the Secretary of State for Foreign and Commonwealth Affairs if he will give an account of the recent meeting between the Minister of State, the hon. Member for Wallasey (Mrs. Chalker) and Oliver Tambo, acting President of the African National Congress.

Mrs. Chalker: I refer the hon. Member to the statement that I made in the House on 25 June.

West Germany

77. **Mr. Conway** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on relations between the United Kingdom and West Germany in the light of the visit by the West German President.

Mr. Eggar: President von Weizsaecker's memorable state visit marked in a clear and inspiring manner the special nature and importance of the relationship between our countries. As the president noted in his address to Members of both Houses of Parliament on 2 July, it is a partnership which rests on a solid basis, marked by frankness and trust; and it is a precious asset as we face the tasks of the future, above all in constructing a more united Europe and overcoming the divisions between East and West.

European Communities (Ministerial Meetings)

82. **Mr. Andrew F. Bennett** asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the meetings of Ministers held so far since the United Kingdom assumed the presidency of the European Communities.

Mrs. Chalker: The United Kingdom assumed the presidency of the European Community on 1 July 1986. Meetings of EC Ministers responsible for finance and for the budget were held on 7 July.

Central America

83. **Mr. Patchett** asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has held with the United States Government concerning their policy in central America; and if he will make a statement.

Mr. Eggar: My right hon. and learned Friend and my right hon. and noble Friend the Minister of State, Foreign and Commonwealth Office, had detailed discussions with Ambassador Philip Habib, President Reagan's special envoy for central America, in London on 18 June. The discussions were, of course, confidential.

Brazil (Debt)

88. **Mr. Pavitt** asked the Secretary of State for Foreign and Commonwealth Affairs what recent discussions he has held with the Government of Brazil concerning their debt problems; and if he will make a statement.

Mrs. Chalker: Debt features prominently in our regular contacts with the Government of Brazil. Brazil's debt problems continue to cause us serious concern.

Namibia

90. **Mr. Cabom** asked the Secretary of State for Foreign and Commonwealth Affairs what representations the Government have made to the South African Government about withdrawing their troops from Namibia by 1 August 1986 deadline.

Mrs. Chalker: We take every opportunity to urge on the South African Government the pressing need for them to withdraw from Namibia in order to allow Namibians to choose their own Government through the early implementation of the UN plan.

Financial Management Initiative

Mr. Spearing asked the Secretary of State for Foreign and Commonwealth Affairs what consultations he had with the governors of the Commonwealth Institute or with governors of the Commonwealth prior to his appointment of a review team in respect of his 1984 financial management initiative.

Mr. Eggar: The Executive Committee of the Governors of the Commonwealth Institute was informed on 21 November 1984 of the Government's intention to review the institute. The review team was appointed on 25 March 1986. During the interim, the Executive Committee was kept fully informed.

Cyprus

Mr. Oakes asked the Secretary of State for Foreign and Commonwealth Affairs if, now that he has assumed the Presidency of the European Community Council, he has any proposals to put to the European Economic Community Council of Ministers to resolve the continuing occupation of the Republic of Cyprus by Turkish forces.

Mr. Eggar: No. The United Nations Secretary-General is best placed to bring about a peaceful, just and lasting settlement in Cyprus. This would naturally deal with the problem of foreign troops in the Republic. The EC Council of Ministers fully supports the Secretary-General's efforts.

Single European Act

Mr. Teddy Taylor asked the Secretary of State for Foreign and Commonwealth Affairs if, in the light of the changes proposed in the Community rule regarding article 57 of the treaty of Rome under the Single European Act, he has any plans to seek an amendment to that article so as to delete the reference therein to the first stage of consideration; and if he will make a statement.

Mrs. Chalker: The reference to the "first stage" in the third sentence of Article 57(2) is to be deleted as a result of the amendment in Article 6(7) of the Single European Act. Although the "first stage" is still referred to in a large number of provisions of the treaty including Article 57(1), these references no longer have any practical effect since the Community's initial transitional period (including the first stage) ended on 31 December 1969.

Spain

4. **Mr. Colvin** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Anglo-Spanish relations in the light of the recent visit by the Under-Secretary of State, the hon. Member for Enfield, North (Mr. Eggar).

Mr. Eggar: Anglo-Spanish relations are excellent. Our trade is booming and tourism continues to expand. As I informed the House on 25 June, during my recent official visit to Spain I had wide ranging discussions including with the Interior Minister Sr. Barrionuevo. I have since followed up some specific points about the safety of British tourists with the Association of British Travel Agents. Apart from tourism, I also discussed co-operation with the Spanish authorities in the fight against drug trafficking.

TRANSPORT

Dalton-in-Furness Bypass

Mr. Franks asked the Secretary of State for Transport if he will make a statement as to the current position regarding progress on the Dalton-in-Furness bypass on the A590.

Mr. Peter Bottomley: We expect to announce the chosen route for the A590 Dalton bypass within the next few months. Some modifications to the route already protected against development are likely.

Heavy Goods Vehicles

Mr. Tony Lloyd asked the Secretary of State for Transport how many non-United Kingdom registered heavy goods vehicles have entered the United Kingdom in the last five years.

Mr. Peter Bottomley: Statistics of non-United Kingdom registered vehicles entering the United Kingdom are not available. However, the Department publishes figures of the number of foreign registered goods vehicles leaving Great Britain for mainland Europe in table 1 of the Statistical Bulletin "Roads Goods Vehicles on Roll-on Roll-off Ferries to Mainland Europe". The latest issue is Bulletin 86(13). A copy is in the Library.

Mr. Tony Lloyd asked the Secretary of State for Transport what percentage *(a)* of all traffic accidents and *(b)* of motorway accidents involved non-United Kingdom registered heavy goods vehicles in the last five years.

Mr. Peter Bottomley: Percentage of personal injury accidents involving non-United Kingdom registered heavy goods vehicles:

Great Britain: 1981-1985.

	On motorways	*All accidents*
1981	1·07	0·07
1982	1·17	0·08
1983	1·11	0·08
1984	1·45	0·10
*1985	1·53	0·11

* Provisional.

The number of non-United Kingdom registered heavy goods vehicles visiting the United Kingdom nearly doubled over this period.

Mr. Tony Lloyd asked the Secretary of State for Transport if he will consider introducing specific requirements or conditions regarding the ability of drivers of non-United Kingdom registered heavy goods vehicles to communicate adequately using English in emergency situations.

Mr. Peter Bottomley: The international conventions which govern the admission of foreign vehicles and drivers to the United Kingdom and vice versa do not entitle participating states to introduce any such requirements.

Buses (Concessionary Fares)

Mr. Alfred Morris asked the Secretary of State for Transport how many local authorities have used their power under the Transport Act 1985 to require all bus operators to participate in a uniform scheme of concessionary fares from deregulation day; and if he will make a statement.

Mr. David Mitchell: This information is not available. The Act is designed to encourage voluntary agreements between authorities and operators, thus making it possible to establish a uniform concessionary fare scheme without resort to compulsory powers.

M25 (Widening)

Mr. Nicholas Winterton asked the Secretary of State for Transport if he will estimate the total cost of increasing the size of the M25 motorway to four lanes in either direction.

Mr. Peter Bottomley: Widening the whole motorway would be costly and disruptive. No estimate has been made. There is no evidence at present that it is likely to be necessary.

M25 (Traffic Flow)

Mr. Nicholas Winterton asked the Secretary of State for Transport what information he has concerning the number of vehicles expected to use the M25 motorway each year for access to Heathrow airport.

Mr. Peter Bottomley: Figures were produced by the British Airports Authority for the Heathrow terminal inquiry in 1983. They predict the following airport related trips for an annual throughput of 38 million passengers at the airport in 1995:

	vehicles per 24 hour day
Junctions 13-14	23,800
Junctions 14-15	11,100
Junctions 15-16	19,400

Mr. Nicholas Winterton asked the Secretary of State for Transport what measures he intends to take to increase traffic flow on the M25 motorway.

Mr. Peter Bottomley: We hope to make an announcement soon when we have decided what measures to take.

Motorways (Crash Barriers)

Mr. Nicholas Winterton asked the Secretary of State for Transport (1) what is the total mileage of motorways in England which have concrete safety barriers; and what is this figure as a percentage of the total mileage of motorway central safety barriers;

(2) whether he intends to increase the use of concrete safety barriers on the central reservatons of motorways;

(3) what information he has concerning the comparative costs per 100 yd of concrete safety barriers for the central reservatons of motorways and other types of safety barriers currently used.

Mr. Peter Bottomley: There are no concrete barriers on the central reserves of motorways in England. The use of concrete barriers on central reserves is currently restricted to roads with speed limits up to 50 mph. There are no plans at present to use them on higher speed roads. The average cost of installing 100 yd of double-sided steel safety fence of the type used commonly on the central reserves of motorways is about

£3,000. The comparative cost for concrete safety barriers is estimated to be between £7,500 and £8,000. None of these figures include the costs of traffic delays incurred when installation is on an existing road. I shall write to my hon. Friend to give more detailed information about the restrictions currently applying to concrete barriers.

Written Answers to Questions

Thursday 10 July 1986

ATTORNEY-GENERAL

Mr. Alan Bristow (Honours)

Mr. Robert Atkins asked the Attorney-General whether the Director of Public Prosecutions has now received a report from the Metropolitan police about the allegations made by Alan Bristow in relation to the award of honours; and if he will make a statement.

The Attorney-General: The Director of Public Prosecutions has now received and considered the report from the Metropolitan police. He has concluded that there is no evidence sufficient to justify the institution of criminal proceedings against any person.

PRIME MINISTER

Libya (Bombing)

Q26. **Mr. Dalyell** asked the Prime Minister, pursuant to her answer of 24 June to the hon. Member for Linlithgow, *Official Report*, column *86*, why she will not seek the necessary permission to enable her to reveal the source of the advice from the United States of America to the effect that F111 aircraft were more accurate and precise than carrier-based aircraft.

The Prime Minister: It would not be appropriate.

Strathclyde

Q56. **Dr. Godman** asked the Prime Minister if she has any plans to pay an official visit to Strathclyde.

The Prime Minister: I have at present no plans to do so.

Flecknoe

Q93. **Mr. Pawsey** asked the Prime Minister if she has any plans to make an official visit to Flecknoe near Rugby.

The Prime Minister: I have at present no plans to do so.

National Health Service

Q94. **Sir David Price** asked the Prime Minister whether she will make it her policy to continue to put more real resources into the National Health Service as part of her investment plans; and whether she will make a statement.

The Prime Minister: This Government have increased spending on the National Health Service by 24 per cent. in real terms, including a planned increase of 3 per cent. in real terms in this financial year. Further real increases are planned in each of 1987-88 and 1988-89. The plans will be reviewed in the public expenditure survey.

EC (Agricultural Expenditure)

Mr. Teddy Taylor asked the Prime Minister if she will place in the Library the monthly reports issued by the Commission to the European Council on trends in agricultural spending in accordance with the agreement arrived at at the European Council on 4 December 1984; and if she will make a statement.

The Prime Minister: The Commission's monthly report on trends in agricultural expenditure will be made available in the Library when an English translation is received.

Mr. Teddy Taylor asked the Prime Minister what was the outcome of the representations she made to the European Economic Community Commission regarding its failure to submit monthly reports on agricultural spending to the Council as provided in the 4 December 1984 agreement; and if she will make a statement.

The Prime Minister: Following our representations the Commission has established a procedure whereby a report on the development of agricultural expenditure will now be sent to the Council at the beginning of each month.

Nuclear Power (Safety)

Mr. Craigen asked the Prime Minister if, following the discussions on Chernobyl at the European Council, she will consider arranging wider inter-governmental discussions with a view to securing a tightening-up of international co-operation and safety arrangements.

The Prime Minister: The International Atomic Energy Agency is the main forum where international co-operation on nuclear safety can be discussed. The Government's priority will be to work towards a fruitful outcome of the meetings arranged by the agency, including a special session, at ministerial level, of the general conference to be held on 24 to 26 September.

Data Protection Act

Mr. Cohen asked the Prime Minister why she considers that publishing the number of certificates signed under section 27 of the Data Protection Act would not be in the interest of national security.

The Prime Minister: It has been the practice of successive Administrations not to publish information on matters affecting national security. I have therefore nothing to add to the reply which I gave to the hon. Member on 9 June 1986.

Housing Benefit and Mortgage Interest Relief

Mr. Raynsford asked the Prime Minister, pursuant to her answer to the hon. Member for Norfolk, North (Mr. Howell) on 26 June, *Official Report*, column *266*, is she will state the total cost of rent rebates, rent allowances, rate rebates and mortgage interest tax relief, respectively, in 1979 and 1985; and if she will estimate how many people with incomes in excess of £20,000 a year are receiving each rebate, allowance or relief.

The Prime Minister: The information requested on expenditure on housing benefits and revenue forgone on mortgage interest relief is as follow:

(£ million)

	*1979-80	*1985-86
Great Britain		
Rent Rebates	640	2,290

	*1979-80	*1985-86
Rent Allowances	160	780
Rate Rebates	450	1,520
United Kingdom		
Mortgage interest tax relief	1,450	4,750
Option mortgage relief	190	—

* Housing benefit information relating to 1979-80 comprises expenditure under the former DOE rebate schemes and that for similar help through supplementary benefit. Housing benefit figures for 1985-86 are provisional.

It is most unlikely that anyone with an income in excess of £20,000 a year is receiving housing benefit, but information is not available to make a reliable estimate. The estimated numbers with such incomes with mortgage interest tax relief are 110,000 in 1979-80 and 900,000 in 1985-86; similar estimates relating to option mortgage relief in 1979-80 are not available.

Parachute Jumping

Mr. Dickens asked the Prime Minister if, in view of recent fatalities and accidents, she will consider introducing legislation to provide for a minimum level of competence for those permitted to take part in parachute jumps from aircraft; and if she will make a statement.

The Prime Minister: Statutory responsibility for the regulation of parachuting rests with the Civil Aviation Authority. Under article 41 of the Air Navigation Order 1985, no one may jump from an aircraft without the Civil Aviation Authority's permission. The Civil Aviation Authority is advised by the British Parachute Association, which exercises day-to-day control of the sport and sets basic training requirements for all parachutists. These requirements were recently reviewed and tightened.

Armed Forces (Pensions)

Mr. Speller asked the Prime Minister (1) how much money was saved from the total estimated cost of armed forces pensions during the 1985-86 financial year as a result of the Government's decision to stage top salary pay awards for senior officers of the armed forces during that year; and if she will base their pensions on the salaries actually in payment;

(2) how much money was saved from the total estimated cost of armed forces pensions during the 1984-85 financial year as a result of the Government's decision to stage pay awards to members of the armed forces during that year; and if she will base their pensions on the salaries actually in payment;

(3) if she will list the total cost of armed forces pensions in the financial years 1984-85 and 1985-86; and what is the estimated total cost for the current year;

(4) how much money will be saved in the total cost of armed forces pensions during the current financial year as a result of the Government's decision to delay the effective date of the 1986 pay awards to members of the armed forces from 1 April to 1 July; and if he will base their pensions on the salaries actually in payment.

The Prime Minister: The information requested is as follows:

	£ million.		
	1984-85	1985-86	1986-87
Estimated total savings each year arising from the decision to base pensions on staged pay awards (Note 1)	4·545	0·195	3·433
Total Cost of Pension benefits	818·143	892·262	*972·0

* Estimate.

Note 1 that is difference in cost between pensions based on staged pay awards and the full awards recommended by the review bodies had these been awarded from 1 April of the years in question.

All new pensions beginning in the three financial years in question have been or will be based on salaries in payment at the time of retirement in accordance with the principles set out in my written answer to the hon. Member for Chiselhurst (Mr. Sims) on 13 April 1984, at col. 383.

Visits Abroad

Mr. Tom Clarke asked the Prime Minister if she will list the official visits abroad made by her since May 1979.

The Prime Minister: I refer the hon. Gentleman to the answer I gave to the hon. Member for Newham, North-West (Mr. Banks) on 10 December 1985, at columns 575-77, and to the hon. Member for Stretford (Mr. Lloyd) on 7 July 1986, at column 5.

In 1986 I have made the following overseas visits:

January
France

March
Italy

May
Korea
Japan
Israel

June
Netherlands

Engagements

Mr. Ron Davies asked the Prime Minister if she will list her official engagements for Thursday 10 July.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Thursday 10 July.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for 10 July.

Mr. John Mark Taylor asked the Prime Minister if she will list her official engagements for Thursday 10 July.

Mr. Tom Clarke asked the Prime Minister is she will list her official engagements for Thursday 10 July.

Mr. Pike asked the Prime Minister if she will list her official engagements for Thursday 10 July.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today.

HOME DEPARTMENT

Overseas Visitors (Statistics)

Mr. Dubs asked the Secretary of State for the Home Department how many passengers *(a)* in total and *(b)* by

nationality who were refused leave to enter in each quarter since January 1985 (i) were detained at least overnight, (ii) were temporarily admitted and (iii) absconded following the grant of temporary admission.

Mr. Waddington: Information is not fully available in the form requested. The information in the following table relates to the number of passengers who were detained at least overnight in 1985. It includes both passengers refused entry and those required to submit to further examination. A person detained in more than one place will have been counted in each place of detention and there is an element of double counting in the table. This information is not available quarterly and not available for 1986 to date.

	Number
Afghanistan	57
Algeria	153
Angola	3
Argentina	8
Australia	12
Austria	15
Bahrain	2
Bangladesh	1,133
Belgium	2
Benin	3
Bermuda	2
Bolivia	7
Brazil	26
Brunei	1
Bulgaria	3
Burkina (Upper Volta)	5
Burma	1
Cameroon	3
Canada	10
Cape Verde	6
Chile	25
China	16
Colombia	139
Cyprus	19
Czechoslovakia	2
Ecuador	4
Egypt	27
Ethiopia	38
Fiji	1
Finland	5
France	12
Gambia	60
Germany (Federal Republic)	11
Ghana	870
Greece	18
Grenada	2
Guatemala	1
Guyana	3
Haiti	1
Honduras	1
Hong Kong (BDTC)	56
Hungary	1
Iceland	1
India	732
Indonesia	2
Iran	143
Iraq	170
Israel	28
Italy	15
Ivory Coast	17
Jamaica	31
Japan	9
Jordan	7
Kenya	6
Korea	16
Kuwait	4
Lebanon	44
Lesotho	3
Liberia	8
Libya	48
Malawi	1
Malaysia	50
Mali	1
Malta	5
Mauritania	1
Mauritius	38
Mexico	8
Morocco	120
Mozambique	1
Nepal	4
Netherlands	9
New Zealand	1
Niger	1
Nigeria	1,044
Norway	7
Oman	1
Pakistan	913
Panama	2
Paraguay	2
Peru	4
Philippines	38
Poland	27
Portugal	92
Romania	6
Rwanda	1
St. Lucia	3
St. Vincent and The Grenadines	1
Saudi Arabia	10
Senegal	4
Seychelles	6
Sierra Leone	45
Singapore	12
Somalia	12
South Africa	9
Spain	140
Sri Lanka	596
Sudan	10
Sweden	8
Switzerland	15
Syria	12
Tanzania	15
Thailand	19
Togo	5
Tunisia	59
Turkey	454
Tuvalu	2
Uganda	18
United Arab Emirates	1
United States	134
Uruguay	3
USSR	1
Venezuela	3
Yemen(North)/Yemen (South)	6
Yugoslavia	26
Zaire	1
Zambia	11
Zimbabwe	14
British Overseas Citizens	11
Nationality Doubtful	130
Total	8,221

The number of passengers given temporary admission after having been refused entry was:

	Number
1985	
1st Quarter	n.a.
2nd Quarter	1,869
3rd Quarter	2,574
4th Quarter	2,152
1986	
1st Quarter	1,948

n.a. = Not available.

This information is not available by nationality.

Information is also not available on the total number of passengers who absconded following refusal of leave to enter. However, in 1985, 388 persons absconded following a grant of temporary admission but not necessarily after being refused leave to enter. The corresponding figure for the first quarter of 1986 was 167.

This information is not available by nationality.

Mr. Dubs asked the Secretary of State for the Home Department how many passengers were *(a)* admitted, *(b)* required to submit to further examination and *(c)* refused leave to enter in each month since January 1985.

Mr. Waddington: The table gives the information at present available on admissions into the United Kingdom of non-EC nationals subject to immigration control, and those refused leave to enter and removed, for each month since January 1985. The numbers of passengers refused and removed, including EC nationals, are also given; corresponding estimates of the numbers of non-British EC nationals admitted to the United Kingdom are available only annually. No information is available on the total number of passengers required to submit to further examination.

Passengers (a) admitted and (b) refused leave to enter and removed, January 1985 to March 1986

Number

	Admitted (excluding EC nationals)	*Refused leave to enter and removed (excluding EC nationals)*	*(including EC nationals)*
1985			
January	438,000	1,282	1,324
February	377,000	993	1,028
March	555,000	1,282	1,323
April	641,000	1,217	1,273
May	786,000	1,229	1,262
June	1,020,000	1,394	1,458
July	1,180,000	1,596	1,649
August	1,030,000	1,798	1,845
September	875,000	1,864	1,926
October	658,000	1,789	1,839
November	474,000	1,647	1,695
December	496,000	1,834	1,885
1986			
January	n.a.	1,860	1,963
February	n.a.	1,636	1,712
March	n.a.	1,791	1,867

n.a. = Not yet available.

Animals (Scientific Procedures) Bill

Mr. Boyes asked the Secretary of State for the Home Department if he will list in the *Official Report* the names of those animal rights organisations which expressed support to him regarding the Animals (Scientific Procedures) Bill *[Lords]*.

Mr. Mellor: The measures in the Animals (Scientific Procedures) Act 1986 to increase the protection of animals used in scientific research, have received substantial support from leading animal welfare bodies as well as from many other organisations, including those representing the veterinary profession.

Racial Attacks

Mr. Cohen asked the Secretary of State for the Home Department whether he has any *(a)* legislative and *(b)* non-legislative proposals to combat the rising number of racial attacks; and if he will make a statement.

Mr. Hurd: The Public Order Bill contains a new offence of disorderly conduct, which is relevant to racial harassment, and also strengthens the law against incitement to racial hatred.

The Government want all practicable action to be taken to deter racial attacks, and to identify and deal with those who commit these crimes. I welcome the "Guiding Principles concerning Racial Attacks" issued by the Association of Chief Police Officers last October, which set out advice on the monitoring of, and response to, racial attacks. These guidelines emphasise the need for a vigorous and sympathetic response from the police.

Earlier this year the Metropolitan police issued best practice guidelines on the recording and monitoring of racial incidents. These set out minimum requirements including, for example, follow-up visits to victims, to be adopted throughout the Metropolitan police, and a variety of additional measures which are being adopted on an experimental basis in different parts of the Metropolitan police area, according to local circumstances.

Training for both probationers and police managers has been developed so as to encourage a better understanding of the minority communities. Racial attacks receive special attention in the community and race relations training provided for officers who are given particular community liaison responsibilities.

The Home Office research and planning unit programme for 1986-87 includes a study of the nature and incidence of racially motivated incidents in selected areas and a study of possible improvements in the police response to such incidents and of victims' perceptions and needs. Both studies are due to be completed next year.

The Sub-Committee on Race Relations and Immigration of the Home Affairs Select Committee is conducting an inquiry into racial attacks. The Government will examine the report of the inquiry with great care.

Police National Computer

Mr. Cohen asked the Secretary of State for the Home Department if he will describe the use of the new convictions index held on the police national computer; whether the index will be linked to the criminal names index; what are the projected size of the convictions index, the anticipated access rates and performance of the index; and when the index will be fully operational.

Mr. Giles Shaw: The convictions file, which will be linked to the criminal names file, is intended to help the police with their operational duties, including the provision of information to the courts. When it becomes available in 1987, it is expected to contain details of 2·5 million convictions recorded since 1981. It is not possible at this stage to provide an accurate estimate of the extent to which the police will use this new facility, which is expected to have a response time of about five seconds.

Martial Arts Weapons

Mr. George asked the Secretary of State for the Home Department (1) if he is satisfied with the operation of the guidelines issued by the Martial Arts Commission in conjunction with his Department governing the sale of potentially offensive martial arts weapons; and if he will make a statement;

(2) if he will introduce legislation to ban the sale of the following items of martial arts weaponry *(a)* Ninja swords, *(b)* climbing hooks, *(c)* foot claws, *(d)* spears, *(e)* Ninja throwing darts and *(f)* Ninja throwing stars; and if he will make a statement.

Mr. Giles Shaw: The possession of an offensive weapon in a public place without lawful authority or reasonable excuse is already a criminal offence under the Prevention of Crime Act 1953. The definition of "offensive weapon" is sufficiently wide to cover all the items listed. The Act provides for a penalty of up to two years imprisonment or an unlimited fine, or both. We believe that the guidelines issued by the Martial Arts Commission in consultation with the Government have left traders in no doubt about their responsibilities concerning the sale of all types of martial arts equipment to the young and the impressionable. We do not have any current plans to bring forward further legislative controls, but we shall continue to keep a very close watch on the situation.

Mr. George asked the Secretary of State for the Home Department (1) how many convictions have been secured in each of the past five years for the carrying of martial arts weaponry contrary to the provision of the Prevention of Crime Act 1953; and what information he has as to the range of penalties imposed;

(2) what information he has as to the average age of those convicted for carrying martial arts weaponry under the Prevention of Crime Act 1953.

Mr. Giles Shaw: The information collected centrally on offences under the Prevention of Crime Act 1953 does not include the type of weapon involved.

Video Recordings Act 1984

Mr. Lawrence asked the Secretary of State for the Home Department how many prosecutions have been brought under the provisions of the Video Recordings Act 1984; and with what result.

Mr. Mellor: The main provisions of the Video Recordings Act came into effect on 1 September 1985 for certain types of video work. No figures of prosecutions are yet available for 1985.

Strip Searches (Haringey)

Mr. Norman Atkinson asked the Secretary of State for the Home Department if he will give the numbers, age groups and ethnic origins of all *(a)* women and *(b)* girls under 18 years strip searched at Haringey, London, police stations during the years 1984, 1985 and up to the latest date for which information is available; and how many charges have been laid as a result of any materials found during these strip searches.

Mr. Giles Shaw: Information on strip searches is recorded only on individual custody records and is not collated in this or any other form.

Mr. Norman Atkinson asked the Secretary of State for the Home Department how many complaints have been submitted to the police by *(a)* women and *(b)* girls under 18 years who have been strip searched during the last two years; if all these complaints have been investigated; and if any have been referred for disciplinary considerations or to the Director of Public Prosecutions.

Mr. Giles Shaw: This information is not available.

Mobile Police Stations

Mr. Tony Banks asked the Secretary of State for the Home Department how many mobile police stations there are in the Metropolitan police area; and how many officers per station there are, by rank.

Mr. Giles Shaw: The Metropolitan police have two mobile police stations which are used at sporting, ceremonial and other occasions involving large crowds, and for major criminal investigation. The number and rank of officers posted to these stations varies according to the circumstances.

Birmingham Pub Bombings

Mr. Clay asked the Secretary of State for the Home Department whether he has any plans to meet Mr. Chris Mullin to discuss recent evidence relating to the convictions for the Birmingham pub bombings.

Mr. Mellor: No, but we are considering a number of points in the book which he has recently published.

National Reporting Centre

Mr. Kaufman asked the Secretary of State for the Home Department whether the national reporting centre, activated in connection with the prison officers' dispute, is still in a state of activation.

Mr. Giles Shaw: The national reporting centre has not been opened in connection with this dispute, since there has not been any need to co-ordinate the provision of mutual aid. The acting president of the Association of Chief Police Officers opened the national information centre at New Scotland Yard on 1 May, as my right hon. Friend announced to the House in his statement that day. It was closed on 9 May, and has not been reopened.

Hippy Convoy

Mr. Kaufman asked the Secretary of State for the Home Department if he will call for a report from the chief constable of Hampshire about the total cost to provide funds for the police operation to disperse the hippy convoy.

Mr. Giles Shaw [*pursuant to his reply*, 16 June 1986, c. *413*]: I understand from the chief constable of Hampshire that the additional costs to the Hampshire police authority of police operations relating to the convoy on 9 June amounted to some £78,000 and that other police authorities whose forces assisted the Hampshire police incurred additional costs of some £34,000. 51 per cent. of the expenditure will be met by the Home Office through police grant.

Carter Street Police Station

Ms. Harman asked the Secretary of State for the Home Department how many disciplinary proceedings have been taken in the last five years against police officers based at Carter street police station, SE17 for misconduct relating to the public; and what was the outcome of such proceedings.

Mr. Giles Shaw [*pursuant to his reply*, 3 July 1986, c. *622*]: I understand from the Commissioner of Police of the Metropolis that in the five years up to 30 June 1986 no charge under the discipline code has been laid against any officer based at Carter street police station.

News International, Wapping

Mr. Kaufman asked the Secretary of State for the Home Department if, further to his answer of 30 June, column *368*, he will update to the latest date for which figures are available the figures on the cost of police action at Wapping, the number of officers deployed and the police man hours spent.

Mr. Giles Shaw [*pursuant to his reply*, 7 July 1986, c. *57*]: I understand from the Commissioner of Police of the Metropolis that the additional cost of police overtime incurred in policing the News International dispute at Wapping from 28 January to 5 July is estimated at about £1·174 million. The maximum number of officers deployed on any one occasion remains 1,870. Over 662,000 police man hours have been spent in policing the dispute.

Additional costs of about £260,000 have also been incurred on catering at Wapping from 28 January to 29 June.

TRADE AND INDUSTRY

Regional Aid

Mr. Stephen Ross asked the Secretary of State for Trade and Industry if he has any plans to review his current regional aid policies.

Mr. Peter Morrison: I have arranged for a review of the administrative aspects of our regional assistance schemes to be carried out by my Department. This is progressing satisfactorily and I expect it to be completed before the end of the year.

South Africa

Mr. Frank Field asked the Secretary of State for Trade and Industry what new guidelines he has issued to companies on how to implement the new version, November 1985, of the EEC code of conduct for companies with interests in South Africa; and if he will place a copy of the guidelines in the Library.

Mr. Alan Clark: I refer to the reply give to the hon. Member by my right hon. Friend the Prime Minister on 7 July, at column 7.

Rolls-Royce

Mr. Nellist asked the Secretary of State for Trade and Industry what has been the capital investment, at 1986 prices, in Rolls-Royce in each year since 1971; and, of this, for each year, what amount has been Government funded.

Mr. Pattie: Following is the information derived from Rolls-Royce's annual accounts.

	*1986 prices** *£ million*	*Actual £ million*
1972	36·5	8·1
1973	35·1	8·5
1974	60·5	17·0
1975	93·3	32·6
1976	57·8	23·4
1977	35·3	18·7
1978	58·7	30·0
1979	85·7	49·6
1980	64·3	43·9
1981	36·6	28·0
1982	44·6	37·0
1983	34·6	30·0
1984	18·6	17·0
1985	48·9	48·0

* May 1986 retail prices index.

The unescalated figures for 1981-85 are those as shown in the published accounts adjusted in respect of the application of statement of standard accounting practice No. 21.

Capital investment has been taken to mean fixed assets for example, plant, machinery, building and so on.

The Government's only direct contribution during the period in question were regional development grants. These amounted in total to £10 million. An annual breakdown is not readily available.

Mr. Nellist asked the Secretary of State for Trade and Industry what has been the net asset value, in 1986 prices, for each year since 1970, of Rolls-Royce.

Mr. Pattie: Following is the information.

	*1986 prices** *£ million*	*Actual £ million*	*Adjusted for revaluation of land and buildings £ million*	*Net of adjustment £ million*
1971	526	109	—	—
1972	549	122	—	—
1973	351	85	—	—
1974	349	98	—	—
1975	507	177	—	—
1976	548	223	—	—
1977	549	259	—	—
1978	536	274	—	—
1979	418	242	—	—
1980	460	458	144	314

	1986 prices* £ million	Actual £ million	Adjusted for revaluation of land and buildings £ million	Net of adjustment £ million
1981	579	584	141	443
1982	433	497	138	359
1983	194	303	135	168
1984	212	325	132	193
1985	261	403	147	256

* May 1986 retail prices index.
(i) The net asset figures have been adjusted for the revaluation of land and buildings which took place in 1980 and 1985.
(ii) The substantial reduction in net assets 1971 to 1973 is largely accounted for by the balance sheet adjustments which followed settlement with the receiver.

Mattresses (Fire Resistance)

Mr. Peter Bruinvels asked the Secretary of State for Trade and Industry if he will take steps to ensure that all mattresses on sale in the United Kingdom meet the fire resistance specification developed by the National Bedding Federation.

Mr. Howard: Yes. I welcome this initiative by the National Bedding Federation. By the end of this year the great majority of mattresses on sale in this country will be resistant to ignition by smouldering cigarettes. This advance in safety has been made voluntarily by the industry itself. I have agreed to support it by approving the NBF specification as a sound modern standard for the purposes of the general safety requirement which we shall be introducing in legislation, as foreshadowed in our July 1984 White Paper on the "Safety of Goods" (Cmnd. 9302), as soon as the parliamentary timetable permits. The effect of this approval will be that all suppliers of mattresses, imported as well as made in this country can be confident that they are meeting their legal obligation to supply safe goods if the mattresses pass the British Standard cigarette test. Conversely, if they fail the test they clearly will not provide the level of safety approved by the Government.

HOUSE OF COMMONS

Members' Allowances

Mr. Charles Wardle asked the Lord Privy Seal whether he will make a statement about the four-yearly review of the Members' office, secretarial and research allowance and the arrangements for the 1986-87 uprating.

Mr. Biffen: I have today written to the chairman of the TSRB, inviting the TSRB to carry out the four-yearly review of the level and structure of the allowance (the terms of the letter are as follows). The TSRB will be making arrangements to ensure that the views of individual Members are taken into account.

In respect of the 1986-87 uprating, the House agreed in it resolution of July 1984 that the allowance be uprated from 1 April each year by the increase in the maximum point of the pay scale (excluding allowances and overtime) for a senior personal secretary in the Civil Service in receipt of Inner London weighting. A restructuring of the Civil Service secretarial grades in March 1986 had the effect of subsuming a number of proficiency allowances within the pay scale. This has distorted the operation of the formula for the uprating of the allowance, and I have asked the TSRB to take this anomaly into account in its current review. Meanwhile, I shall be putting to the House shortly an amending resolution to bring the operation of the formula in 1986-87 into line with the general 6 per cent. increase in Civil Service salaries. Certain of their Lordships' allowances are similarly affected; a similar resolution will be introduced in another place.

Parliamentary Allowances

When you wrote to me on 16 May 1984 conveying the TSRB's recommendations about the uprating of certain Parliamentary allowances, including the MP's secretarial, research, and office equipment allowance, you also advised that there should be provision for a periodic review of allowances to determine whether they continued to be appropriate in the light of changing circumstances. The TSRB suggested that such a review should be undertaken every four years, with the first falling due in 1987. In the debate in the House on 20 July 1984 on the uprating recommendations I said that the Government accepted the TSRB's proposal that every four years there should be such a review.

2. I am writing to you to ask the Review Body to conduct a review of MP's secretarial, research and office equipment allowance. The Government does not consider that a wider review of the allowance structure is called for at this time. The Review Body would certainly need to look at how well the uprating formula recommended and implemented in 1984 has worked in practice, and I would be grateful if in addition the review could consider the fundamental structure and level of the allowance in the light of current circumstances. I have consulted the Leader of the House of Lords and we should like the Review Body to look also at the allowance for peers' secretarial costs, postage and certain additional expenses and the secretarial allowance for Ministers and other paid office holders in the House of Lords.

WALES

Jobcentres (Managers)

Mr. Wigley asked the Secretary of State for Wales how many managers of jobcentres there are in Wales; and how many of these are Welsh-speaking.

Mr. Wyn Roberts: There are 98 jobcentres in Wales, of which 20 are managed by Welsh speakers. There are a further 11 with staff who are Welsh speaking but where the manager is not.

Lambs (Subsidy)

Mr. Best asked the Secretary of State for Wales if he will issue guidance and advice to those farmers whose lambs do not qualify for subsidy as a result of the delay in marketing due to the current ban when the ban is lifted; and if he will make a statement.

Mr. Nicholas Edwards: As my right hon. Friend the Minister of Agriculture, Fisheries and Food said in his statement on 20 June, at column 1321, if it should prove

necessary the Government would be prepared to discuss cases of compensation for severe loss in particular circumstances to specific farmers.

Sheep (Sales Ban)

Mr. Best asked the Secretary of State for Wales what monitoring he is carrying out on ewes in areas subject to the ban on sales; what are the results of such monitoring; if he will lift the ban on sales of ewes; and if he will make a statement.

Mr. Nicholas Edwards: My right hon. Friend the Minister for Agriculture, Fisheries and Food and I have today made an order under the Food and Environment Protection Act 1985 to come into effect at midnight to release further areas in north Wales from restrictions related to all sheep. This is based on the results of recent intensive monitoring of radiation levels in the area. The de-restricted areas include that part of Anglesey north of the A5 and west of the B5111 and A5114, that part of Clwyd which lies to the east of the B5113 north of the B5381 and west of the river Clwyd and that part of Powys east of Lake Vyrnwy bounded by the B4391, B4580, B4393 and the B4396.

A map showing areas in Wales to be released and results of tests related to those areas are being published today and a copy is being placed in the Library of the House. The test programme is continuing.

Radiation

Mr. D. E. Thomas asked the Secretary of State for Wales what were the fallout levels in the lowland areas of North Wales, the area of Ynys Môn (Anglesey) and other areas traditionally used for raising early spring lambs and livestock which were contaminated with caesium 137 and caesium 134; if young livestock from those areas were slaughtered and sold to the public before his Department imposed the ban; and if he will make a statement.

Mr. Nicholas Edwards: I refer the hon. Gentleman to the reply given to him on 26 June by my hon. Friend the Parliamentary Under-Secretary, the Member for Newport, West (Mr. Robinson).

There is no evidence that lambs with high radiocaesium levels had entered the food chain and the measures the Government have taken are specificially designed to prevent this happening.

Results of monitoring lambs published on 3 and 10 July have been placed in the Library of the House.

Hospital Admissions

Mr. Roy Hughes asked the Secretary of State for Wales how many admissions have been made into National Health Service hospitals in Wales, in each year since 1979, of patients who had previously been seen privately by consultants.

Mr. Mark Robinson: This information is not available centrally.

EMPLOYMENT

Labour Statistics

Mr. Allen McKay asked the Paymaster General if he will give the numbers of persons unemployed by age groups in *(a)* the Barnsley area and *(b)* the Barnsley West and Penistone constituency area for each year since 1979.

Mr. Lang: The following information is in the Library. The tables show the numbers of unemployed claimants by age groups in the Barnsley travel-to-work area and the Barnsley, West and Penistone parliamentary constituency for April of each year from 1984 to 1986. The comparison is affected by the change in the compilation of unemployment statistics in March 1986. Statistics of unemployment for these areas are derived from the new ward-based system and are available only from June 1983.

Unemployment by age analysis—Barnsley travel-to-work area

April	*Under 17 years*	*17*	*18*	*19*	*20-24*	*25-29*	*30-34*	*35-39*	*40-44*	*45-49*	*50-54*	*55-59*	*60 and over*	*Total*
1984	182	692	903	822	2,530	1,558	1,113	885	732	639	640	1,296	498	12,490
1985	231	709	1,035	858	2,912	1,743	1,209	1,016	788	765	762	1,261	175	13,464
1986	805	768	943	820	2,768	1,893	1,365	1,164	951	929	1,741	2,177	453	16,777

Barnsley, West and Penistone parliamentary constituency

April	*Under 17 years*	*17*	*18*	*19*	*20-24*	*25-29*	*30-34*	*35-39*	*40-44*	*45-49*	*50-54*	*55-59*	*60 and over*	*Total*
1984	52	240	330	308	890	531	345	296	251	210	252	509	213	4,427
1985	71	271	376	312	1,076	604	415	349	263	250	270	478	76	4,811
1986	302	256	351	288	1,014	704	466	411	333	334	678	840	194	6,171

Mr. Nellist asked the Secretary of State for Employment how many young people under the age of 25 years are unemployed in Coventry, the west midlands and nationally; of those, how many have been unemployed for more than one, two, three, four and five years respectively; and if he will make a statement.

Mr. Lang: The following information is in the Library. The table shows the numbers of unemployed claimants aged under 25 years in the Coventry local authority district, the west midlands region and the United Kingdom who, on 10 April 1986, the latest date for which an analysis of unemployment by age and duration is available had been unemployed for the durations requested.

Unemployed Claimants aged under 25 years

	Coventry local authority district	*West Midlands Region*	*United Kingdom*
Over one year	3,744	38,942	331,471
Over two years	1,975	19,829	159,632
Over three years	1,054	11,313	86,541
Over four years	541	5,841	41,743
Over five years*	200	2,414	17,368
All durations	9,733	122,730	1,183,833

* These figures are affected by industrial action in 1981 and consequent emergency computer procedures.

Unemployment Benefit

Mr. Michael McNair-Wilson asked the Paymaster General how many people in the last 12 months have been prosecuted or are being prosecuted for falsely claiming unemployment benefit; how many inspectors are involved in this work; and if he will show prosecutions on a regional basis.

Mr. Lang: Number of prosecutions authorised in the 12 months ending 31 March 1986: 2,177.

Number of inspectors involved in the work as at 31 May 1986: 639.

Number of prosecutions authorised by each region in the 12 months ending 31 March 1986:

	Number
Northern	131
Yorkshire and Humberside	494
Eastern	161
Southern	183
South West	213
Wales	107
Midlands	280
North West	391
Scotland	217

Pension Age (Equalisation)

Mr. Wrigglesworth asked the Paymaster General what is his latest estimate of the reduction in registered unemployment as a consequence of equalising the age of entitlement to state pension at 60 years.

Mr. Lang [*pursuant to his reply*, 7 July 1986, c. *12*]: It is not possible to predict with any accuracy the change in registered unemployment which would result from the equalisation of the age of entitlement to state pension at 60 years. In part it would depend on the direct effect of men over 60 choosing to retire, thus generating vacancies which may be filled from the unemployment count. Our best estimate of the full direct effect on the unemployment count is a reduction of between 200,000 and 400,000. However, the final effect is likely to be a lesser reduction because of wider labour market effects such as an increase in wage pressure, and the loss of skilled workers, and because the means used to finance the reduction in pension age would also have important effects on the economy as a whole.

EDUCATION AND SCIENCE

Universities (Funding)

Mr. Andrew F. Bennett asked the secretary of State for Education and Science, pursuant to his reply to the hon. Member for Denton and Reddish, 30 June, *Official Report*, column *381*, if he will list, in tabular form, the change in funding of universities in cash and constant 1985-86 prices for each year since 1980-81 to 1986-87, with estimates for 1987-88 and 1988-89, excluding those amounts representing compensation for changes in home students fees, for redundancy and for early retirement, changes to take account of minor capital works from the recurrent grant, changes in local authority rates and additions made for the information technology and new blood programmes.

Mr. Walden: The percentage change in public funding of the universities in cash and real terms for each year since 1980-81 is as follows:

UGC Recurrent, Equipment and Capital grants plus home fees

Academic Years

	1980-81 to 1981-82	*1981-82 to 1982-83*	*1982-83 to 1983-84*	*1983-84 to 1984-85*	*1984-85 to 1985-86*	*1985-86 to 1986-87*
Cash	+8·5	+2·1	+3·7	+4·4	+4·0	+3·4
Real Terms*	−0·1	−4·1	−0·7	−0·1	−1·1	−0·4

* Using the GDP deflator.

Previous questions, including the one to which the hon. Member refers, which sought information about funding changes excluding selectively listed funding elements have been answered in terms of funding by the University Grants Committee in its recurrent and equipment grant. It must be borne in mind that arbitrary exclusions can produce artificial figures. But on the basis, excluding the funding elements selectively listed by the hon. Member, the percentage changes in cash and real terms each year since 1980-81 are as follows:

UGC Recurrent and Equipment Grants excluding selectively listed funding elements

Academic Years

	1980-81 to 1981-82	*1981-82 to 1982-83*	*1982-83 to 1983-84*	*1983-84 to 1984-85*	*1984-85 to 1985-86*	*1985-86 to 1986-87*
Cash	−3·9	+3·7	+3·9	+3·2	+5·0	+0·8
Real Terms*	−11·4	−2·5	−0·5	−1·3	−0·2	−2·9

* Using the GDP deflator.

The Government have announced their willingness to increase financial provision for the universities in 1987-88 and later years if they demonstrate progress towards better management, improved standards of teaching, selectively in research funding and the rationalisation of small departments. We will be discussing the way forward with the University Grants Committee and the vice-chancellors over the next few months before public expenditure plans are finalised in the autumn.

Rose Bruford College of Speech and Drama

Mr. Simon Hughes asked the Secretary of State for Education and Science what representations he has received about the future of Rose Bruford college of speech and drama; and if he will make a statement.

Mr. Walden: Since 4 April 1986, when the secretariat of the National Advisory Body for Public Sector Higher Education issued its consultative proposals for student numbers in 1987-88, my right hon. Friend has received 12 representations about Rose Bruford college, including eight from right hon. and hon. Members.

Primary Schools (Leicester)

Mr. Latham asked the Secretary of State for Education and Science what response his Department has made to the letter dated 22 May from the assistant director of education of Leicestershire county council regarding possible extra minor works funds in 1986-87 for a mobile transfer at St. Peter and St. Paul's Church of England primary school, Syston, and an extension at St. Francis Roman Catholic primary school, Melton Mowbray.

Mr. Dunn: I am sending my hon. Friend a copy of the official letter sent on 2 July 1986 to the director of education for Leicestershire.

Mr. Latham asked the Secretary of State for Education and Science whether he is in a position to approve the bid from Leicestershire county council for a small extension and adaptations to Saltby Church of England primary school; and whether he will make a statement.

Mr. Dunn: The available resources for aided works for 1986-87 have been fully allocated and there is no prospect of additional resources being made available during the current financial year for building work at Saltby Church of England primary school.

Innumeracy

Mr. Peter Bruinvels asked the Secretary of State for Education and Science what information he has as to the number of innumerate people in the United Kingdom; what steps he is taking to eliminate innumeracy; and if he will make a statement.

Mr. Walden: A survey conducted in 1981 by Social Surveys (Gallop Polls) Ltd. which tested the numeracy skills of a sample of the adult population suggested that 10 per cent. could not handle simple addition. Higher percentages had difficulty with more complex tasks. This survey also found young adults to be the most able group, and the national child development study survey of 1981 found that 5 per cent. of the 23-year-olds asked said that they had had numeracy problems since leaving school.

The Government have accepted that low attaining pupils have special needs where mathematics is concerned. The Department of Education and Science is funding three major research projects related to low attainers and mathematics at a cost of £1 million over a six-year period. We have also made available to all local education authorities training material designed to promote good practice in teaching mathematics to low attaining pupils. The Department of Education and Science and the Welsh Office jointly fund the adult literacy and basic skills unit to help develop provision to overcome numeracy problems amongst adults. The provision of basic skills tuition for adults remains one of our highest priorities. Grant has been raised from £360,000 in 1979-80 to £2,170,000 in 1986-87 — a sixfold increase. Projects have considered the numeracy levels required to meet the everyday functional needs of adults, as well as the skills required for vocational training entry tests. Developments in new approaches to provision have succeeded in attracting many people who have previously not sought help with their numeracy problems.

Policies to combat numeracy problems in Scotland and Northern Ireland are the responsibility of my right hon. Friend the Secretary of State for Scotland and for Northern Ireland.

Teachers (Pensions)

Mr. Carter-Jones asked the Secretary of State for Education and Science what are the reasons for the delays in calculating the increases for the pensions of retired teachers; if he will take action to overcome this; and if he will make a statement.

Mr. Chris Patten: Following the 1985 teachers' pay settlement, the pensions and lump sums of some 16,000 teachers who retired between 1 April 1985 and March 1986 fall to be revised to take account of retrospective salary increases. The timing of the pay settlement has meant that the work of revising these awards has overlapped with the calculation of new awards for teachers retiring at the end of this summer term. Calculation of these new awards has to be given priority to ensure that payments can be made immediately they fall due.

More than 4,000 revisions have so far been completed. Every effort will be made to deal with the remainder as quickly as possible and it is expected that the exercise will be completed by the end of November.

16-year-olds

Mr. Freud asked the Secretary of State for Education and Science what proposals his Department has for monitoring the factors affecting the staying-on rate at 16 years and any influence that the youth training service has upon those rates; and whether he will make a statement.

Mr. Chris Patten: My Department already monitors the staying on rate at age 16 and assesses the factors which are likely to influence it. The youth training scheme is one such factor. In addition, the Department is funding, jointly with the Manpower Services Commission and the Department of Employment, the England and Wales youth cohort study. This will provide a variety of information on the different routes taken by 16 to 19-year-olds through education, training and the labour market and will assist the assessment of the factors affecting the staying-on rate.

Student Numbers

Mr. Freud asked the Secretary of State for Education and Science what response he is making to paragraphs 32 and 33 of the second report from the Education, Science and Arts Committee in respect of student numbers and awards; and whether he will make a statement.

Mr. Walden: My right hon. Friend is considering the recent report of the Education, Science and Arts Committee on the Department's expenditure plans. He will publish the Government's response in due course.

Departmental Staff (Study Facilities)

Mr. Freud asked the Secretary of State for Education and Science whether he will make a statement on the provision of opportunities for study available to civil servants within his Department; and what steps he is taking to increase those facilities.

Mr. Chris Patten: The Department encourages its staff to pursue studies with a view to obtaining academic and professional qualifications, or improving expertise and updating knowledge in work-related areas through courses and seminars mounted internally in the Department's training centre, courses and seminars mounted at the Civil Service college, where resources are available for training senior staff and specialist grades, and courses of study at external institutions including colleges of further education. These courses may be work-related or of general developmental benefit to individuals and their careers. Staff under 18 are required to participate in day release courses and are normally able to continue on day release after the age of 18 in order to complete a course already started.

Where external training is directly work-related study takes place in working hours. Where it is of general developmental value individuals study in their own time. In both cases financial assistance is available for the payment of fees and purchase of books and, in the case of general courses, time off with pay may be allowed for revision and the taking of examinations.

The objectives of the staff training centre and the scale and nature of training provision are reviewed annually to ensure that the skills and abilities of staff meet the varying and changing needs of the Department.

Student Costs

Mr. Freud asked the Secretary of State for Education and Science what plans he has to develop a single index of student costs.

Mr. Walden: My right hon. Friend has no such plans. Student grant levels will continue to be determined with reference both to students' needs and to the amount the country can afford.

Inflation Deflator

Mr. Freud asked the Secretary of State for Education and Science what proposals his Department has to develop a service-based inflation deflator to be included with the public expenditure White Paper; and whether he will make a statement.

Mr. Chris Patten: The public expenditure White Paper already includes information on the Government's spending plans expressed in real terms, excluding the effect of general inflation as measured by the GDP deflator; we have no present plans to introduce in addition a deflator based on changes in education costs.

My right hon. Friend is considering the recent report of the Education, Science and Arts Committee on the Department's expenditure plans, which included among its recommendations and introduction of volume measures of past education expenditure to complement the existing cash and real terms figures. He will publish the Government's response to the report in due course.

Universities (Special Courses)

Mr. Tom Clarke asked the Secretary of State for Education and Science which United Kingdom universities make special courses available for doctors who wish to specialise in the care and treatment of elderly people; and what information he has as to how many students are presently enrolled in such courses.

Mr. Walden: This information is not readily available and will take some time to obtain. I shall write to the hon. Member as soon as possible.

FOREIGN AND COMMONWEALTH AFFAIRS

Ministers (Overseas Visits)

Mr. Tom Clarke asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the official visits abroad made by each Minister in his Department since May 1979.

Mr. Eggar: I shall write to the hon. Member with the information requested as soon as possible, and place copies in the Library.

South Africa

Mr. Stanbrook asked the Secretary of State for Foreign and Commonwealth Affairs how the figures given in his answer to the hon. Member for Elmet (Mr. Batiste) on 15 April, *Official Report*, column *380*, as to the number of residents in South Africa entitled to settle in the United Kingdom were calculated.

Mr. Eggar: The figures were based on estimates produced by Her Majesty's embassy in South Africa using

a combination of South African Government immigration and census statistics and information available to Her Majesty's consulates there.

Sir Peter Marychurch

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what consultations he had with staff associations before asking Sir Peter Marychurch to continue beyond normal retiring age as director of Government Communications Headquarters.

Mr. Renton: Sir Peter Marychurch informed the chairman of the Staff Federation at GCHQ on 4 June that he had agreed to continue as director beyond the normal retiring age. It is not the usual practice for there to be consultations with staff federations or unions in Government Departments on matters of this kind.

SCOTLAND

Police National Computer

Mr. Cohen asked the Secretary of State for Scotland if he will list those constabularies in Scotland that have or intend to have an interface with the police national computer and indicate whether the linkage is to a computer used for command and control or criminal information or both.

Mr. John MacKay: Of the eight police forces in Scotland, Fife constabulary and Grampian police currently have computer systems which are interfaced with the police national computer. Lothian and Borders police and Tayside police plan to have such a link in due course. Details of the force systems which are, or will be, so linked are as follows:

Force	*Command and Control*	*Criminal Information system*
Fife	Yes	—
Grampian	Yes	—
Lothian and Borders	Yes	—
Tayside	Yes	Yes

The Scottish criminal record office computer system, which is not yet in operation, will also be interfaced with the police national computer.

Scottish Development Agency

Mr. Bruce asked the Secretary of State for Scotland what percentage of the Scottish Development Agency's budget is directed into industry on the basis of the latest full year figures available.

Mr. Allan Stewart: A large proportion of the agency's expenditure is directed into industry. It is difficult to establish the exact figure, but in the financial year 1985-86 the agency's expenditure on industrial investments and grants, together with the provision of industrial sites and premises, totalled some £53 million.

Mr. Bruce asked the Secretary of State for Scotland if Her Majesty's Government have any plans to privatise any parts of the Scottish Development Agency operation.

Mr. Allan Stewart: No. The Government will, however, continue to encourage the agency in its efforts to maximise the contribution which the private sector can make to its development objectives.

Mr. Bruce asked the Secretary of State for Scotland what contribution the Scottish Development Agency is making to the Glasgow garden festival in total; and how this will be allocated in each relevant financial year.

Mr. Allan Stewart: The net cost to the agency is estimated at £16·5 million. The allocation to financial years is estimated to be as follows:

	£ million
1984-85	1·5
1985-86	5·2
1986-87	9·3
1987-88	12·3
1988-89	(7·3)
Post Festival	(4·5)

These figures are based on current estimates and commitments in connection with net festival costs and associated land acquisitions and are expressed at outturn prices. Figures in brackets indicate an estimated excess of receipts over expenditure. The timing of certain receipts from disposals following the festival is not allocated by financial year.

Macaulay Institute

Mr. Bruce asked the Secretary of State for Scotland when he expects to publish the final proposals for the new Macaulay Institute.

Mr. John MacKay: I refer to the answer given to the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) of 4 June 1986, at column *576*.

Hunterston A Power Station

Mr. D. E. Thomas asked the Secretary of State for Scotland if he will provide information on the thermal output and fuel discharged by the Hunterston A station in the fiscal year 1985-86.

Mr. Allan Stewart: I am advised by the South of Scotland Electricity Board that during the year in question the thermal output of Hunterston A was 9,249,875·1 Mwh (Thermal) and 9,694 tonnes of fuel were discharged.

Therapists

Mr. Tom Clarke asked the Secretary of State for Scotland how many qualified specialist speech therapists, physiotherapists, occupational therapists and music therapists there are in each of the appropriate authorities in Scotland.

Mr. John MacKay: The information requested for each group of staff employed within the NHS in Scotland at 30 September 1985* is set out in the following table. The figures for occupational therapists employed by local authority social work departments at the beginning of October 1985 are also shown. The numbers for other groups employed by local authorities are not separately collected. All figures are shown as whole-time equivalents.

Health board	Speech therapists	Physiotherapists	Occupational therapists	Music, art and garden therapists	Local authority social work departments	Occupational therapists
Argyll and Clyde	27·5	62·1	13·7	1·0	Strathclyde	71·5
Ayrshire and Arran	17·9	70·2	13·9	—		
Greater Glasgow	60·4	318·8	107·1	3·5		
Lanarkshire	22·8	90·5	14·7	—		
Borders	10·2	18·1	2·4	1·0	Borders	6·0
Dumfries and Galloway	16·6	20·9	19·7	—	Dumfries and Galloway	3·0
Fife	23·7	60·5	19·8	—	Fife	15·0
Forth Valley	13·8	45·1	13·9	2·0	Central	9·7
Grampian	28·6	80·0	41·1	0·4	Grampian	19·5
Highland	12·8	40·6	7·1	1·0	Highland	8·3
Lothian	53·4	196·5	111·8	4·6	Lothian	43·9
Tayside	31·9	76·0	48·0	—	Tayside	15·0
Orkney	2·0	2·0	—	—	Orkney	1·0
Shetland	0·8	4·0	1·0	1·0	Shetland	1·5
Western Isles	2·3	11·6	—	—	Western Isles	2·0
SCOTLAND	324·7	1,096·9	414·2	14·5		196·4

* Provisional figures

Handicapped Persons

Mr. Tom Clarke asked the Secretary of State for Scotland what information he has as to what care facilities and other services for profoundly handicapped children and young adults are provided for in the budget of each of the health and social work authorities in Scotland.

Mr. John MacKay: Detailed information of the kind requested about the budgets of health boards and social work authorities is not held centrally.

Mr. Tom Clarke asked the Secretary of State for Scotland what provision is made for daytime nursery care of very young and profoundly handicapped children in each of the health board areas in Scotland.

Mr. John MacKay: Local authorities are responsible for providing daytime care for handicapped children. The information is not available in the form requested, but the following table shows the total number of children aged under five who attended day nurseries and local authority special schools in each regional and islands area in 1985:

Region	Day Nursery number of children attending	Special Schools number of children attending
Borders	Nil	Nil
Central	18	7
Dumfries/ Galloway	Nil	15
Fife	12	10
Grampian	1	67
Highland	Nil	6
Lothian	7	42
Strathclyde	142	113
Tayside	Nil	12
Orkney	Nil	Nil
Shetland	Nil	Nil
Western Isles	Nil	1
	180	273

Mr. Tom Clarke asked the Secretary of State for Scotland what is the current level of provision for mentally handicapped adults in the Strathclyde region.

Mr. John MacKay: Provision in the health service for this group is primarily in hospital of which 12 in Strathclyde provide at present approximately 2,200 beds. Further health service provision is made through community mental handicap nursing services, group homes and hospital day care, but detailed information on these is not held centrally. Places in residential establishments and in day care centres provided by the regional authority and through the voluntary sector are as follows:

Residential provision

	Homes	Beds
Local authority	19	263
Other	28	273
TOTAL	47	536

Day Care provision

	Centres	Places
Local authority	41	2,983
Voluntary	2	115
TOTAL	43	3,098

Note: Figures as at 31 March 1985.

In addition, various other forms of supportive service, including respite care, are made available through the social work department and by a member of voluntary agencies.

Mr. Tom Clarke asked the Secretary of State for Scotland what is the level and nature of provision for mentally handicapped people in each region and island council area in Scotland.

Mr. John MacKay: Health service provision for the mentally handicapped includes community nursing services, group homes and hospital day care, but detailed information on these is not available centrally. Hospital care in 1984, the latest year for which full information is available, was provided as follows:

	Hospitals	Beds
Borders	3	99
Dumfries and Galloway	1	26
Fife	2	475
Central	1	1,066

	Hospitals	Beds
Grampian	2	713
Highland	1	241
Lothian	3	1,022
Strathclyde	12	2,419
Tayside	1	615
Islands Councils	—	—

Residential and day care services for adult mentally handicapped people are provided by social work departments and through various voluntary and private agencies. Figures as at 31 March 1985 are given in the tables:

Residential establishments

Homes for the Mentally Handicapped	*Local Authority*		*Registered*		*Others*	
	Homes	*Beds*	*Homes*	*Beds*	*Homes*	*Beds*
Borders	4	16	2	136	—	—
Central	1	16	2	64	12	41
Dumfries and Galloway	1	10	—	—	—	—
Fife	2	40	—	—	6	23
Grampian	10	139	6	156	9	37
Highland	7	49	1	7	—	—
Lothian	7	115	3	61	39	138
Strathclyde	19	263	7	203	21	70
Tayside	6	109	2	52	—	—
Orkney	1	12	—	—	—	—
Shetland	1	6	—	—	—	—
Western Isles	1	10	—	—	—	—
Scotland	60	785	23	679	87	309

Day centres

	Local Authority		*Voluntary*	
	Centres	*Places*	*Centres*	*Places*
Borders	3	144	1	65
Central	4	371	0	0
Dumfries and Galloway	6	249	0	0
Fife	4	410	0	0
Grampian	9	674	0	0
Highland	5	176	0	0
Lothian	14	867	3	190
Strathclyde	41	2,983	2	115
Tayside	7	430	3	95
Orkney	1	36	0	0
Shetland	1	50	0	0
Western Isles	1	40	0	0
	96	6,430	9	465

Mentally handicapped children may live at home and draw upon various health board and social work services or may be accommodated within childrens homes. The number in this latter category as at 31 March 185, which includes some multiply handicapped children, is as follows:

Mentally Handicapped Residents in Children's Homes

Region	*Local Authority*	*Registered*
Borders	—	—
Central	2	—
Dumfries and Galloway	—	—
Fife	—	3
Grampian	2	13
Highland	—	—
Lothian	—	29
Strathclyde	7	6
Tayside	—	—
Orkney	—	—
Shetland	1	—
Western Isles	—	—
	12	51

Various services to enable the mentally handicapped to be accommodated within the community are provided by statutory agencies, but comprehensive information on them is not held centrally.

Mr. Tom Clarke asked the Secretary of State for Scotland how many profoundly handicapped children and young adults there are in each of the health board areas in Scotland.

Mr. John MacKay: This information is not available in the form requested, but the numbers of profoundly mentally handicapped young persons resident in Scottish mental handicap hospitals at 31 December 1984 were as follows:

	0-14 years	*15-24 years*	*25-34 years*
Argyll and Clyde	8	20	12
Ayrshire and Arran	—	1	4
Borders	—	—	—
Dumries and Galloway	—	—	—
Fife	10	26	22
Forth Valley	6	19	15
Grampian	5	11	9
Greater Glasgow	4	46	52
Highlands	4	5	3
Lanarkshire	4	39	38
Lothian	5	3	2
Orkney	—	—	—
Shetland	—	—	—
Tayside	2	6	13
Western Isles	—	—	—

Hospital Waiting Lists

Mr. Tom Clarke asked the Secretary of State for Scotland if he will provide details of waiting lists for each specialty for every hospital in Greater Glasgow and Lanarkshire, respectively.

Mr. John MacKay: I shall write to the hon. Member with this information as soon as possible and will arrange for a copy of the letter to be placed in the Library.

Mr. Dewar asked the Secretary of State for Scotland what was the average waiting time for National Health Service in-patient treatment in each health board in Scotland in each year since 1978.

Mr. Rifkind: The mean waiting times (in days) for all in-patient treatment up to 1984 (the latest year for which statistics are available) were as follows:

	1978	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Argyll and Clyde	83	89	98	93	77	103	95
Ayrshire and Arran	76	85	92	86	95	108	107
Borders	87	87	75	88	59	60	54
Dumfries and Galloway	101	95	126	98	95	147	128
Fife	76	89	85	97	71	138	123
Forth Valley	86	106	95	90	72	92	81
Grampian	61	90	89	90	73	138	111
Greater Glasgow	63	74	65	63	59	105	81
Highland	47	48	46	49	55	58	63
Lanarkshire	68	76	73	67	67	79	57
Lothian	59	80	69	62	60	83	72
Orkney	17	21	25	19	24	19	22
Shetland	87	89	94	115	66	59	46
Tayside	65	70	70	77	71	97	94
Western Isles	34	45	49	46	48	57	43
Scotland	67	79	75	73	67	98	85

The figures for 1985 are not yet available.

The general increases in 1979 and 1983 show the effects of industrial action in the preceding years. Mean waiting times follow the same pattern as numbers on waiting lists, though usually at a year's interval. Waiting lists began to increase in 1982, as a result of industrial action, but the waiting times did not show the effect until 1983. Since then both size of waiting lists and waiting times have reduced overall and I expect this reduction to continue.

Higher Education

Mr. Craigen asked the Secretary of State for Scotland if, pursuant to the reply to the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton) on 2 July, *Official Report*, column *540*, he will give figures for Scotland of the number of people and a percentage between 16 and 21 years in higher education domiciled in Scotland and excluding those normally resident elsewhere in the United Kingdom or overseas.

Mr. Allan Stewart: The information is shown in the following table for the age group 16 to 20: information for the age group 16 to 21 is not readily available.

Scottish domiciled students aged 16 to 20 in full-time higher education in the United Kingdom

	Population ages 16-20 000's	*Students 000's*	*Per cent.*
1979-80	440	36·5	8·3
1980-81	445	38·7	8·7
1981-82	457	39·9	8·7
1982-83	457	41·0	9·0
1983-84	454	41·7	9·2
1984-85	453	41·9	9·2

Notes:

1. Students aged as at 31 December.
2. Domicile is defined by where a student is normally resident outwith term time: Scottish domiciled students therefore exclude those normally resident elsewhere in the United Kingdom or overseas.

Hospital Beds

Mr. Dewar asked the Secretary of State for Scotland what was the average number of available staffed beds in National Health Service hospitals in Scotland in each year since 1978.

Mr. Rifkind: I refer to my reply to the hon. Member's question on the same subject on 8 July, which was answered in terms of average available staffed beds.

Prescription Charges

Mr. Dewar asked the Secretary of State for Scotland what was the total amount paid in prescription charges by National Health Service patients in Scotland in each year since 1978.

Mr. Rifkind: The total prescription charges paid for each of the years from 1978 to 1984, the last year for which figures have been published, were as follows:

	Amount £ million
1978	2·72
1979	4·17
1980	7·95
1981	10·21
1982	11·84
1983	12·86
1984	13·97

The figures exclude prescription charges paid to hospitals by out-patients. These figures are not available centrally.

Urban Aid Projects

Mr. Craigen asked the Secretary of State for Scotland if he will list all urban aid projects approved in 1985-86 and 1986-87 by local authority; whether each one is new or represents an extension to an existing project; what are the capital and the running costs in each case; and what was the date the sponsoring local authority was notified.

Mr. Ancram: I am arranging for this information to be extracted from departmental records. I shall write to the hon. Member and shall also have a copy placed in the Library.

Childhood Cancers

Mrs. Renée Short asked the Secretary of State for Scotland if any increase in the incidence of childhood cancers has been observed in west Thurso, west Central Edinburgh and south west Perth.

Mr. John MacKay [*pursuant to his reply*, 20 June 1986, c. *672*]: Apart from the high incidence of leukaemia in the 0 to 24 age group already noted by my right hon. and learned Friend in his reply to my hon. Friend the Member for Cunninghame, North (Mr. Corrie) on 9 June, at columns 33-34, there was no increase in the incidence of childhood cancers in these areas between 1968 and 1983.

ENERGY

Nuclear Fuels

Mr. D. E. Thomas asked the Secretary of State for Energy what is gross tonnage of irradiated fuel and included fission products now in store at Wylfa; how this figure compares with the target amount of irradiated uranium materials held at each nuclear power generating site in the United Kingdom; and if he will make a statement.

Mr. Goodlad: This is a matter for the CEGB.

British Gas (Privatisation)

Mr. Hardy asked the Secretary of State for Energy if he will estimate the value of preferential shares to be issued on the sale of British Gas to *(a)* senior managers and *(b)* members of the British Gas Board.

Mr. Buchanan-Smith: The value of the Government's preferential offers to all British Gas employees, including senior managers and board members, was described in my right hon. Friend's announcement on 18 June, at columns 537-39.

Mr. Hardy asked the Secretary of State for Energy if he will state his latest planned timetable for the privatisation of British Gas.

Mr. Buchanan-Smith: My right hon. Friend and I expect the sale of British Gas shares to take place in the autumn.

Mr. Hardy asked the Secretary of State for Energy what is the total estimated value of shares to be offered to British Gas employees on privatisation.

Mr. Buchanan-Smith: The total value of British Gas shares to be offered for sale, to employees and the public, will be disclosed when the flotation takes place. The specific offers to employees were described in my right hon. Friend's announcement on 18 June, at columns 537-39.

Mr. Hardy asked the Secretary of State for Energy what is the total cost of fees to be paid to the New York finance company for its part in the sale of British Gas shares.

Mr. Buchanan-Smith: It is not the Government's practice to publish the fees paid to individual firms for providing advice on privatisation exercises, as these are commercially confidential. Any commissions payable on the sale of shares in particular countries will be shown in the prospectus.

Miners (Re-employment)

Mr. Gordon Brown asked the Secretary of State for Energy (1) what information he has as to the number of miners dismissed as a result of activities during the miners strike who have not been re-employed, as to how many of those originally dismissed who have been reinstated and as to how many of those dismissed who currently have their cases under review by the Coal Board;

(2) what information he has as to the number of dismissed miners in *(a)* Scotland and *(b)* England and Wales, who have taken their cases to industrial tribunals, as to how many have won their cases, as to how many have subsequently been reinstated by the board and as to how many of those successful at industrial tribunal have been paid compensation in full.

Mr. David Hunt: Questions on the dismissal and re-employment of miners are matters for the management of the National Coal Board.

Coal-fired Power Stations

Mr. Dobson asked the Secretary of State for Energy if he will list all coal-fired power stations presently out of commission but not dismantled, giving their capacity in megawatts sent out in each case.

Mr. Goodlad: All CEGB coal-fired power stations that have been decommissioned and still remain under the board's control (that is the site has not been sold) have been either dismantled or are being dismantled. Power stations in Scotland are a matter for my right hon. and learned Friend the Secretary of State for Scotland.

Miners' Strike

Mr. Nellist asked the Secretary of State for Energy if he will now estimate the total cost of the miners' strike.

Mr. David Hunt: The costs of the coal dispute in 1984-85 are quoted in paragraph 5.09 of the Financial Statement and Budget Report 1985-86, and paragraph 77 of the "Government's Expenditure Plans 1986-87 to 1988-89" (Cmnd. 9702) gives the carry-over effects in 1985-86.

Miners (Redundancy Payments)

Mr. Gordon Brown asked the Secretary of State for Energy what was the average redundancy payment made in 1985 to redundant mineworkers.

Mr. David Hunt: The average lump sum payment under the Redundant Mineworkers Payments Scheme during the financial year 1985-86 was about £11,000. In addition continuing weekly payments are normally available under the scheme to beneficiaries aged 50 or over on redundancy, up to a maximum of some £109 per week. These benefits are additional to any redundancy lump sum payable by the employer under the terms of the Employment Protection (Consolidation) Act 1978.

NATIONAL FINANCE

Family Income

Mr. Hickmet asked the Chancellor of the Exchequer how much a married man with a non-working wife and *(a)* two children and *(b)* three children needs to gross before being better off than the same man who is unemployed and in receipt of all benefits available; what effect a reduction of the basic rate of tax to 25p would have; and if he will make a statement.

Mr. Norman Lamont [*pursuant his reply*, 9 June 1986, c. *76*]: A married man with two children aged four and six, paying rent of £16·50 and rates of £6·30 each week, would need to earn at least £38·26 a week to be better off in work than unemployed after taking into account social security benefits at November 1985 levels. A married man with three children aged three, eight and 11 with the same housing costs would need to earn £43·63 a week.

In both cases, if these pay rates were maintained for the whole tax year and the couples had no other sources of taxable income, there would be no tax payable. Reducing the basic rate would thus have no effect on these families.

NORTHERN IRELAND

Royal Ulster Constabulary

Mr. Cohen asked the Secretary of State for Northern Ireland, pursuant to the answer of 25 April, *Official Report*, column *245*, what instructions the Chief Constable of the Royal Ulster Constabulary has given to his senior officers, when briefing uniformed officers on plain clothes observation duties, regarding references in such briefings to paragraph 1.92 of the Home Office consolidated circular on crime and kindred matters in so far as it forbids the counselling, incitement or procurement of the commission of a crime; and if he will make a statement.

Mr. Scott: I can add nothing further to my replies of 25 April, at column *245*, and 13 June, at columns *341-42*.

Details of instructions issued on the RUC by its Chief Constable are confidential.

Mr. Proctor asked the Secretary of State for Northern Ireland how many requests to visit *(a)* Antrim Royal Ulster Constabulary station and *(b)* police stations in the police division containing Antrim Royal Ulster Constabulary station, were received by the Royal Ulster Constabulary Chief Constable for the morning of Saturday 7 June; from (i) hon. Members and (ii) other dignatories.

Mr. Scott [*pursuant to his reply*, 8 July 1986, c. *114*]: I understand the Chief Constable received one such request. This was on behalf of two hon. Members and concerned Antrim RUC station.

DEFENCE

Service Pensioners

Mr. Hawksley asked the Secretary of State for Defence how many service pensioners, in each of the last three years, who have been sent to prison, have been allowed to retain their pension; and how many have had it stopped.

Mr. Freeman: With the exception of certain very grave offences (for example, an act of treason) where pensions are liable to total forfeiture, the practice of automatically withholding a service pension during a period of imprisonment ceased with effect from 1 December 1984. Prior to 1 December 1984 figures are not separately maintained and to provide them would require disproportionate effort.

Household Division (Colour Bar)

Mr. Tony Banks asked the Secretary of State for Defence if he will hold an inquiry into the alleged colour bar being operated within the Household Division.

Mr. Freeman: No. I refer the hon. Member to the answer I gave him on 12 June, at column *292*.

Contracts (North-West England)

Mr. Thurnham asked the Secretary of State for Defence if he will estimate the numbers of defence contracts being undertaken in the north-west area during 1986-87.

Mr. Lee: The information is not readily available. I shall write to my hon. Friend.

Mallet Blow Exercises

Mr. Kirkwood asked the Secretary of State for Defence if he was consulted about the use of American FB111 aircraft in the Mallet Blow exercises to be held on 4 to 8 August.

Mr. Stanley: I shall answer shortly.

Portuguese Navy

Mr. Dixon asked the Secretary of State for Defence what was the United Kingdom's share of the 300 million deutchmarks contributed by certain North Atlantic Treaty Organisation countries towards the purchase by the Portuguese Navy of three frigates from German shipyards; if any United Kingdom shipyards were considered for this contract; and if he will make a statement.

Mr. Lee: In 1983 the British Government offered £5 million towards the purchase of United Kingdom equipment for the Portuguese frigate programme. We understand that the Portuguese will be taking a decision later this year on how they would wish to take up this offer, though a purchase of United Kingdom hulls has never been a serious option. We are hopeful that final negotiations on the detail of the programme will be speedily concluded to allow work to go ahead on this major enhancement to an important NATO Ally's naval capability.

TRANSPORT

Decca Transmission System

55. **Mr. Clelland** asked the Secretary of State for Transport what representations he has received about the future of the Decca transmission system and the continued availability of navigator-receiver facilities for fishermen.

Mr. Moore: The Government have had many representations in recent years about the Racal Decca navigator system. I fully appreciate the importance of these services for fishermen.

Bypasses

Sir Eldon Griffiths asked the Secretary of State for Transport what is his policy in regard to the attraction of private investment into the construction of bypasses on trunk roads where traffic relief can be achieved for local communities.

Mr. Peter Bottomley: The Department of Transport has considered a number of options for attracting private investment into new construction schemes on trunk roads, but none has yet been found satisfactory. Any further proposals put forward would be given serious consideration. My right hon. Friend is writing to my hon. Friend about improvements to the A11 at Red Lodge in his constituency.

Community Transport

Mr. Meadowcroft asked the Secretary of State for Transport what plans he has to discuss the role of community transport with appropriate voluntary organisations.

Mr. Peter Bottomley: The Department of Transport is in close and regular touch with the community transport sector at both national and local levels through the National Advisory Unit for Community Transport and through Community Transport United Kingdom and its local branches.

Air Traffic (London)

Mr. Bill Walker asked the Secretary of State for Transport what are the implications for his Department in terms of additional staffing of the recommendations contained in the document, "Air Traffic Distribution in the London Area" (CAP 522), recently published by the Civil Aviation Authority.

Mr. Michael Spicer: None.

Mr. Bill Walker asked the Secretary of State for Transport what will be the extra cost to his Department of implementing the recommendations made by the Civil Aviation Authority in their document "Air Traffic Distribution in the London Area" (CAP 522).

Mr. Michael Spicer: My right hon. Friend and I are still considering the CAA's recommendations. I do not expect any extra cost to the Department from such recommendations as we decide to implement.

Mr. Bill Walker asked the Secretary of State for Transport what assessment he has made of the implications for scheduled flights to regional airports, and, in particular, to Manchester, Inverness and Dundee, of the recommendations relating to traffic movements contained in the Civil Aviation Authority's report "Air Traffic Distribution in the London Area", (CAP 522).

Mr. Michael Spicer: My right hon. Friend and I are taking account of such implications in our consideration of the CAA's advice.

Mr. Bill Walker asked the Secretary of State for Transport if he is yet in a position to respond to the proposals from the Civil Aviation Authority regarding "Air Traffic Distribution in the London Area", (CAP 522); and if he will make a statement.

Mr. Michael Spicer: No. My right hon. Friend and I are still considering the CAA's advice and intend to make an announcement in due course.

Airline Industry (Self-regulation)

Mr. Bill Walker asked the Secretary of State for Transport if he will make it his policy to allow the airline industry to continue on a self-regulating basis, so far as the allocation of traffic movements at peak periods is concerned; and if he will make a statement.

Mr. Michael Spicer: My right hon. Friend and I have always favoured such self-regulation where it is appropriate and feasible; and will continue to do so.

M25 (Traffic Survey)

Mr. George Gardiner asked the Secretary of State for Transport if he has received and studied the report on the survey of traffic using the M25; and if he will make a statement on its findings.

Mr. Peter Bottomley: Consultants have studied peak-hour congestion problems on the south-west sector of the motorway. They were asked to advise whether the best solution would be remodelling junctions, improving traffic management, widening carriageways or a combination of these measures. An announcement will be made shortly when we have decided what measures to take. Traffic flows on the remainder of the motorway are being kept under review.

Sea Pollution (Plastics)

Mr. Tony Banks asked the Secretary of State for Transport what efforts are being made by Her Majesty's Government to control the amount of persistent plastics entering the sea from coastal tipping and ships' garbage.

Mr. Moore: The United Kingdom has recently ratified annex V of the MARPOL 73/78 convention. This annex contains regulations for the prevention of pollution by garbage from ships. The United Kingdom ratification brings to 44 per cent. the proportion of world tonnage covered by international ratifications. Before international entry into force can take place the tonnage figure must reach at least 50 per cent.

The regulations of the annex contain a total prohibition on the disposal into the sea of all plastics.

AGRICULTURE, FISHERIES AND FOOD

Fishing Nets (Mesh Sizes)

11. **Dr. Godman** asked the Minister of Agriculture, Fisheries and Food what is his policy towards the European Economic Community Commission proposal to increase the minimum mesh size in the North sea and the west of Scotland demersal fisheries from 80 mm to 90 mm from 1 January 1987.

Mr. Gummer: The Council of Ministers decided in 1984 on this increase for the North sea, subject to further consideration being given to possible derogations for sole, plaice and whiting. The Government believe that decision was fully justified, and that there remains an overriding need to improve conservation of the white fish stocks in

the North sea. However, we are currently seeking as far as possible to reconcile that aim with the needs of particular groups of fishermen.

We need more study before reaching a decision on the Commission's more recent proposal for the west of Scotland.

Lamb (Sales)

12. **Mr. Bill Walker** asked the Minister of Agriculture, Fisheries and Food if he will give details of the sale of lambs for the first five months of 1986.

Mr. Gummer: Although the actual number of sales of lamb are not available, the number of sheep and lambs slaughtered in the United Kingdom in the first five months of 1986 was 4·213 million.

Mr. McLoughlin asked the Minister of Agriculture, Fisheries and Food if he will publish a table showing information available to him on *(a)* the average price of lamb over the last 12 weeks and *(b)* the average price of lamb in the comparable 12 weeks in 1985.

Mr. Gummer: The following table gives the information requested:

Great Britain
Average market prices for lambs and other clean sheep (pence per kg)

Week commencing	*1986*	*1985*	*Week commencing*
14 April	266·05	245·64	15 April
21 April	266·42	241·68	22 April
28 April	274·77	241·53	29 April
5 May	270·25	232·26	6 May
12 May	268·25	221·73	13 May
19 May	248·46	197·01	20 May
26 May	236·35	194·00	27 May
2 June	249·42	196·88	3 June
9 June	238·98	189·44	10 June
16 June	*191·40	176·75	17 June
23 June	*151·30	151·69	24 June
30 June	†159·90	154·85	1 July

* Provisional
† Forecast
Source: Intervention Board for Agriculture Produce except provisional and forecast figures: Meat and Livestock Commission.

Sheep

13. **Mr. Home Robertson** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the effect of controls on the movement and slaughter of sheep that he announced on 20 June.

Mr. Jopling: It is too early to assess the effect of these controls. However, in the areas of Cumbria and north Wales, which were released from restriction on 4 July, marketings and prices of lambs have been encouraging.

26. **Mr. Ron Davies** asked the Minister of Agriculture, Fisheries and Food if he will make a statement giving details of his plans to compensate sheep farmers for losses arising from the ban on the movement and slaughter of sheep in certain areas.

Mr. Jopling: I refer the hon. Member to the reply I gave earlier today to the hon. Member for Ross, Cromarty and Skye (Mr. Kennedy).

32. **Mr. Parry** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the restriction of movement of lambs in Cumbria and north-west Wales where high levels of radioactive caesium have been detected.

Mr. Jopling: I refer the hon. Member to the replies I gave earlier today to the hon. Members for Ross, Cromarty and Skye (Mr. Kennedy) and for Ogmore (Mr. Powell).

Chernobyl (Monitoring)

14. **Mr. Rogers** asked the Minister of Agriculture, Fisheries and Food if, in view of the timing of his statement on 20 June, he plans to review his Ministry's arrangements for monitoring following the Charnobyl disaster.

Mr. Jopling: No. I am satisfied that the comprehensive monitoring programme undertaken by me Department since the accident at Chernobyl has been sufficient to enable appropriate and timely action to be taken in order to ensure the safety of food supplies.

19. **Dr. David Clark** asked the Minister of Agriculture, Fisheries and Food if he will make a further statement on the results on the radioactivity levels of grass following the Chernobyl disaster.

Mr. Jopling: Results of analyses of grass samples were inluded in the data published by the Department of the Environment on 15 May and by my Department on 20 June 1986. These have been placed in the Library of the House.

Food Prices

15. **Mr. Shersby** asked the Minister of Agriculture, Fisheries and Food what is the current rate of increase of food prices.

17. **Mr. Hannam** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the movement of food prices since May 1979.

Mrs. Fenner: Between May 1979 and May 1986, the food component of the retail prices index rose at an average annual rate of 6·6 per cent. and the rate is currently 3·1 per cent. This contrasts with an average rate of increase in food prices of 16·4 per cent. per annum during the period February 1974 to May 1979 when the previous Administration held office.

North Sea Herring

16. **Mr. Dixon** asked the Minister of Agriculture, Fisheries and Food what representations he has made to the EEC Commission regarding the quota allocation of North sea herring to Norway in the 1986 quota negotiations; and what will be his policy towards this in the next round of quota negotiations.

Mr. Gummer: As my right hon. Friend the Minister of Agriculture, Fisheries and Food and I have told this House on several occasions, we have expressed our dissatisfaction to the Commission more than once at the way the negotiations for North sea herring were conducted with Norway.

Recently a joint working group of Community and Norwegian scientists has produced a report on this stock and this will form a basis for further discussions on its sharing. We are closely studying this report.

New Fishing Vessels

18. **Mr. Pollock** asked the Minister of Agriculture, Fisheries and Food if he has any plans to increase the cash allocations to the Sea Fish Industry Authority in respect of assistance with the building of new fishing vessels.

Mr. Gummer: We are currently reviewing the financial provision in respect of grants towards the construction of new fishing vessels and I hope to make an announcement shortly.

Food Labelling

20. **Mr. Pike** asked the Minister of Agriculture, Fisheries and Food when he expects to lay before Parliament regulations for fat content labelling of food.

Mrs. Fenner: Comments on the proposals for fat content labelling regulations issued in February are still being assessed. We hope to lay regulations before Parliament later this year.

Cereals (Co-responsibility Levy)

21. **Mr. Bermingham** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the anticipated pattern of operation of the cereals co-responsibility levy in the United Kingdom.

41. **Mr. Freud** asked the Minister for Agriculture, Fisheries and Food whether he will make a statement on the operation of payment of co-responsibility levies on cereals.

Mr. Gummer: I refer the hon. Members to the replies given earlier to the hon. Members for Worsley (Mr. Lewis) and for Leeds, Central (Mr. Fatchett).

30. **Mr. Andy Stewart** asked the Minister for Agriculture, Fisheries and Food what representations he has received from the National Farmers Union about the response of cereal producers to the proposed levy for research, development, promotion and export; and if he will make a statement.

Mr. Gummer: None. However, the National Farmers Union has stated that it regards the outcome of the poll of cereal growers as providing clear support for industry funding of all three of the proposed projects.

53. **Mr. Tom Clarke** asked the Minister for Agriculture, Fisheries and Food what steps he is taking to ensure that the co-responsibility levy on cereals does not discriminate against small and medium livestock producers.

Mr. Gummer: The cereals co-responsibility levy applies to all grain that undergoes first processing, is exported to non-Community countries or is purchased into intervention. Only the processing of grain by a producer on his own agricultural holding for use on that holding irrespective of size is exempt from levy.

Sugar Beet Growers

22. **Mr. Colin Shepherd** asked the Minister for Agriculture, Fisheries and Food what recent representations he has received concerning the prospects for the United Kingdom sugar beet growers.

Mr. Gummer: I regularly receive representations from producers' representatives and others about the prospects for sugar beet growers in the United Kingdom. I consider those prospects to be satisfactory.

Sheep (Radiation)

23. **Mr. Strang** asked the Minister for Agriculture, Fisheries and Food what is his latest estimate of the number of sheep in England and Wales which have registered levels of caesium 134 and caesium 137 in excess of 1,000 Becquerels per kilo since the accident at Chernobyl.

Mr. Jopling: Latest results of testing in England and Wales are being placed in the Library of the House today and tomorrow. On the basis of these results and data aleady published by this Department and the Welsh Office, 54 sheep in England and 68 sheep in Wales (including 20 young lambs specially selected from one flock for testing for scientific purposes) have been found to contain combined levels of caesium 134 and caesium 137 in excess of 1,000 Bq/kg.

29. **Mr. Torney** asked the Minister of Agriculture, Fisheries and Food what further action he proposes to ensure the future safety of the consumer from eating siblings of the sheep that are at present affected by radiation from the Chernobyl disaster.

Mr. Jopling: Controls on the movement and slaughter of all sheep from areas where meat has been shown by testing to contain elevated levels of radioactivty will continue for as long as necessary to ensure that when the sheep are marketed their meat will be below the recommended action level.

Surplus Butter

24. **Mr. Teddy Taylor** asked the Minister of Agriculture, Fisheries and Food what is the objective of the European Economic Community decision to provide further subsidies to enable surplus butter to be fed to cows; and if he will make a statement.

Mr. Gummer: No such decision has been taken. But a proposal is currently under discussion which would introduce a subsidy on the incorporation into animal feed of intervention butter purchased before July 1983. The aim of this is to reduce the oldest stocks for which no other outlets are likely to be available.

49. **Mr. Tom Cox** asked the Minister of Agriculture, Fisheries and Food how much butter was stored in intervention *(a)* in the United Kingdom and *(b)* in the European Community on the latest date for which figures are available; and what percentage increases these figures represent over the previous year.

Mr. Gummer: As at 26 June 1986 there were 228,136 tonnes of intervention butter stored in the United Kingdom and 1,288,081 tonnes of intervention butter stored in the European Community, as a whole. These figures are, respectively, 29 per cent. and 33 per cent. higher than the corresponding figures on 27 June 1985.

Farm Forestry

25. **Mr. Maclennan** asked the Minister of Agriculture, Fisheries and Food what recent discussions he has had with the industry to promote farm forestry.

Mrs. Fenner: Towards the end of last year, the Agriculture Departments initiated consultations on the interdepartmental report "Woodland as a Farm Crop". Subsequently the National Farmers Union has produced its own policy document on the subject "Farming Trees". We look forward to discussing the union's proposals with it in due course.

Agriculture Policy

27. **Mr. Cash** asked the Minister of Agriculture, Fisheries and Food what priorities in agriculture policy he proposes during Britain's current presidency of the European Community.

Sir Michael Shaw asked the Minister of Agriculture, Fisheries and Food what agriculture policy initiatives he will propose during the United Kingdom's tenure of the Presidency of the European Community.

Mr. Jopling: As President of the Council, I shall work for decisions on long-term reform of the beef and veal regime, socio-structural measures, and the quantities of New Zealand butter to be imported under the special arrangements in 1987 and 1988.

Farming Industry (Indebtedness)

28. **Mr. Kirkwood** asked the Minister of Agriculture, Fisheries and Food whether he has any proposals to reduce the current state of indebtedness of the farming industry; and if he will make a statement.

Mrs. Fenner: No. The extent to which individual farm businesses have recourse to borrowing is a matter for decision by those managing such businesses. Support is provided to the farming industry in other ways.

Food Irradiation

31. **Mr. Frank Cook** asked the Minister of Agriculture, Fisheries and Food what representations he has received concerning irradiation of food.

Mrs. Fenner: The Department of Health and Social Security published the report of the advisory committee on irradiated and novel foods on 10 April inviting comments by 31 July. My Department have received a number of representations from individuals concerning the labelling of irradiated foods which was the subject of an appendix to the report.

Milk Quota

33. **Mr. Hicks** asked the Minister of Agriculture, Fisheries and Food if he has decided what the figure for the annual milk production per cow for the standard milk quota should be in the determination of the quota compensation formula; and if he will make a statement.

Mr. Gummer: In setting the prescribed quota per hectare for England and Wales I intend to use a yield per cow of 4,500 litres and a stocking rate of 1·8 cows per forage hectare. This gives a figure of 8,000 litres per hectare after rounding. Lower figures will be set for the less favoured areas. I intend prescribing 7,000 litres per hectare for disadvantaged land and 6,000 litres per hectare for severely disadvantaged land. I am also considering prescribing separate figures for certain breeds of cattle.

In all cases the prescribed quota will be approximately 11 per cent. below the corresponding prescribed average yield. This means that the standard quota for any particular holding will be normally some 11 per cent. below the yield which is considered reasonable for that holding having regard to the quality of the land and the climatic conditions.

Farm School Link Project (Suffolk)

34. **Mr. Yeo** asked the Minister of Agriculture, Fisheries and Food if he will pay an official visit to one of the farms involved in Suffolk county council's farm school link project.

Mr. Jopling: I am always glad to see the development of schemes designed to engender a better understanding of farming and the countryside and if invited to see some of this work in Suffolk I or one of my ministerial colleagues will endeavour to take the opportunity to do so.

Lambs (Radiation)

35. **Mr. Campbell-Savours** asked the Minister of Agriculture, Fisheries and Food what representations he has received on the question of radioactivity levels in lamb.

Mr. Alton asked the Minister of Agriculture, Fisheries and Food what representations he has received since he imposed restrictions on the movement of sheep as a result of caesium levels contained in lambs following fall-out from the Chernobyl disaster.

Mr. Jobling: I have received a number of representations from farming organisations and others affected by the restrictions on the movement and slaughter of sheep. Most of these relate to the timing of the controls and their effect upon the farming and ancillary industries.

Environmentally Sensitive Areas.

36. **Mr. Kenneth Carlisle** asked the Minister of Agriculture, Fisheries and Food what progress has been made in designating environmentally sensitive areas.

Mrs. Fenner: We are currently examining the proposals submitted by the Nature Conservancy Council and the Countryside Commission. Once this examination is completed we shall consult my right hon. Friend the Secretary of State for the Environment before making an announcement.

Cereal Surplus

37. **Mr. Hardy** asked the Minister of Agriculture, Fisheries and Food what progress has been made in formulating a policy in regard to the cereal surplus.

Mr. Gummer: Cereals policy is a matter for the Community as a whole, and there has been extensive discussion of the problems facing this sector over the past year. The measures agreed at this year's price fixing will go some way to bringing the sector into better balance, although much more still needs to be done.

43. **Mr. Leigh** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the present state of cereal surplus in the United Kingdom.

Mr. Gummer: There were 5·3 million tonnes of grain in intervention stores in the United Kingdom on 1 July 1986, the start of the new marketing year. Cereal surpluses are

a matter for the Community as a whole. The Government will continue to press for measures to bring supply and demand for cereals in the Community into better balance.

Consumers Committee (Report)

38. **Dr. Roger Thomas** asked the Minister of Agriculture, Fisheries and Food what response he has made to the report from the consumers' committee calling for a new consumers' body to be established in relation to his Ministry.

51. **Mr. Gareth Wardell** asked the Minister of Agriculture, Fisheries and Food what plans he has to improve consumer representation within his ambit of responsibility.

Mrs. Fenner: This recommendation in the report has been carefully considered, but my right hon. Friend the Minister is not convinced that the existing extensive arrangements for consulting consumers on matters of concern to his Department would be materially improved by the addition of such a body.

Beef Progeny Testing

39. **Mr. Michael McNair-Wilson** asked the Minister of Agriculture, Fisheries and Food what financial assistance is provided by his Department for beef progeny testing.

Mr. Gummer: No direct financial assistance is given for this purpose, but the Ministry does fund certain other research directed towards beef improvement.

Food and Environment Protection Act 1985

40. **Mr. Eastham** asked the Minister of Agriculture, Fisheries and Food whether regulations under part III of the Food and Environment Protection Act 1985 will come into force in time for this autumn's spraying season.

Mrs. Fenner: As the hon. Gentleman will now know, regulations controlling pesticides have been laid in the House. We hope that the first of these regulations will come into force on 6 October 1986.

Budget

42. **Mr. Marlow** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the balance of expenditure and commitments on the agricultural budget.

Mr. Jopling: The present Budget for 1986 as adopted by the European Parliament provides 22,009 mecu for expenditure under the common agricultural policy (CAP). The Commission has stated that this amount is insufficient to finance likely requirements and has proposed a supplementary budget which provides a further 1,015 mecu for CAP expenditure. The Commission has also suggested that it may be necessary to carry forward some expenditure into 1987, but it is too early to say whether this will happen.

Privatisation

44. **Dr. Marek** asked the Minister of Agriculture, Fisheries and Food if he will make a further statement on his plans to privatise the National Seed Development Organisation and the Plant Breeding Institute.

Mr. Jopling: My right hon. Friend the Secretary of State for Education and Science and I have received the report of Lazard Brothers and Company Ltd. on the possible privatisation of the National Seed Development Organisation and part of the Plant Breeding Institute. We are now considering the contents of the report and my right hon. Friend will make a statement as soon as decisions have been taken.

Food Quality

45. **Mr. Caborn** asked the Minister of Agriculture, Fisheries and Food what are his priorities in improving the quality of food.

Mrs. Fenner: There is already comprehensive legislation regulating the safety, quality and labelling of food. Regulations are kept under review so that appropriate initiatives can be taken in response to new developments.

Intervention Stores (Yorkshire)

46. **Mr. Flannery** asked the Minister of Agriculture, Fisheries and Food if he will list the places in south Yorkshire used for storage of European Economic Community intervention stocks.

Mr. Jopling: Intervention stores in south Yorkshire are located at Tickhill, Kirk Sandall, Thorne and Sheffield.

Producer Confidence

47. **Mr. Latham** asked the Minister of Agriculture, Fisheries and Food whether he will make a statement on the current level of producer confidence in the British agricultural industry.

Mr. Jopling: This year's CAP prices settlement built on the progress made in 1984 and 1985 in adjusting the CAP to bring it more into line with the needs of the market. At the same time the modest devaluation of the green pound and our avoidance of measures which would have discriminated against the United Kingdom enabled us to secure a settlement that not only contributes to the continuing adaptions which are needed but also provides a fair and balanced outcome for our producers. I believe that our farmers understand the need to make progressive changes and are working constructively to apply them.

Acid Rain

48. **Mr. Heathcoat-Amory** asked the Minister of Agriculture, Fisheries and Food whether his Department monitors the effects of acid rain on agriculture.

Mrs. Fenner: My Department does not monitor the specific effects of acid rain on agriculture. However, the Government maintain a national air pollution monitoring network, the results of which, supported by specific research findings, indicate that the levels of acid deposition in the United Kingdom have no discernible effect on agriculture.

Agricultural Rents

50. **Mr. Hunter** asked the Minister of Agriculture, Fisheries and Food what general movement there has been in agricultural rents since the passing of the Agricultural Holdings Act 1984; and if he is satisfied with the operation of that Act.

Mrs. Fenner: The Ministry's annual farm rent inquiry showed that between mid-October 1984 and mid-October 1985 the average rent in England increased by 6·1 per cent., compared with an increase of 7·8 per cent. in the previous 12-month period.

It is still too soon to make any firm assessment of the effect of the Agricultural Holdings Act 1984 on the tenanted sector. I was, however, encouraged by the Central Association of Agricultural Valuers' 1985 survey of tenanted farms, which suggested that there had been an increase in fresh lettings since the passing of the 1984 Act.

Rhubarb

52. **Mr. O'Brien** asked the Minister of Agriculture, Fisheries and Food if he will publish a report showing the total of rhubarb imports for the past five years, and the amount from different countries; and if he will make a statement.

Mrs. Fenner: I regret that no figures are available as there is no separate trade classification for rhubarb. However, the inquiries I have carried out indicate that during the last five years, total imports of rhubarb have been small; the main supplier has been Holland.

Milk Quotas

Mr. Ashdown asked the Minister of Agriculture, Fisheries and Food if he has received any further representations about the allocating of milk quotas between landlords and tenants.

Mr. Gummer: My right hon. Friend and I have received further representations from hon. Members, representative organisations and individuals on quota value apportionment both in relation to the end of tenancy provisions in the Agriculture Bill and to the Community outgoers scheme.

We are in regular contact with landlord and tenant representatives and have also tabled amendments to the Agriculture Bill reflecting the concern expressed by hon. Members.

Ministerial Priorities

Mr. Evans asked the Minister of Agriculture, Fisheries and Food if he will state his latest priorities for agriculture and fisheries during the United Kingdom presidency of the Council of Ministers.

Mr. Jopling: I refer the hon. Member, as far as agriculture is concerned, to the reply I gave earlier today to my hon. Friend, the Member for Stafford (Mr. Cash); and on fisheries matters to the reply I gave on 12 June to the hon. Member for Caithness and Sutherland (Mr. Maclennan).

Farm Safety

Sir Peter Mills asked the Minister of Agriculture, Fisheries and Food what further steps he proposes to take to improve farm safety; and if he will make a statement.

Mrs. Fenner: Responsibilities for farm safety rest primarily with the Health and Safety Executive.

Accidents on farms result largely from an inadequate understanding by farmers, their families and their employees of the hazards associated with agricultural buildings, machinery and livestock. It is for all those who are in charge of, or who themselves undertake, agricultural operations or who are responsible for children on farms to become much more safety conscious, to identify the danger points, to ensure that the proper safety precautions are followed at all times and to recognise the importance of adequate training in accident prevention.

We therefore welcome the initiative of the Health and Safety Executive in publishing its report on fatal accidents on farms "Agricultural Black Spot—A Study of Fatal Accidents", copies of which have, I understand, been placed in the Library of the House. This brings home in a readable and graphically illustrated form just how easy it is to become another farm fatality. I believe that this publication should be read by everyone who live or works on a farm.

Stilton Cheese

Mr. McLoughlin asked the Minister of Agriculture, Fisheries and Food if he will give the export figures for Stilton cheese in each of the last five years.

Mr. Gummer: I shall reply to my hon. Friend as soon as possible.

Radiation

Mr. D. E. Thomas asked the Minister of Agriculture, Fisheries and Food what readings of caesium 137 and caesium 134 were recorded in rainwater from 2 May onwards; what information was available at that stage about the likelihood of these radioisotopes of caesium being transferred within weeks to the livestock that were maturing for slaughter; and if he will make a statement.

Mr. Jopling: Data on levels of caesium 137 and caesium 134 in rainwater were included in the raw data published by the Department of the Environment on 15 May 1986, a copy of which has been placed in the Library of the House.

As soon as it became apparent that there had been high deposition of radioactivity in certain areas, my Department intensified testing of foods considered to present a risk. This testing initially concentrated on milk and vegetables, but it was later extended to meat, in which radioactivity takes longer to appear. When we became aware of an elevated reading in young lamb taken from Cumbria, testing of sheep from this area was stepped up to establish the extent of the problem and ensure that appropriate action was taken.

Agricultural Land (Planning Controls)

Sir John Wells asked the Minister of Agriculture, Fisheries and Food whether he proposes to seek to extend planning controls to agricultural land; and if he will make a statement.

Mrs. Fenner: Questions of planning control are for my right hon. Friend the Secretary of State for the Environment, but it is not Government policy to seek to extend controls to agriculture unless control is warranted in particular types of case.

Mr. Dalyell asked the Minister of Agriculture, Fisheries and Food on what date in May, *(a)* he, *(b)* his junior Minister and *(c)* his officials were first informed that there was a problem relating to caesium 134 and caesium 137 in the Welsh and Cumbria Hills.

Mr. Jopling: Immediately after the information was received by my officials, I was informed on 22 May that radiocaesium in excess of 1,000 Bq per kg had been found in a 12-week-old lamb in Cumbria. The results of monitoring, including this reading, were included in my Department's press notice of 30 May. Monitoring of foodstuffs had been taking place since early May but was intensified in areas such as Cumbria and north Wales where deposition levels were likely to be high in order to determine whether there was a need for further action. At the same time, an investigation was undertaken of the rainfall deposition patterns across the country in collaboration with the Institute of Terrestrial Ecology to establish more precisely the areas and likely volumes of produce affected. The results of the further sampling became available from the middle of June when it became apparent that there was a general pattern of elevated levels of radiocaesium in areas of high rainfall on 2 and 3 May. Since there was a possibility that sheep from these areas could go on to the market within the next few weeks my right hon. Friend the Secretary of State for Wales and I decided to introduce restrictions in England and Wales on the movement and slaughter of sheep for 21 days from 20 June. We have since been able to release some of the areas from 3 July and today, while retaining restrictions in the remaining areas until 24 July.

Flood and Drainage Protection

Mr. Ron Davies asked the Minister of Agriculture, Fisheries and Food, pursuant to his reply to the hon. Member for Amber Valley (Mr. Oppenheim), *Official Report*, 14 November 1985, columns *279-80*, about flood and drainage protection, whether the value of increased milk production may not be used in benefit calculations in the investment appraisal of arterial drainage, flood protection and sea defence schemes.

Mrs. Fenner: No account is taken of the value of increased milk production in benefit calculations for arterial drainage, flood protection and sea defence schemes, as under the current EC regime there can be no production of milk from drained land that is additional to the national quota.

SOCIAL SERVICES

Food Irradiation

54 **Miss Maynard** asked the Secretary of State for Social Services if he expects to introduce measures controlling food irradiation.

Mr. Whitney: Food irradiation is already controlled by the Food (Control of Irradiation) Regulations 1967, as amended, responsibility for the enforcement of which is vested in the local and port health authorities. We have no plans at present for amendments to these regulations.

Board and Lodging

Mrs. Beckett asked the Secretary of State for Social Services (1) what was the number of substandard board and lodgings reported by his Department's local inspectors during the year up to April; and in how many cases the local authority is recorded as having taken action, given *(a)* nationally, *(b)* by his Department's regions and *(c)* by his Department's local office areas;

(2) what instructions he has issued to his Department's local offices to report apparently substandard board and lodging accommodation to local authorities so that they can take appropriate action for the period after April 1986; and if he will make a statement.

Mr. Newton: The instructions issued to local offices in March 1985 (circular S 12/85) concerning the reporting to local authorities of apparently substandard houses in multiple occupation remain current although offices are no longer required to maintain statistics.

Returns have not yet been received from all local offices but the latest available information indicates that nationally the number of apparently substandard houses in multiple occupation reported to local authorities during the year ended April 1986 was 327 and that action to improve standards was taken in 165 cases.

The regional and local offices area breakdown of these figures is shown in the table (offices supplying 'nil' returns are excluded):

Office	*Number of Referrals*	*Number of cases*
London North Region		
Hackney	6	—
Hemel Hempstead	1	1
Kings Lynn	2	1
Leytonstone	1	—
Luton	1	1
Oxford	1	—
Southend	5	2
Wood Green	1	—
Regional Total	18	5
London South Region		
Bloomsbury	2	1
Bognor Regis	1	1
Eastbourne	2	2
Folkestone	1	1
Hastings	2	—
Kennington	1	—
Rochester	1	1
Sittingbourne	1	1
Southwark	1	1
Surbiton	2	1
Twickenham	1	—
Woking	1	—
Worthing	24	22
Regional Total	40	31
Wales and South West Region		
Barnstaple	12	1
Barry	3	—
Blackwood	1	—
Bridgend	1	—
Bristol (Central)	8	4
Bristol (South)	6	6
Cardiff (Central)	2	2
Cardiff (East)	10	5
Plymouth	3	—
Pontypridd	1	—
Port Talbot	1	1
Rhyl	3	3
St. Austell	64	18
Swansea	5	—
Swindon	2	2
Regional Total	122	42
Midland Region		
Birmingham (Bradford Street)	2	—

Office	Number of Referrals	Number of cases
Birmingham (Handsworth)	2	—
Birmingham (Washwood)	2	—
Boston	11	—
Derby (Becket Street)	3	1
Dudley North	1	1
Leamington	5	5
Nottingham (Castle Gate)	3	2
Nottingham (Station Street)	4	2
Skegness	2	—
Stafford	8	8
Stoke-on-Trent	15	—
Regional Total	58	19
North Eastern Region		
Bridlington	1	—
Doncaster (East)	2	1
Eston	1	1
Hemsworth	1	1
Middlesbrough	3	1
Newcastle (St. James)	2	1
Redcar	7	4
Rotherham (South)	2	2
Sheffield (North West)	1	—
South Shields	1	1
Sunderland (South)	2	2
York	2	1
Regional Total	25	15
North Western Region		
Ashton-under-Lyme	1	—
Blackburn	1	—
Bootle	1	1
Failsworth	1	1
Manchester (Longsight)	5	2
Manchester (Openshaw)	1	1
Preston South	2	2
Rochdale	3	3
Southport	3	1
Regional Total	18	11
Scotland		
Cowdenbeath	1	1
Edinburgh (North)	33	31
Fort William	1	—
Glasgow (City)	5	5
Glasgow (Parkhead)	4	4
Leven	2	1
Regional Total	46	42

Aspirin (Children)

Mr. Wigley asked the Secretary of State for Social Services when his Department first became aware of the dangers of giving aspirin to children under 12 years of age in the context of Reye's syndrome; what consultation was under-taken with the relevant authorities in the United States of America on these dangers; and what specific research was commissioned in the United Kingdom on this matter.

Mr. Hayhoe: I refer the hon. Member to my replies to the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) on 13 June at columns *336-67*. In addition, written and oral inquiries and other contacts were made between members of the professional secretariat of the Committee on Safety of Medicines and officials of the United States Food and Drugs Administration on issues arising from the American experience of Reye's syndrome and aspirin.

Mr. Ashley asked the Secretary of State for Social Services whether the Committee on Safety of Medicines at any time suggested to him or his officials, that the age below which aspirin should not be given because of the risk of Reye's syndrome, should be 16 years.

Mr. Hayhoe: I shall let the right hon. Member have a reply as soon as possible.

Retirement Pensions

Mr. Andrew Bowden asked the Secretary of State for Social Services what estimate he has of the additional annual cost of paying the level of retirement pension payable in the United Kingdom to British retirement and widowed pensioners aged 75 years and over living in all those territories not covered by a reciprocal agreement with the United Kingdom.

Mr. Major: The additional cost of paying pensions at today's rates for a full year to all British retirement and widowed pensioners aged 75 years and over living in countries with which the United Kingdom does not have a reciprocal agreement providing for pension increases is estimated to be approximately £46·4 million.

Low Income Families

Mr. Squire asked the Secretary of State for Social Services when he plans to publish the 1983 low income families tables.

Mr. Major: I refer my hon. Friend to my reply to my hon. Friend the Member for Kensington (Sir B. Rhys Williams) on 8 July.

Nursing Learners

Mr. Kirkwood asked the Secretary of State for Social Services, pursuant to his answer of 23 June, *Official Report*, columns *63-64*, if he will make a statement on why there was a 3·8 per cent. decline in the number of nursing learners in England from 1983 to 1984; and what steps he proposes to take to halt the decline.

Mr. Hayhoe: The 3·8 per cent. (3010 whole-time equivalents) reduction in nurse learners between 1983 and 1984 relates to all nurse learners whether they are undertaking basic nurse training or post-basic health visiting, district nurse or midwifery training. The greatest change occurred in those undertaking enrolled nurse training where the numbers dropped by 3,250 WTEs during the period. Recruitment to such training may have been affected by uncertainty about the future of enrolled nursing following the issue of a consultative document by the United Kingdom Central Council for Nursing, Midwifery and Health Visiting proposing abolition of the grade. No decision has yet been made about this. However, the numbers undertaking registered nurse training increased by 230 WTEs.

Many factors affect the future demands for nurse training and the picture will obviously vary between localities and specialties. It is therefore the responsibility of each health authority to determine its policy for further recruitment of nurse learners within the priorities and resources available. The Government's policy of better manpower planning is encouraging health authorities to pay closer attention to the need to match their training programmes to realistic service plans. It seems that fewer

qualified nurses are leaving the Health Service and this is reflected in the reduction in the numbers health authorities need to recruit into training.

The statutory body responsible for regulating nurse education and training (the United Kingdom Central Council for Nursing, Midwifery and Health Visiting) is currently consulting the professions about proposals for changes in the way nurses, midwives and health visitors are trained. When the council's firm proposals come forward for consideration by Ministers, one of the prime concerns will be to ensure that service needs can be met in any new arrangements which follow.

Housing Benefit

Mrs. Currie asked the Secretary of State for Social Services if he has any further plans for changes in housing benefit regulations.

Mr. Newton: We have today laid before Parliament the Housing Benefit Amendment (No. 4) Regulations 1986, providing for a number of changes to take effect from 28 July 1986.

The regulations complete the legislative provision for the housing benefit proposals announced in my right hon. Friend's uprating statement to the House on 24 February by removing the requirement for a non-dependant deduction to be made in new cases in respect of non-householders on supplementary benefit aged 21 to 24 living within a household. This is the counterpart of the proposal already agreed by the House that non-householders in this age group who claim supplementary benefit or who reach the age of 21 on or after 28 July will no longer receive a non-householder housing addition. The effect is to protect the overall benefit position of households where the householder is on supplementary benefit or housing benefit.

The regulations also provide for the implementation of a proposal, which has been the subject of consultation to the Social Security Advisory Committee, to exclude from eligibility for housing benefit people who are accommodated by local social services authorities under various Acts. Such provision has always been regarded as part of local authority social services responsibilities, but a number of local authorities had begun to invite housing benefit claims since they were not specifically excluded by existing provisions.

The Social Security Advisory Committee's report on this proposal, which has also been laid before Parliament today together with the Secretary of State's response (Cmnd. 9833), endorses the Government's view that it is in principle reasonable that the cost to social services departments of providing local authority residential accommodation should not be subsidised through the housing benefits scheme. The committee was concerned, however, that the draft regulations would have the effect of removing help through housing benefit from people in group homes or similar accommodation who were seeking to return to an independent life in the community. The Government have accordingly amended the regulations to ensure that people living in group homes and similar accommodation continue to be entitled to support through the housing benefit scheme.

The regulations also modify the housing benefit rules to help elderly owner occupiers using home income plans to turn the capital value of their home into a regular income. At present, the whole of the income generated, including that part which is deducted at source as mortgage interest, is taken into account for housing benefit purposes. Under the new regulations, the mortgage interest deductions will be disregarded so that only the income actually received will be taken into account. This change should improve the position for some 7,500 pensioner owner-occupiers. The Social Security Advisory Committee has agreed that this beneficial change did not need to be referred to it.

Mr. Raynsford asked the Secretary of State for Social Services, pursuant to the reply to the hon. Member for Coventry, South-East of 25 June, *Official Report*, columns *209-10*, which of the objectives for the revised housing benefit subsidy arrangments were considered by his Department not to be met by the proposal to restrict direct subsidy to 80 per cent. of benefit expenditure.

Mr. Major: As I explained in my reply to the hon. Member for Coventry, South-East (Mr. Nellist), the proposal to include 20 per cent. of benefit costs in the rate support grant arrangements did not meet our objectives of providing an adequate incentive for authorities to control costs and a fair level of support for expenditure they properly incur.

Mr. Alton asked the Secretary of State for Social Services (1) if he will list in the *Official Report* a borough breakdown of moneys paid to landlords on behalf of public and private tenants in housing benefit during 1985-86; and if he will make a statement;

(2) what is the highest individual weekly sum currently paid to a landlord in housing benefit;

(3) what percentage of the sum paid in housing benefit during 1985-86 was paid to private landlords;

(4) how many domestic hereditaments owned by private landlords house tenants in receipt of housing benefits.

Mr. Major: We do not collect information on direct payments of housing benefit to landlords, or on the number of dwellings owned by private landlords which are occupied by tenants in receipt of housing benefit. In 1985-86, an estimated £780 million was paid in rent allowances (including those paid direct to the landlord, but excluding in all cases any expenditure classified as rate rebates) for around 1·2 million private tenants. This represented about 17 per cent. of total housing benefit expenditure.

Mr. Alton asked the Secretary of State for Social Services when he intends to send a reply to the letter of the hon. Member for Liverpool, Mossley Hill, of 15 May on housing benefit and to which he said on 2 July, *Official Report*, column 1040, he had signed a reply.

Mr. Major: I have written to the hon. Member.

Medicines (Product Licensing)

Mr. David Marshall asked the Secretary of State for Social Services what regulations govern the sale, marketing, prescription by doctors and use of drugs without a product licence; and if he will make a statement.

Mr. Hayhoe: The primary and subordinate legislation which allows medicinal products to be manufactured, sold or supplied without a product licence in particular circumstances is as follows:

The Medicines Act 1968: section 9 (exemptions for doctors, dentists, etc); section 10 (exemptions for pharmacists); and section 12 (exemptions in respect of herbal remedies);
The Medicines (Exemption from Licences) (Foods and Cosmetics) Order 1971 (SI 1971 No. 1410) (as amended);
The Medicines (Exemption from Licences) (Special and Transitional Cases) Order 1971 (SI 1971 No. 1450) (as amended);
The Medicines (Exemption from Licences) (Special Cases and Miscellaneous Provisions) Order 1972 (SI 1972 No. 1200) (as amended);
The Medicines (Exemption from Licences) (Clinical Trials) Order 1974 (SI 1974 No. 498);
The Medicines (Exemption from Licences) (Ingredients) Order 1974 (SI 1974 No. 1150); and
The Medicines (Exemption from Licences) (Clinical Trials) Order 1981 (SI 1981 No. 164).

Drugs (Safety)

Mr. Ashley asked the Secretary of State for Social Services (1) if he will classify the drugs whose safety has been discussed by the Committee on Safety of Medicines in the last year according to whether the number of prescriptions issued annually for the drug was *(a)* over five million, *(b)* over two million, *(c)* over one million, *(d)* over half a million and *(e)* under half a million;

(2) in the last five years how many drugs have been discussed by the Committee on Safety of Medicines; in how many cases: *(a)* the drug was voluntarily withdrawn by the manufacturer, *(b)* withdrawn by order of the Committee, *(c)* had the usage changed on the advice or instructions of the Committee and *(d)* no regulatory action taken at the time or subsequently;

(3) how many drugs, whose safety is currently being assessed by the Committee on Safety of Medicines, have over 1 million prescriptions issued for them annually; and which are these drugs;

(4) if he will list the five drugs for which the monthly number of yellow card adverse reaction cards has increased most in the last six months; if he will give the latest figures for the monthly number of reports and the percentage increase;

(5) what procedures are adopted to ensure the integrity and independence of the Committee on Safety of Medicines when the safety of a drug is being discussed and members of the Committee have themselves or through their departments received money from the company manufacturing the drug;

(6) when the Committee on Safety of Medicines scrutinises the safety of a drug, which individuals, organisations and institutions are *(a)* informed and *(b)* requested to give their views or provide evidence; and, in particular, what information is given to the manufacturing company and what information is sought from it.

Mr. Hayhoe: I shall let the right hon. Member have replies as soon as possible.

Drugs (Freedom of Information)

Mr. Ashley asked the Secretary of State for Social Services (1) if he will request his officials to discuss with their counterparts in the United States Food and Drug Administration the advantages and disadvantages of their activities being governed by the Freedom of Information Act; if he will request them to prepare a report on their conclusions; and if he will place the report in the Library;

(2) if he will initiate legislation to exempt the committee proceedings of the Committee on Safety of Medicines from the Official Secrets Act;

(3) on how many occasions his Department has discussed with the Committee on Safety of Medicines the question of secrecy about the proceedings of the committee; and what were the conclusions.

Mr. Hayhoe: I shall let the right hon. Member have replies as soon as possible.

Zantac

Mr. Ashley asked the Secretary of State for Social Services if the United States Food and Drug Administration informed the Committee on Safety of Medicines of its intention to reprimand Glaxo for allegedly making unsubstantiated claims about Zantac; if the Committee on Safety of Medicines has discussed the marketing of the drug; and if the Committee has expressed to Glaxo any reservations about its marketing in general and its advertising in particular.

Mr. Hayhoe: Neither my Department nor the Committee on Safety of Medicines has heard from the United States Food and Drug Administration directly about the promotion in the States of the drug Zantac. I have seen no evidence to suggest that this drug is being improperly marketed in the United Kingdom. However, if the right hon. Member has any evidence to the contrary, I will be glad to consider it.

Pharmaceuticals (On-site Inspections)

Mr. Grylls asked the Secretary of State for Social Services how many inspection visits were carried out in overseas pharmaceutical production sites for each of the last five years within *(a)* the European Economic Community, *(b)* the United States of America and *(c)* other sites in countries not covered by the mutual arrangements under the pharmaceutical inspection convention.

Mr. Hayhoe: In the past five years medicines inspectors made the following inspection visits:

	EC Countries	*United States*	*Other sites in countries not in Pharmaceutical Inspection Convention*
1981	37	26	3
1982	29	31	9
1983	32	17	21
1984	41	43	22
1985	47	39	17
Total 1981-85	186	156	72

Supplementary Benefit

Ms. Harman asked the Secretary of State for Social Services what has been the change in the number of people on supplementary benefit in Stoke-on-Trent, North between 1979 to 1985; and what percentage change this represents.

Mr. Major: Stoke-on-Trent, North is covered for social security purposes by the Department's Stoke (North) Office but its boundaries are not conterminous with those of the constituency.

The table shows the number of people receiving supplementary benefit from this office in May in each of the years 1979 to 1985, and the percentage changes.

		Percentage change
1979	11,421	—
1980	11,915	+4·3
1981	14,460	+21·4
1982	17,196	+18·9
1983	18,365	+6·8
1984	18,515	+0·8
1985	18,567	+0·3

The change between 1979 and 1985 was 62·6 per cent.

Mr. Allen McKay asked the Secretary of State for Social Services if he will give the numbers of persons in receipt of supplementary benefit in: *(a)* the Barnsley area and *(b)* the Barnsley, West and Penistone constituency area for each year since 1979 to date.

Mr. Major: Barnsley is covered for social security purposes by two of the Department's Offices, Barnsley, East and Barnsley, West, but their boundaries are not conterminous.

The Barnsley, West and Penistone constituency is covered by Barnsley, West only but its boundaries are not conterminous with those of the constituency. The table shows the number of people in receipt of supplementary benefit in *(a)* both Barnsley offices and *(b)* Barnsley West only, on 6 May 1986 and on comparable dates since 1979.

Year	*Barnsley area*	*Barnsley West*
1979	9,805	4,356
1980	9,882	4,288
1981	11,943	5,218
1982	14,563	6,329
1983	15,016	6,421
1984	17,623	7,530
1985	18,690	7,952
1986	19,565	8,231

Mr. W. Pearce

Mr. Terry Davis asked the Secretary of State for Social Services when his Department will pay the attendance allowance awarded to Mr. W. Pearce of Birmingham 34 on 6 June.

Mr. Newton: Payment of arrears from 14 April to 5 July was made on 8 July in a girocheque sent by the local office. I regret the delay, which arose from a departmental error. I understand my hon. Friend the Parliamentary under Secretary of State for Social Security has today written to the hon. Member about Mr. Pearce's case.

Under-fives Initiative

Ms. Harman asked the Secretary of State for Social Services what will happen to the groups and projects currently funded under the under-fives initiative, after 31 March 1987.

Mr. Whitney: The under-fives initiative was set up for three years. We would expect that those projects which have proved their worth to their local communities, during the course of the initiative, will attract funds locally to enable them to continue.

Ms. Harman asked the Secretary of State for Social Services (1) what information he has as to how many children receive *(a)* nursery places and *(b)* other services from projects funded under the under-fives initiative;

(2) what information he has as to how many people are employed in projects funded under the under-fives initiative.

Mr. Whitney: The information requested is not available at present. Some data are contained in the first monitoring report on the initiative by Mr. Willem van der Eyken, a copy of which I am placing in the Library. Further reports by him will cover these areas more fully.

Mrs. F. M. Latham

Mr. Kaufman asked the Secretary of State for Social Services when he intends to reply to the letter to him dated 24 June from the right hon. Member for Manchester, Gorton, with regard to Mrs. F. M. Latham of 25 Ryder Brow road, Gorton, Manchester.

Mr. Fowler: I have replied to the right hon. Member.

Mortality

Dr. Marek asked the Secretary of State for Social Services, pursuant to his reply of 1 May, *Official Report*, column *470*, if he has any information showing standardised mortality ratios of men aged 15 to 64 years according to social class based on occupations recorded in the 1981 census, and at death registration prior to and following the census, where occupations have been coded into social classes according to both the 1970 and 1980 classifications of occupations.

Mr. Whitney: I shall let the hon. Member have a reply as soon as possible.

Visiting Officers (Waiting Times)

Mr. Craigen asked the Secretary of State for Social Services what is the normal waiting time for claimants awaiting his Department's visiting officers; and what was the comparable figure in 1983-84.

Mr. Major: On average it takes 10 days from the time when a case has been referred to a visiting officer of LOI grade until action following the visit has been completed. This is the same as in 1983-84. LOII grade officers, who handle a larger proportion of routine visits, take an average of 23 days to complete action on a visit, compared with 17 days in 1983-84.

Local Offices (Glasgow)

Mr. Craigen asked the Secretary of State for Social Services if he will publish in the *Official Report* the current caseload statistics at each supplementary benefit and national insurance office in the Glasgow area, showing the number of staff presently in post and the corresponding figures for 1984.

Mr. Major: Information is not available on all areas of work in the form requested. The following tables show supplementary benefit cases in action and contributory benefit cases actioned on 8 May 1984 and 6 May 1986; the staff in post figures are for 1 July 1984 and 1 July 1986.

Supplementary Benefit

Office	1984	1986
Anniesland	10,405	11,482
Bridgeton	2,299	2,483
City	8,502	8,883
Craigton	11,228	12,199
Cranstonhill	2,019	2,031
Dalmarnock	2,130	2,493
Laurieston	8,108	14,630
Maryhill	11,359	12,129
Parkhead	12,780	13,298
Partick	6,625	7,603
Provan	14,580	15,200
Queens Park	3,503	—
Rutherglen	13,216	14,073
Southside	13,342	14,004
Springburn	9,814	10,842
Totals	129,910	141,350

Note: Queens Park AO closed in May 1985.

Contributory Benefits

Office	STB		MA		SDA		Dis Ben	
	1984	1986	1984	1986	1984	1986	*1985	*1986
Anniesland	4,704	4,894	197	209	—	653	560	543
City	2,512	2,250	85	46	—	176	189	195
Craigton	2,648	3,087	26	130	—	357	408	418
Dalmarnock	1,533	1,537	22	34	—	134	84	99
Ibrox	1,904	—	55	—	—	—	159	—
Laurieston	2,237	4,442	88	337	—	371	201	392
Maryhill	2,473	2,826	131	196	—	289	225	233
Parkhead	4,642	4,856	131	138	—	621	374	361
Provan	3,956	3,731	99	119	—	609	275	290
Rutherglen	4,164	4,069	112	172	—	329	421	377
Southside	3,246	3,423	319	208	—	498	338	411
Springburn	3,095	3,787	141	141	—	503	377	382
Totals	37,114	38,902	1,416	1,730	—	4,540	3,611	3,701

* February

Abbreviations:

STB—short term benefits (including sickness and invalidity benefit), MA—maternity allowance, SDA—severe disablement allowance, Dis Ben—disablement benefit.

Disablement benefit is counted annually in February

Ibrox NIO closed in June 1985.

Staff in Post

	1984			1986		
	CB	SB	Total	CB	SB	Total
Anniesland ILO	58	114	172	64·0	130·5	194·5
Bridgeton AO	—	29	29	—	34·0	34·0
City ILO	63	90	153	48·5	112·5	161·0
Craigton ILO	32	96	128	35·0	122·5	157·5
Cranstonhill AO	—	39	39	—	39·0	39·0
Dalmarnock ILO	14	28	42	17·0	31·0	48·0
Ibrox NIO	18	—	18	—	—	—
Laurieston ILO	29	75	104	53·5	138·0	191·5
Maryhill ILO	38	106	144	47·0	121·0	168·0
Parkhead ILO	46	109	155	45·0	125·0	170·0
Partick AO	—	66	66	—	77·5	77·5
Provan ILO	32	177	209	32·0	192·5	224·5
Queens Park AO	—	42	42	—	—	—
Rutherglen ILO	44	135	179	42·0	160·5	202·5
Southside ILO	44	129	173	52·0	147·5	199·5
Springburn NIO	35	—	35	41·0	—	41·0
Springburn AO	—	101	101	—	120·0	120·0

Note:

Queens Park AO closed in May 1985 and Ibrox NIO in June 1985. As a result, Southside ILO gained 6 posts and Laurieston ILO 52 posts.

Abbreviations:

ILO = Integrated Local Office.

AO = Area Office.

NIO = National Insurance Office.

Single Payments

Mr. Gordon Brown asked the Secretary of State for Social Services what steps he is taking to dispose of single payment claims within 14 days of their submission.

Mr. Major: I refer the hon. Member to my reply to him on 8 July. Regulations provide that, so far as practicable, claims should be decided within 14 days of their reference to an adjudication officer. The Chief Adjudication Officer's guidance is that, "it may not be 'practicable' where . . . a large number of claims are received in a short time span". (Paragraph 13052 of the S Manual, a copy of which is in the Library)

Mr. Gordon Brown asked the Secretary of State for Social Services if he will provide additional resources for staffing to process single payment claims.

Mr. Major: I refer the hon. Member to the reply from my right hon. Friend the Secretary of State to my hon. Friend the Member for Nuneaton on 7 March at column *322*, in which he announced a major improvement to DHSS Social Security manpower. Over 5,000 staff have been made available in addition to the normal complement. This addition allows for increased single payment activity as well as for other matters. Additional staff are also being deployed in some areas, including in Scotland, for non-benefit related work.

Mr. Gordon Brown asked the Secretary of State for Social Services if he will estimate what proportion of claimants have outstanding claims for single payments in *(a)* Scotland and *(b)* the United Kingdom.

Mr. Major: The routine count* of the number of people receiving supplementary benefit made on 6 May 1986, and the special count of single payment work made in Scotland on 2 July to which I referred in my reply to the hon. Member on 7 July at column *69*, suggest that 16 per cent. of claimants in Scotland had outstanding claims for single payments on the latter date. Similar information for the United Kingdom is not available.

* 100 per cent. count of cases in action.

Mr. Gordon Brown asked the Secretary of State for Social Services how many single payment claims are outstanding in England, Wales and Northern Ireland.

Mr. Major: I regret that the information in respect of these areas is not available. However, claims for single payments are determined as soon as possible after all the information required has been collected; urgent claims are given priority.

Statistical Bulletins

Mr. Burt asked the Secretary of State for Social Services if he will list, for each of the statistical bulletins published by his Department, the title, date of publication, subject matter, number of pages, number distributed free of charge, and number sold and at what price.

Mr. Whitney: The information is as follows. The sales figures given are numbers sold up to 30 May 1986:

Statistical Bulletin No. 1/84

Title:	NHS hospital activity statistics England 1972-82.
Published:	April 1984
Subject matter:	Analysis by sector, of in-patient cases, day cases, out-patient and accident and emergency services, giving trends in numbers of cases, bed availability, duration of stay and other indicators over the decade.
Number of Pages:	21
Number distributed free of charge to government and NHS users:	350 (approximately)
So far sold at £1:	91

Statistical Bulletin No. 2/84

Title:	NHS hospital activity statistics England 1973-83.
Published:	November 1984
Subject matter:	Analysis by sector of in-patient cases, day cases, out patient and accident and emergency services, giving trends in numbers cases, bed availability, duration of stay and other indicators over the decade.
Number of Pages:	25
Number distributed free of charge to government and NHS users:	300 (approximately)
So far sold at £1:	132

Statistical Bulletin No. 1/85

Title:	Mental illness hospitals and units in England: Results from the Mental Health Enquiry 1983.
Published:	March 1985
Subject matter:	For mental illness hospitals and units, analyses of admissions, discharges and resident patients. Comparisons of 1983 figures with those for earlier years from 1973 onwards.
Number of Pages:	13
Number distributed free of charge to government and NHS users:	200 (approximately)
So far sold at £1:	165

Statistical Bulletin No. 2/85

Title:	Mental handicap hospitals and units in England: Results from the Mental Health Enquiry 1983.
Published:	March 1985
Subject matter:	For NHS mental handicap hospitals and units, analyses of admissions, discharges and resident patients. Comparisons of 1983 figures with those for earlier years from 1973 onwards.
Number of Pages:	9
Number distributed free of charge to government and NHS users:	300 (approximately

So far sold at £1: 153

Statistical Bulletin No. 3/85

Title:	New cases of sexually transmitted diseases seen at NHS clinics in England 1973-1983.
Published:	May 1985
Subject matter:	Summarised information, giving trends in new cases of sexually transmitted diseases seen at NHS genito-urinary medicine clinics in England. Information is available by sex, broad age group and condition.
Number of Pages:	17
Number distributed free of charge to government and NHS users:	250 (approximately)
So far sold at £1:	116

Statistical Bulletin No. 4/85

Title:	Mental illness hospitals and units in England: Drug misuse statistics 1979-1983.
Published:	August 1985
Subject matter:	For NHS mental illness hospitals and units, analyses of admissions and discharges of people with a drug-related main diagnosis; also contains figures on drug addiction out-patient clinics.
Number of Pages:	12
Number distributed free of charge to government and NHS users:	300 (approximately)
So far sold at £1:	107

Statistical Bulletin No. 5/85

Title:	NHS hospital activity statistics England 1974-84.
Published:	September 1985
Subject matter:	Analysis by sector, of in-patient cases, day cases, out-patient and accident and emergency services, giving trends in numbers of cases, bed availability, duration of stay and other indicators over the decade.
Number of Pages:	24
Number distributed free of charge to government and NHS users:	350 (approximately)
So far sold at £1:	124

Statistical Bulletin No. 6/85

Title:	Mental illness hospital and units in England: Results from the Mental Health Enquiry 1984.
Published:	December 1985
Subject matter:	For NHS mental illness hospitals and units, analyses of admissions, discharges and resident patients. Comparisons of 1984 figures with those for earlier years from 1974 onwards.
Number of Pages:	16
Number distributed free of charge to government and NHS users:	300 (approximately)
So far sold at £1:	43

Statistical Bulletin No. 7/85

Title:	Mental handicap hospitals and units in England: Results from the Mental Health Enquiry 1984.
Published:	December 1985
Subject matter:	For NHS mental handicap hospitals and units, analyses of admissions, discharges and resident patients. Comparisons of 1984 figures with those for earlier years from 1974 onwards.
Number of Pages:	12
Number distributed free of charge to government and NHS users:	350 (approximately)
So far sold at £1:	39

ENVIRONMENT

Agricultural Land and Buildings (Rating)

56. **Sir Peter Mills** asked the Secretary of State for the Environment whether he has any plans to re-rate agricultural land or buildings.

Mrs. Rumbold: I have no such plans.

Water Abstraction and Effluent Discharge

58. **Mr. Colvin** asked the Secretary of State for the Environment when he next proposes to meet the chairman of the NFU fish farming committee to discuss the abstraction of water and discharge of effluent.

Mr. John Patten: I am aware of the fish farming committee's concerns about these matters and am considering them but I have no plans to meet the chairman in the immediate future.

Hedgerows

Mr. Richard Page asked the Secretary of State for the Environment what is the current rate of destruction or additions to hedgerows in *(a)* Hertfordshire and *(b)* England in miles and as a proportion of the total.

Mrs. Rumbold: Some indication of the rate of destruction for hedgerow for England is given in the recent Ministry of Agriculture survey of environmental topics on farms, which indicates an annual loss of 400 miles in England. This represents one sixth of one per cent. of the estimated total mileage of 270,900 miles of hedge on farms. This survey does not provide a breakdown to county level statistics.

Recently the National Environment Research Council institute of terrestrial ecology has published "Landscape Change in Britain" which identifies hedgerow losses of some 17,500 miles between 1978 and 1984 for the whole of England, Wales and Scotland, but a breakdown to England for county level statistics has not been given.

The Department of the Environment has commissioned Hunting Surveys and Consultants to conduct a survey of changes in landscape features. The report of this two-year research programme is expected shortly. It will include hedgerow information, but not broken down to county level.

Oil Exploration

Mr. Patchett asked the Secretary of State for the Environment if he has any plans to seek to extend the relaxation of planning controls for onshore oil exploration to the extraction of any oil found; and if he will make a statement.

Mr. Tracey: No. Some measures were introduced in March to relieve industry of the burden of making a specific planning application for some small and temporary minerals exploration operations, but it is not our intention to relax planning controls on operations for the exploration or extraction of onshore oil.

Homelessness

Mr. Nellist asked the Secretary of State for the Environment what information he has concerning the number of homeless people in Coventry for each half year since 1979.

Sir George Young: I shall answer this question shortly.

Urban Programme

Mr. Cockeram asked the Secretary of State for the Environment what plans he has to provide fuller information on the operation of the urban programme.

Mr. John Patten: Copies of a report on the operation and achievements of the urban programme in England in 1985 have been placed in the Library of the House. The report describes the purposes for which the resources were used and recent improvements in the management of the programme, and draws out examples of good practice.

Wildlife and Countryside Act (Gould Report)

57. **Mr. Fisher** asked the Secretary of State for the Environment when he expects to initiate consultation on the Gould report on the Wildlife and Countryside Act.

Mrs. Rumbold: I have been asked to reply.

It has taken some time to examine in detail the large volume of complex technical material in the report, and we are currently considering the results of this work. We expect to announce our preliminary conclusions and to begin consultation soon.

Written Answers to Questions

Friday 11 July 1986

HOUSE OF COMMONS

Staff

Mr. Madden asked the hon. Member for Berwick upon Tweed, as representing the House of Commons Commission how many staff in the House of Commons are now employed on a temporary basis; how that number compares with the same period in each of the last five years; how many staff have been made redundant in each of the last five years; how many full-time posts are occupied by staff recruited through, or employed by private contractors; and what are the equivalent figures in each of the last five years.

Mr. Beith: The number of staff employed on a temporary basis on 1 April in each of the last five years was as follows:

	Number
1982	20
1983	23
1984	28
1985	44
1986	27

There were no redundancies in this period. On occasions staff from a secretarial agency are employed for short periods. In the Refreshment Department shortfalls in staff are covered on a day-to-day basis by the employment of agency staff and in the summer eight additional agency staff are employed on the Terrace. None of the agency staff occupy a full-time post on a permanent basis. There has been no significant variation in these arrangements over the last five years.

Summer Recess

Mr. Deakins asked the Lord Privy Seal on how many occasions since 1970 the House has adjourned for the summer recess *(a)* before 23 July, *(b)* between 23 and 26 July, *(c)* between 27 and 31 July and *(d)* in August.

Mr. Biffen [*pursuant to his reply*, 30 June 1986, c. *377*]: Since 1970, the House has adjourned on three occasions between 23 and 26 July; on six occasions between 27 and 31 July; and on seven occasions in August.

PRIME MINISTER

Commonwealth

Mr. Winnick asked the Prime Minister what objectives are served by the United Kingdom's membership of the Commonwealth; and if she will make a statement.

The Prime Minister: The major objectives of our membership of the Commonweath remain:

(i) the maintenance and reinforcement of the continuing strong links at all levels between member states and their peoples;

(ii) continued support for the Commonwealth as an organisation which can play a constructive and stabilising role in world affairs, notably in promoting democratic principles, international understanding and world peace;

(iii) the development of the association as a unique channel for encouraging co-operation and understanding between the industrialised and developing countries;

(iv) the maximisation of the political and economic benefits of our Commonwealth membership.

Strategic Defence Initiative

Mr. Hancock asked the Prime Minister expressed as a percentage of the total known contracts given by the United States Government for research into the strategic defence initiative, how much British companies have secured.

The Prime Minister: The latest available figures show that for the period September 1985-February 1986 the value of strategic defence initiative research contracts let by the United States Government was almost US$600 million. The total value of SDI research contracts awarded to the United Kingdom so far amounts to US$15·5 million.

NORTHERN IRELAND

Library (Stormont)

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland if he will take steps to ensure that the facilities of the Library at Parliament buildings, Stormont, are made available to bona fide students and research workers; and if he will make a statement.

Mr. Tom King: I understand that the Clerk to the Assembly has in the past made these facilities available to bona fide students and research workers and that he will continue to look favourably on such requests in the future. The Library also provides a service to Northern Ireland Departments.

TRADE AND INDUSTRY

Steel Industry

Mr. Tom Clarke asked the Secretary of State for Trade and Industry what was the output of each various category of steel from plants in Scotland in the last year for which figures are available and for each year since 1979.

Mr. Peter Morrison: I will reply to the hon. Member as soon as possible.

English Industrial Estates Corporation

Mrs. Virginia Bottomley asked the Secretary of State for Trade and Industry if he will make a statement about the progress of the funding arrangements of the English Industrial Estates Corporation which he announced on 19 March, *Official Report*, column *191*.

Mr. Peter Morrison: It is too early to report on the progress of long-term funding arrangements that were only introduced on 1 April this year; but I can confirm that we are still confident that these new arrangements will allow EIEC to maintain its development programme in the assisted areas at the same level as recent years.

EDUCATION AND SCIENCE

Education Costs

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the average cost for the latest years for which figures are available, of a pupil or student in *(a)* nursery schools, *(b)* nursery classes, *(c)* primary schools, *(d)* secondary schools, *(e)* independent schools on the assisted places scheme for assisted placements, *(f)* special schools, *(g)* non-advanced further education, *(h)* advanced further education and *(i)* universities.

Mr. Dunn: The latest available information is as follows:

Net institutional expenditure per pupil/fte student—

	£
1984-85 ENGLAND	
Maintained Sector	
Nursery Schools	1,290
Nursery classes in Primary Schools	865
Other classes in Primary Schools	760
Secondary Schools	1,085
Special Education	3,560
Higher and Further Education	
—advanced	3,050
—non-advanced	2,200
Assisted places	
—all pupils	1,480
1983-84* GREAT BRITAIN	
Universities	4,895

* Latest available figure.

Note:

(1) The assisted places and universities costs related to the Academic Year; otherwise the figures are for the financial year.

Greek Cypriot Students

Mr. Tom Cox asked the Secretary of State for Education and Science what is the present number of Greek Cypriot students studying in British educational institutions; and what was the number in 1979.

Mr. Walden: In 1984 and 1979 there were 990 and 1,640 students respectively in Great Britain whose usual domicile was Cyprus. The proportion of these who were Greek Cypriots is not known.

Retirement Options

Mr. Holt asked the Secretary of State for Education and Science if he will publish in the *Official Report* information available to him on the various retirement options of date and enhancement offered by education authorities; and if he will make a statement.

Mr. Chris Patten: Local education authorities have discretion, under the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1985, to award an additional period of service of up to 10 years, depending on age and service, to a teacher aged 50 or over who is subject to the teachers' superannuation regulations and who is retired on redundancy or in the interests of the efficient discharge of the employers' functions. Information about the levels of enhancement awarded by individual local education authorities is not available nationally.

Universities (Funding)

Mr. D. E. Thomas asked the Secretary of State for Education and Science what information he has on the proportion of the research funding of each of the universities of Wales and England which is derived from sources other than Government funding.

Mr. Walden: I refer the hon. Member to table 4 of the Universities' Statistical Record publication "University Statistics 1983-84" volume three, a copy of which is in the Library.

Mr. D. E. Thomas asked the Secretary of State for Education and Science what information he has on allowances made by the University Grants Committee when deciding upon allocations of funding to the smaller universities in England and Wales.

Mr. Walden: No allowances were made for the size of universities.

University of Wales

Mr. D. E. Thomas asked the Secretary of State for Education and Science what information he has on changes in grant aid to the constituent colleges of the University of Wales in each year since 1979.

Mr. Walden: I will reply to the hon. Member as soon as possible.

Mr. D. E. Thomas asked the Secretary of State for Education and Science what criteria are employed in deciding what funds the constituent colleges of the University of Wales receive for teaching through the medium of Welsh.

Mr. Walden: Since 1967 the University Grants Committee has made special grants to the University of Wales for teaching through the medium of Welsh and for bilingual administration. The level of these grants was determined in relation to proposals put forward by the university. In its recent grant allocations for 1986-87 the committee agreed to maintain these grants at the current levels.

A-Level GCE

Mr. Hancock asked the Secretary of State for Education and Science if he has any plans to replace the A-Level general certificate of education system with less specialised courses.

Mr. Chris Patten: No.

Natural History Museum (Admission Charges)

Mr. Tony Banks asked the Secretary of State for Education and Science what information he has concerning compulsory admission charges due to be imposed at the natural history museum in 1987.

Mr. Walden: Admission charges are a matter for the trustees of the Museum. The trustees announced in February that they intend to introduce such charges in April 1987. I understand that they have yet to decide on the details.

HOME DEPARTMENT

Community Radio

Mr. Tom Cox asked the Secretary of State for the Home Department if he intends to write to each of the applicants for a community radio licence explaining what his policy now is on this subject; and if he will make a statement.

Mr. Giles Shaw: My right hon. Friend made a full statement of the position on community radio in reply to a question from my hon. Friend the Member for Mid Worcestershire (Mr. Forth) on 30 June at column *366-67*. Letters have already been sent to all those who applied for licences enclosing a copy of that statement.

Interception of Communications Act

Mr. Cohen asked the Secretary of State for the Home Department how many warrants he has issued under the Interception of Communications Act in each year since 1979.

Mr. Hurd: The Interception of Communications Act 1985 came into force on 10 April 1986. Statistics of interception warrants issued from 1979 to 1984 are given in the White Papers "The Interception of Communications in Great Britain" (Cmnd. 7873) and "The Interception of Communications in the United Kingdom" (Cmnd. 9438). In accordance with the policy followed by successive Governments I do not intend to add to these statistics.

Entry Refusals

Mr. Madden asked the Secretary of State for the Home Department how many people have been refused entry to the United Kingdom in each month over the past year; if he will provide information about the sex and country of origin of each such person; and if he will make a statement.

Mr. Waddington: The available information relates to passengers removed from the United Kingdom after having been refused leave to enter. The table gives the figures by nationality for the latest available 12 months. Information on the sex of these passengers could be provided only at disproportionate cost.

Commonwealth citizens and foreign nationals refused leave to enter and removed from the United Kingdom April 1985-March 1986

Number

Nationality	*1985*									*1986*		
	April	*May*	*June*	*July*	*August*	*September*	*October*	*November*	*December*	*January*	*February*	*March*
Commonwealth citizens												
Australia	5	4	1	8	4	2	2	5	3	12	6	6
Bangladesh	47	50	50	70	99	153	192	192	174	146	119	108
Barbados	—	—	—	—	—	—	1	1	—	—	1	2
Canada	4	6	1	5	3	6	13	6	2	7	6	5
Cyprus	5	5	5	10	8	5	11	4	6	11	9	5
Ghana	105	99	92	118	120	146	93	144	133	130	124	129
Guyana	3	2	3	1	2	1	1	1	—	—	—	2
Hong Kong BDTC	26	25	37	16	11	23	9	13	5	5	3	7
India	128	149	100	136	177	174	223	227	207	355	324	310
Jamaica	1	2	7	5	5	8	10	8	9	14	9	12
Kenya	4	8	4	3	10	6	3	8	5	6	7	6
Malaysia	10	9	14	12	14	18	20	6	9	13	15	10
Malta	—	3	1	1	1	3	3	2	3	1	1	2
Mauritius	2	4	9	4	13	7	5	6	5	4	24	21
New Zealand	4	3	1	2	3	1	2	2	4	1	1	3
Nigeria	192	180	209	174	230	308	265	267	345	318	303	326
Sierra Leone	1	10	6	4	5	12	9	7	3	1	3	5
Singapore	3	4	3	12	2	—	3	2	2	1	—	5
Sri Lanka	27	35	127	58	44	50	27	28	25	26	18	30
Tanzania	2	6	10	4	11	8	7	—	5	7	7	9
Trinidad and Tobago	—	2	—	—	—	1	—	—	2	1	—	—
Uganda	2	—	1	5	1	7	4	2	9	10	9	2
Zambia	3	1	—	1	5	3	6	2	3	3	3	—
Zimbabwe	1	2	3	2	2	—	3	3	3	3	4	8
British overseas citizens	3	2	1	2	8	—	5	6	4	10	6	3
Other Commonwealth countries	11	8	10	16	11	19	13	4	11	8	20	12
Commonwealth total	589	619	695	669	789	961	930	946	977	1,093	1,022	1,028
Algeria	26	25	50	103	118	72	55	36	53	44	30	59
Argentina	5	8	3	21	17	6	10	13	5	9	6	4
Austria	10	4	6	13	5	6	6	3	2	6	5	2
Belgium	1	—	—	—	3	3	—	—	5	2	—	5
Brazil	10	11	7	8	8	14	14	4	13	8	16	13
Bulgaria	1	—	1	—	—	—	2	8	4	—	—	3
Chile	8	9	11	4	6	1	2	5	1	3	3	—
China	—	—	2	5	1	3	6	—	—	2	4	—
Colombia	16	17	30	10	18	29	21	23	27	27	23	19
Cuba	2	—	—	1	—	—	—	—	—	—	—	—
Czechoslovakia	1	—	3	1	2	2	—	1	1	1	—	—
Denmark	4	2	3	3	3	1	1	1	1	—	1	2
Egypt	3	—	5	6	9	4	11	5	6	3	5	7
Ethiopia	2	1	—	3	1	6	15	5	5	—	4	2
Finland	6	—	2	—	1	4	1	5	1	1	1	2
France	14	13	18	19	12	19	12	17	15	4	9	9

Nationality	1985 April	May	June	July	August	September	October	November	December	1986 January	February	March
German Democratic Republic	—	2	1	3	1	—	—	—	—	1	2	2
German Federal Republic	10	5	12	11	10	15	9	16	11	8	5	8
Greece	9	1	15	6	3	8	9	6	7	2	3	1
Hungary	—	—	—	—	3	2	2	—	2	1	2	3
Indonesia	3	3	1	1	—	—	3	—	—	—	1	2
Iran	27	50	22	47	52	42	34	20	19	18	17	24
Iraq	7	1	9	13	9	2	11	9	3	26	5	16
Israel	17	14	9	13	8	10	20	16	13	10	6	24
Italy	6	7	9	5	7	7	6	6	5	9	2	4
Japan	9	5	4	6	10	4	9	2	10	10	4	4
Jordan	1	1	2	2	—	4	3	2	4	2	2	—
Kuwait	—	—	—	—	1	—	1	—	—	1	1	—
Lebanon	5	1	9	8	13	7	8	6	6	8	5	1
Libya	7	5	5	9	10	14	11	5	11	9	2	6
Mexico	4	—	3	1	1	5	1	1	4	2	2	4
Morocco	25	42	64	143	125	74	61	33	77	41	41	54
Netherlands	12	5	7	9	9	9	13	2	7	11	7	5
Norway	3	1	2	6	2	1	2	3	7	2	6	1
Pakistan	118	91	99	112	155	153	151	153	169	215	214	224
Peru	2	2	1	6	2	4	3	1	1	3	6	5
Philippines	3	15	8	12	17	19	13	5	15	2	5	5
Poland	14	5	21	21	17	8	4	5	10	6	4	7
Portugal	17	27	22	30	32	44	34	35	29	21	25	19
Romania	—	1	—	2	2	3	—	1	2	—	2	1
Saudi Arabia	7	6	7	20	10	4	8	10	2	6	4	7
Somalia	—	—	—	2	—	—	—	1	1	—	—	—
South Africa	8	9	4	6	11	11	8	16	7	10	11	7
Spain	29	29	27	33	36	43	49	41	27	46	24	23
Sudan	1	10	—	3	13	—	3	1	3	14	3	1
Sweden	9	5	8	4	10	15	2	5	3	8	10	5
Switzerland	6	5	5	9	4	5	3	3	7	3	5	4
Syria	3	—	5	5	4	1	—	2	—	2	—	2
Thailand	2	1	3	—	4	3	4	5	1	4	3	2
Tunisia	17	12	13	8	16	10	19	15	22	10	5	14
Turkey	57	47	73	47	75	97	75	61	108	79	32	36
U.S.A.	43	58	51	52	55	62	60	49	45	49	37	53
U.S.S.R.	17	4	6	6	—	2	5	5	10	2	7	13
Uruguay	—	—	—	1	—	1	3	—	—	1	—	1
Venezuela	2	1	—	—	1	1	—	—	1	1	2	—
Yugoslavia	8	3	7	12	13	19	20	12	13	10	6	11
Other foreign countries	32	39	38	50	45	35	44	27	32	57	27	58
Stateless	35	40	50	59	66	51	42	43	75	50	38	55
Foreign Total	684	643	763	780	1,056	965	909	749	908	870	690	839
All Nationalities	1,273	1,262	1,458	1649	1,845	1,926	1,839	1,695	1,885	1,963	1,712	1,867

Drugs

Mr. Stern asked the Secretary of State for the Home Department when he proposes to lay an order to bring into force that section of the Drug Trafficking Offences Act 1986 which prohibits the supply etc. of articles for administering or preparing controlled drugs; and if he will make a statement.

Mr. Mellor: We are consulting the enforcement agencies about the timetable for implementation of the various provisions in the Drug Trafficking Offences Act, and shall make an announcement as soon as possible.

Illegal Immigrants

Mr. Alex Carlile asked the Secretary of State for the Home Department what is the number of *(a)* persons against whom action was commenced as alleged illegal immigrants in 1984, 1985 and the first quarter of 1986, respectively; *(b)* persons who were detained as a result of such action in those years and *(c)* persons who were removed as illegal immigrants or, subsequent to commencement of action, deported voluntarily in those years; if he will identify such persons by country of origin; and if he will make a statement.

Mr. Waddington: The information requested is not readily available but I am arranging for it to be collated and will reply as soon as possible.

British Citizens Abroad (Franchise)

Mr. Mates asked the Secretary of State for the Home Department when the provision of the Representation of the People Act 1985 which extends the franchise to British citizens abroad will come into force; and whether he will make a statement.

Mr. Hurd: The relevant provision of the Act comes into force today. British citizens living and working abroad who have been resident in the United Kingdom and registered as electors within the last five years can now make annual declarations which will enable them to be registered as overseas electors. Declaration forms and leaflets explaining the registration process, which we have kept as simple as possible, are available from British consulates and diplomatic missions. Declarations must be made before 10 October for inclusion in next year's electoral register. For people who were previously resident in Northern Ireland the closing date for making a declaration is 15 September. Overseas electors will be included in the register for the constituency where they

were registered before they went abroad and will be able to vote by proxy at any parliamentary or European Parliament elections which occur while the register is in force.

FOREIGN AND COMMONWEALTH AFFAIRS

Iran and Iraq (Military Equipment)

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs if, further to his answer of 18 June, *Official Report*, column *569*, the United States Government have brought to his attention any evidence of infringement of his guidelines on the supply of military equipment from the United Kingdom to Iran and Iraq.

Mr. Renton: As I told the hon. Member on 18 June, it is not our policy to comment in detail on discussions with other Governments. However I can assure the hon. Member that action would be taken if evidence were provided of infringement of our guidelines.

Interception of Communications Act

Mr. Cohen asked the Secretary of State for Foreign and Commonwealth Affairs how many warrants he has issued under the Interception of Communications Act in each year since 1979.

Mr. Renton: The Interception of Communications Act 1985 came into force on 10 April 1986. Statistics on interception warrants issued from 1979 to 1984 are given in the White Papers "The Interception of Communications in Great Britain" (Cmnd. 7873) and "The Interception of Communications in the United Kingdom" (Cmnd. 9438). In accordance with the policy followed by successive Governments, I do not intend to add to these statistics.

Falkland Islands

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs what sums the Falkland Islands are receiving or will receive from European Economic Community development funds; and if he will make a statement.

Mr. Raison: The European Community has recently approved the allocation of 364,000 ecu (about £233,000) for an extension to Port Stanley senior school. This project will use up the balance of the allocation to the Falkland Islands under the Fourth and Fifth European Development Funds. Previous expenditure in the Falkland Islands under these Funds amounted to 422,000 ecu (about £270,000).

The Falkland Islands will also benefit from a share of the 12·04 million ecu (about £7·7 million) being made available to United Kingdom dependent territories under the sixth European development fund for commitment over the next five years.

EMPLOYMENT

Tourism

Mr. Adley asked the Paymaster General if he will make a statement about current trends in incoming tourism to Britain.

Mr. Trippier: Following record levels of incoming tourism in 1985 the upward trend was sustained during the first quarter of 1986 when visits were up by 10 per cent. However, during April visits to Britain fell by 15 per cent. over the corresponding period last year, but spending was down by only 3 per cent. We have no firm predictions for the rest of the year but the British Tourist Authority reports that traffic is now picking up again. It is hoped that this will be reflected later this year in the numbers of visitors to Britain. The Government firmly believe that tourism has excellent prospects of long term growth and that the decline in visitors from north America is merely a temporary setback.

Population and Labour Force (Statistics)

Mr. Ron Leighton asked the Paymaster General what information he has on the growth of population and the labour force at 10-yearly intervals since 1956 in the European Economic Community countries, the United States of America and Japan.

Mr. Lang: The available information is given in the following table:

Annual average percentage changes

	Total Population			*Total Labour Force*		
	1955-65	*1965-75*	*1975-84*	*1955-65**	*1965-75*	*1975-84*
United Kingdom	0·6	0·3	0·1	0·5	0·1	0·5
Germany (FR)	1·1	0·5	−0·1	0·5	−0·1	0·2
France	1·2	0·8	0·5	0·4	0·9	0·7
Italy	0·6	0·6	0·3	0·4	0·1	1·0
Netherlands	1·5	0·9	0·6	1·6	0·8	1·6
Belgium	0·7	0·3	0·1	0·1	0·8	0·6
Luxembourg	0·9	0·8	0·2	0·2	1·7	0·2
Ireland	−0·2	1·0	1·2	−0·7	0·2	1·5
Denmark	0·7	0·6	0·1	0·7	1·0	1·2
Greece	†0·5	0·6	1·0	†−1·1	−0·4	1·7
Spain	†1·0	1·0	0·9	†0·7	0·8	0·2
Portugal	†0·1	0·5	0·6	†−0·1	1·5	0·6
United States of America	1·6	1·1	1·0	1·4	2·3	2·1
Japan	†1·0	1·3	0·8	†1·2	1·1	1·2

* Civilian Labour Force.
† 1960-65.
Sources: Eurostat 'Population and Employment 1950-1976' and 'Employment and Unemployment' Bulletin;
OECD 'Labour Force Statistics 1963-1983' and
'Quarterly Labour Force Statistics';
US Bureau of Labor Statistics 'Employment and Earnings' and
US Bureau of Census 'Statistical Abstract of the US'.

Industrial Tribunals

Mr. Cohen asked the Paymaster General how many cases involving *(a)* Waltham Forest residents and *(b)* Waltham Forest employers were taken to industrial tribunals in the last five years; how many are currently awaiting a hearing; and how many involve the local authority.

Mr. Lang: I regret that the information is not readily available and could be obtained only at disproportionate cost. If there is a particular problem the hon. Member may care to write to me.

Self-employed People

Mr. Phillip Oppenheim asked the Paymaster General what are the latest figures available for the number of self-employed in Derbyshire; and how this compares with 1979.

Mr. Lang: The latest available information comes from the 1981 Census of Population and is contained in the "County Report for Derbyshire", part 1, ref: CEN 81 CR10, a copy of which is in the Library.

Labour Statistics

Mr. Deakins asked the Paymaster General how many people have been unemployed for more than one, two and three years, respectively, in each year since 1979 in Walthamstow, Kemptown (Brighton) and Leicester, East.

Mr. Lang: The following information is in the Library. The table gives figures for 10 April 1986, the latest date for which an analysis of unemployment by duration is available and for April 1984 and April 1985. The comparison is affected by the change in the timing of compilation of unemployment statistics in March 1986. Statistics of unemployment for parliamentary constituencies are derived from the new ward-based system and are available only from June 1983.

Unemployed Claimants by Duration

	Walthamstow Parliamentary Constituency		
	April 1984	April 1985	April 1986
Over one year	1,467	1,617	1,745
Over two years	714	908	1,021
Over three years	329	515	641
	Brighton Kemptown Parliamentary Constituency		
Over one year	1,824	1,906	1,971

	April 1984	April 1985	April 1986
Walthamstow Parliamentary Constituency			
Over two years	992	1,146	1,204
Over three years	512	673	809
Leicester East Parliamentary Constituency			
Over one year	2,283	2,400	2,443
Over two years	1,227	1,380	1,508
Over three years	704	878	1,019

Mr. Deakins asked the Paymaster General what are the latest unemployment figures in the Brighton and Leicester travel-to-work areas by ward; what are the numbers of male and females under 25 years of age in each case and how many of these have been unemployed for more than one year; and what is the total number unemployed over one year in each case.

Mr. Lang: I am sending a copy of a computer printout giving the requested ward information, which is also available from the Library. The printout shows the requested figures as at 10 April 1986, for each of the 66 wards in the Brighton travel-to-work area and 72 wards of the Leicester travel-to-work area.

Disabled People

Mr. Wareing asked the Paymaster General if he will list the estimated and actual expenditure on special resettlement grants for the employment of disabled people in the years 1983, 1984 and 1985 on the job introduction scheme, adaptations to premises and equipment, assistance with fares to work, special aids to employment, and business on own account; how many disabled people were helped on projects involved in each case; and what is the estimated expenditure on each of these schemes in 1986.

Mr. Lang: The information requested is given in the table:

	Job introduction scheme	*Adaptations to premises and equipment*	*Fares to work*	*Special aids to employment*	*Business on own account*
1983-84					
Estimated expenditure	571,000	208,000	299,000	585,000	53,000
Actual expenditure	567,980	134,412	327,776	792,168	34,568
Disabled beneficiaries	1,850	170	604	1,268	13
1984-85					
Estimated expenditure	646,000	150,000	330,000	800,000	60,000
Actual expenditure	658,898	243,649	396,824	927,279	26,272
Disabled beneficiaries	2,033	145	727	1,640	7
1985-86					
Estimated expenditure	760,000	250,000	432,000	1,084,000	84,000
Actual expenditure	673,540	294,646	459,663	1,094,452	42,506
Disabled beneficiaries	1,828	165	911	2,386	6
1986-87					
Estimated expenditure	837,000	449,000	520,000	1,230,000	104,000

MSC (Young People)

Mr. Hancock asked the Paymaster General what are the implications of the announcement of increased resources for the technical and vocational education initiative for the funding and development of other parts of the Manpower Services Commission's planned provision for young people.

Mr. Trippier: The cost of extending the technical and vocational education initiative will be found from the provision we have planned for young people within the Manpower Services Commission's budget. That provision is large and growing, numbers in the age group are falling, and the extension can be accommodated at not risk to the Commission's other programmes.

Long-term Unemployment

Dr. McDonald asked the Paymaster General if he will publish in the *Official Report* the number of long-term unemployed interviewed under the restart scheme, together with the total number placed into *(a)* jobs, *(b)* community programmes, *(c)* job clubs, *(d)* enterprise allowance, *(e)* training schemes, *(f)* restart courses and *(g)* voluntary projects programme, for the standard age groups of under 24 years, 25 to 45 years and 45 years and over; and if he will further break down such totals according to sex and duration of unemployment, namely, one, two, three, four, and five years or more.

Mr. Lang: The information requested is given in the tables. The first table relates to the pilot initiatives in nine selected areas of the country and the second table relates to the early results from the national restart initiative. I am unable to provide a breakdown in terms of age, sex and duration of unemployment at this stage. Such information will be available during September for the pilot areas but there are no plans to maintain similar records nationally.

Numbers interviewed and placed in pilot areas, for period 6 Jan-4 July

	Numbers
Interviewed	28,175
Placed in jobs	295
Placed on the community programme	1,310
Placed in jobclubs	273
Placed on the enterprise allowance scheme	72
Placed on training schemes	262
Placed on restart courses	2,114
Placed on the voluntary projects programme	84

Note

It is not known how many of those interviewed go on to find jobs

or other positions themselves as a result of being re-motivated by restart, although a total of some 4,322 long-term unemployed people have ceased to claim unemployment benefit after being interviewed.

Numbers interviewed and placed nationally 12 May-12 June

	Numbers
Interviewed	7,469
Placed in jobs	33
Placed on the community programme	133
Placed in jobclubs	41
Placed on the enterprise allowance scheme	15
Placed on training schemes	65
Placed on restart courses	159
Placed on the voluntary projects programme	5

Job Creation

Mrs. Peacock asked the Paymaster General if Her Majesty's Government have any plans to introduce a guaranteed minimum term of employment for those people who leave areas of high unemployment to take up jobs elsewhere.

Mr. Lang: We have no such plans, nor do we believe such action would be appropriate. I will write to my hon. Friend.

NATIONAL FINANCE

Afforestation

Mr. Home Robertson asked the Chancellor of the Exchequer what is his policy towards the imposition of conditions on the granting of relief for private afforestation in the light of the proposals on the subject in the Nature Conservancy Council document, "Nature Conservation and Afforestation in Britain".

Mr. Norman Lamont: The tax treatment of forestry does not distinguish between planting schemes on environmental, social or other grounds. The existing tax arrangements are of long standing and I have no plans at present to change them.

Race Horse Breeding (VAT)

Sir Eldon Griffiths asked the Chancellor of the Exchequer what estimate he has made of the number of race horse owners who have ceased breeding in order to avoid paying value added tax in the United Kingdom.

Mr. Brooke: No information is available on which to base an estimate. Many factors besides VAT may influence race horse owners to cease breeding.

Value Added Tax

Mr. David Atkinson asked the Chancellor of the Exchequer when he now expects the European Commission to produce its formal proposals on raising the value added tax threshold.

Mr. Brooke: Later this year.

Arts (VAT)

Mr. Wareing asked the Chancellor of the Exchequer what representations he has received in respect of the contribution of the arts to value added tax receipts.

Mr. Brooke: A few representations have been received relating to VAT and the arts.

Armed Forces (VAT and Excise Duty)

Mr. George asked the Chancellor of the Exchequer if he will seek to exempt from value added tax and excise duties purchases of supplies and equipment for use by the armed forces; and if he will make a statement.

Mr. Brooke: No. The Ministry of Defence Vote takes into account the incidence of indirect taxes.

Capital Gains Tax

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what estimate he has of the change in the yield of capital gains tax if it were levied at 40 per cent. retaining all existing exemptions, but excluding tax on inflationary gains.

Mr. Norman Lamont: Possibly about one-third of the yield of capital gains tax would be lost.

Capital Transfer Tax

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer what estimate he has of the yield of a donee based tax of 40 per cent. on all receipts of capital above *(a)* £50,000 per head and *(b)* £100,000 per head in place of capital transfer tax.

Mr. Norman Lamont: Insufficient information is recorded centrally about the recipients of gifts and legacies to enable estimates to be made of the yield of such a tax.

Freedom of Information

Mr. Dalyell asked the Chancellor of the Exchequer whether any Treasury civil servants were invited to the seminar chaired at the Barbican on 1 July by Sir Douglas Wass on freedom of information.

Mr. Brooke: There is no record of any civil servant in the Treasury being invited to attend this seminar.

"Official Report"

Mr. Leighton asked the Chancellor of the Exchequer how many copy holders are employed each evening to produce the daily *Official Report* at the St. Stephen's Parliamentary Press.

Mr. Brooke: The daily *Official Report* is printed at Hansard Press where 14 copy holders are employed. The number on duty each night varies with the shift pattern and production requirements.

EC (Budget)

Mr. Thurnham asked the Chancellor of the Exchequer if he will make a statement on the latest meetings of the European Community Budget Council and subsequent negotiations with the European Parliament on the 1986 Communities budget.

Mr. Brooke: I refer my hon. Friend to the statement I made earlier today.

Lead-free Petrol

Dr. David Clark asked the Chancellor of the Exchequer if he will make a statement on the progress of his discussions with oil companies about his proposals for tax concessions on lead-free petrol.

Mr. Brooke [*pursuant to his reply*, 8 July 1986]: Meetings have been held and correspondence exchanged between Customs and Excise officials and representatives of the oil industry. Good progress has been made, and the discussions are expected to be completed so that my right hon. Friend can take decisions in time for next year's Budget.

SOCIAL SERVICES

Cervical Cancer

Mr. Park asked the Secretary of State for Social Services how many women have died of cervical cancer in Coventry in each of the last five years; and how this compares to the United Kingdom average.

Mr. Hayhoe: The numbers of deaths to women usually resident in Coventry with an underlying cause of death of malignant neoplasm of cervix uteri (ICD(9) 180) in each of the last five years are shown in the table. Allowing for differences in age distribution, the incidence of death from cervical cancer has been on average 1 per cent. higher in Coventry than in the United Kingdom as a whole over this period. The Coventry results are based on very small numbers and from year to year fluctuate above and below the United Kingdom average.

Number of deaths from malignant neoplasm of cervix uteri (ICD(9) 180) to women usually resident in Coventry Metropolitan County District 1981 to 1985

	Number of deaths
1981	15
1982	13
1983	10
1984	15
1985	5

Hospitals (Food Poisoning)

Mr. Richard Page asked the Secretary of State for Social Services how many cases of patients in hospitals suffering food poisoning from food prepared by *(a)* National Health Service run butchers and *(b)* private catering contractors have been recorded; and, of these, how many have proved fatal for the years 1979 to 1985.

Mr. Hayhoe: I regret that the information on food poisoning cases in hospitals available from the Communicable Disease Surveillance Centre does not specify who prepared the food.

Hospitals (Private Contractors)

Mr. Richard Page asked the Secretary of State for Social Services, what proportion of meals prepared for patients in state hospitals was prepared by private contractors in the years 1979 to 1985.

Mr. Hayhoe: I regret that the information requested is not collected centrally.

Prescriptions

Mr. Kirkwood asked the Secretary of State for Social Services if he will publish in the *Official Report*, for the last 10 years for which figures are available, the number of prescriptions issued by the National Health Service general practitioners.

Mr. Hayhoe: The information requested is given in the following table:

England

	Number of prescription forms (millions)	*Number of items (millions)*
1976	181·7	292·6
1977	181·3	295·6
1978	186·5	307·1
1979	184·0	304·6
1980	183·7	303·3
1981	181·1	300·0
1982	186·7	311·3
1983	188·5	315·3
1984	190·8	320·5
1985	191·6	318·6

North-West Hertfordshire District Health Authority

Mr. Robert B. Jones asked the Secretary of State for Social Services whether he will publish in the *Official Report* a table showing *(a)* the names of members of the North-West Hertfordshire district health authority, *(b)* what interest they represent, *(c)* by whom they were appointed and *(d)* the date their term of office expires.

Mr. Hayhoe: I regret that this information is not available centrally. Members of the North-West Hertfordshire district health authority are appointed by the North-West Thames regional health authority and the appropriate local authorities.

Abortions

Mr. Teddy Taylor asked the Secretary of State for Social Services how many abortions have been carried out since 1968 to the latest available date; and how many were carried out in an emergency to save the life of the pregnant woman.

Mr. Hayhoe: The total number of notifications of legal abortions, to resident and non-resident women, carried out under the Abortion Act 1967, from 27 April 1968 to 31 December 1985 in England and Wales, is 2,460,128. Of these, 121 were performed in an emergency in order to save the life of the pregnant woman. Provisional figures for abortions in the March quarter 1986 are due to be published in September 1986.

Medicines Inspectors

Mr. Grylls asked the Secretary of State for Social Services what is the ratio of medicines inspectors to production facilities within the United Kingdom; and what information he has on comparable ratios in other countries that are signatories to the pharmaceutical inspection convention, including the United States of America and Canada.

Mr. Hayhoe: In the United Kingdom medicines inspectors inspect production facilities of licensed pharmaceutical manufacturers and of National Health Service hospitals. The ratio of inspectors to production facilities within the United Kingdom is 1:45.

Information on the ratio of inspectors to production facilities in other states which are signatories to the pharmaceutical inspection convention and the United States of America and Canada must be viewed with

caution because of considerable differences in duties of inspectors and the legislative framework within which inspectors operate in those countries and the range and type of production facilities that are inspected. On the basis of information available to this Department, the following rough estimate has been prepared.

Pharmaceutical Inspection Convention States

Austria	1 to 55	Inspectors also inspect community pharmacies.
Denmark	1 to 40	Inspectors also inspect community pharmacies and undertake registration work.
Hungary	1 to 25	
Ireland	1 to 25	
Norway	1 to 3	Inspectors also inspect community pharmacies and undertake registration work.
Sweden	1 to 14	Inspectors also inspect community pharmacies.
Switzerland	1 to 25	Includes a significant number of part-time Inspectors.

Non Pharmaceutical Inspection Convention States

USA	1 to 8
Canada	1 to 8

Kidney Donations

Mr. Dalyell asked the Secretary of State for Social Services when, pursuant to the answer of 16 June, *Official Report*, column 460, he hopes to complete his examination with representative bodies of the medical profession of the possibility of introducing a voluntary code of practice into this country on opting out kidney donations; and if he will make a statement.

Mr. Whitney: The Department's chief medical officer wrote in March to the medical professions representative organisations seeking their views on the introduction of a voluntary code of practice under which doctors would agree, whenever a clinically suitable organ donor died, to ask relatives' permission for the organs to be removed for transplantation; his letters were not concerned with "opting-out". He has now received replies from four of the five organisations he wrote to, and is considering how the matter might best be taken forward. An announcement will be made as soon as possible.

NHS (Managers)

Mr. Meacher asked the Secretary of State for Social Services if he will list every regional, district or unit general manager who has so far resigned or been removed, the length of time they had held the post and the period of tenure that still remained to run at the time of their departure, the exact post held, their salary and the reason for their leaving.

Mr. Hayhoe: The general manager for the North-Western regional health authority resigned recently to pursue a management career in the private sector. Of 191 district general managers I understand that three have resigned, from the Central Birmingham, Macclesfield, and West Surrey-North-East Hampshire health authorities; but the hon. Member would need to approach the chairmen of those authorities about the information he seeks as it would not be right for me to give details relating to an officer's individual contract with his employing authority.

I regret that information concerning resignations amongst the 600 or so unit level managers is not held centrally.

NHS (Wages and Salaries)

Mr. Chapman asked the Secretary of State for Social Services what proportion of the total funds made available for the National Health Service goes in wages and salaries; and what information he has about how this figure compares with other European Community countries.

Mr. Hayhoe [*pursuant to his reply*, 8 July 1986, c. *162*]: The proportion of National Health Service expenditure devoted to wages and salaries is about 60 per cent. The figure varies between services: in the hospital and community health service, for example, 73 per cent. of revenue expenditure is spent on pay. I regret that information about comparisons with other European Community countries could be obtained only at disproportionate cost.

SCOTLAND

Dogs

Mr. Kirkwood asked the Secretary of State for Scotland what plans he has to reduce the public health risks from dog mess.

Mr. Ancram: The Government fully shares the widespread concern about the nuisance and health risks caused by dogs fouling public places, and it is an offence in Scotland for a person in charge of a dog to allow it to deposit its excrement in certain places. The Government are considering what further steps may be taken to encourage dog owners to behave responsibly, and will make an announcement in due course.

Mr. Kirkwood asked the Secretary of State for Scotland if he has any plans to seek to increase the criminal penalties imposed on dog owners whose dogs foul pavements; and if he will make a statement.

Mr. Ancram: Allowing a dog to foul a pavement, or certain other areas, is an offence under section 48(1) of the Civic Government (Scotland) Act 1982, which originally provided for a maximum fine of £50. By virtue of the provisions of the Criminal Justice Act 1982, that maximum fine is now expressed as a fine not exceeding level 2 of the standard scale. The value of fines on the standard scale was increased by order in 1984, and level 2 now stands at £100. There is no current proposal to increase the value of fines further, but the matter is kept under constant review.

Teachers

Dr. Godman asked the Secretary of State for Scotland what information he has concerning the shortage of key teachers in particular education authorities; and what action he is proposing to ensure that they are enabled to discharge their statutory obligations.

Mr. Allan Stewart: The latest published information on deficits and surpluses of secondary teachers analysed by subject and by education authority area, giving the position at September 1984, is contained in the Scottish Education Department's statistical bulletin No. 4/C1/1985

of September 1985, a copy of which was sent to the hon. Member. Information from the September 1985 school census, based on 80 per cent. returns, indicates a broadly similar picture. Following discussions earlier this year with the Convention of Scottish Local Authorities, the General Teaching Council and the Joint Committee of Colleges of Education in Scotland in the context of determining intakes to teacher training at the colleges of education for session 1986-87, mathematics, physics, business studies, chemistry, computing and religious education were designated as national priority subjects for intake purposes; quota restrictions were wait completely in respect of the first three of these priority subjects.

School Closures

Dr. Godman asked the Secretary of State for Scotland what is his policy concerning school closures and amalgamations.

Mr. Allan Stewart: It is the view of my right hon. and learned Friend that the number of schools should be reduced broadly in line with the fall in pupil numbers to avoid tying up substantial resources in maintaining an outdated structure of educational provision.

School Buildings

Dr. Godman asked the Secretary of State for Scotland what recent representations he has received on the level of maintenance of school buildings.

Mr. Allan Stewart: Since 1 April 1986, representations about the level of maintenance provided for school buildings have been received from Lothian regional council and Dumfries and Galloway regional council. The level of maintenance in specific schools was one significant factor in representations supporting school replacement proposals which were received from two hon. Members, from Orkney Islands council and from five parents in Shetland.

Individual education authorities are responsible for ensuring that their school buildings are properly maintained, and it is for each authority to determine its own priorities in the allocation of resources for this purpose.

Elderly People (Housing)

Dr. Godman asked the Secretary of State for Scotland what steps he is taking to bring about improvements in the housing stock in Scotland occupied by elderly people; if, in particular, he has any plans to improve the insulation of houses occupied by elderly people; and if he will make a statement.

Mr. Ancram: In determining the allocations for capital expenditure by local authorities, the Government give priority to the provision of special needs housing, including housing for the elderly, although within the block allocation system individual local authorities are free to determine how they use the resources allocated to them to improve the level and quality of housing for the elderly. In addition, the Government have approved investment programmes for the SSHA, new towns and the housing association movement which ensure that they play a special part in the provision of housing for the elderly. Since 1979, the number of sheltered and amenity houses for the elderly has risen from 10,400 to over 25,000.

In regard to the insulation of houses occupied by elderly people, the homes insulation scheme 1984 already provides an enhanced rate of grant towards the cost of insulating lofts, including hot and cold water tanks, and pipes where an occupant of the house is in receipt of supplementary pension or allowance, or housing benefit.

It is hoped that the proposals for agency services outlined in the Green Paper. "Home Improvements in Scotland — A New Approach", will be of particular assistance to elderly owner-occupiers wishing to carry out improvements to their homes.

Conductive Education

Dr. Godman asked the Secretary of State for Scotland what proportion of mentally or physically handicapped children who receive conductive education enrol in normal schools.

Mr. Allan Stewart: I am not aware that any child who has received conductive education has enrolled in a school in Scotland.

Colleges of Education

Dr. Godman asked the Secretary of State for Scotland what recent representations he has received concerning the future of the colleges of education; and if he will make a statement.

Mr. Allan Stewart: I refer the hon. Member to my reply to the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) on 27 March at columns *591-93*. Since then a further 56 letters have been received from organisations and 19 from individuals about the future of the colleges of education. There have also been more than 300 postcards signed by staff or students at the colleges of education, and petitions from the National Union of Students and from students at Dunfermline college of physical education. In the whole period since publication of the report of the Scottish Tertiary Education Advisory Council last December, 23 hon. Members have made representations on this topic. My right hon. and learned Friend hopes to make a statement shortly.

Students (Planning Courses)

Dr. Godman asked the Secretary of State for Scotland how many students are currently studying on planning courses in Scotland; and if he will make a statement.

Mr. Allan Stewart: I shall reply to the hon. Member as soon as possible.

Schools (Books)

Dr. Godman asked the Secretary of State for Scotland what information he has on the level of purchasing of new books in schools and central institutions; and if he will make a statement.

Mr. Allan Stewart: The table gives information on expenditure on the purchase of text and library books per full-time equivalent pupil in Scottish schools, and on library books per full-time equivalent student in central institutions, in 1979-80 and in 1984-85, the latest year for which information is available. It is for each education authority and central institution to determine its own priorities in the allocation of resources for such purchases.

Students in higher education are generally responsible for the purchase of their own text books. The figures for the central institutions exclude Napier college of commerce and technology and Glasgow college of technology, which became central institutions in the course of 1985.

The figures are as follows:

	1979-80		1984-85	
	Schools	*Central Institutions*	*Schools*	*Central Institutions*
	£	£	£	£
At out turn prices	7·20	39·62	11·42	38·45
At November 1984 prices	12·02	66·14	11·42	38·45

ENERGY

Mining Industry (Safety)

Mr. Allen Mckay asked the Secretary of State for Energy what is his policy towards safety standards in the mining industry in the light of the university of Manchester's report on the effects of stress and strain on manpower in the coal mining industry, a copy of which has been forwarded to him; and if he will make a statement.

Mr. David Hunt: I fully support the policy of the management of the National Coal Board, which is that its first priority is the health and safety of its work force.

Colliery Closures

Mr. Allen McKay asked the Secretary of State for Energy what information he has on which collieries have closed in each area of the National Coal Board each year since 1979; and what collieries he has been informed are scheduled for closure in the next five years.

Mr. David Hunt: Details of closures since 1979 are shown in the table. Questions of the future of individual pits are matters for the management of the National Coal Board.

Area	*1979/80*	*1980/81*	*1981/82*	*1982/83*	*1983/84*	*1984/85*	*1985/86*	*1986/87 (to date)*
Scottish	—	Lady Victoria Roger	Bedlay Kinneil Polmaise	—	Cardowan Highhouse Sorn	—	—	Polkemmet
North East	Hylton	Eccles Eden Woodhorn	Blackhall Houghton	Boldon Marley Hill	East Hetton	Bearspark	Bates Horden Herrington Sacriston Brenkley	—
North Yorkshire	Rockingham Walton	Peckfield	Lofthouse Manor Newmiller-dam	Park Hill	Newmarket/ Silkstone Rothwell	—	Acton Hall Emley Moor Fryston Glass-houghton Savile	—
South Yorkshire	—	—	Orgreave	—	Elsecar	—	Brookhouse Cortonwood Yorkshire Main	—
North Derbyshire	—	—	—	—	Westthorpe	—	—	Whitwell
Nottinghamshire	—	Teversal	New Hucknall	—	—	—	Moorgreen Pye Hill	—
South Midlands	—	—	Newdigate	—	Desford	—	—	Whitwick/ South Leicester
Western	Granville	—	—	Hapton Valley Victoria West Cannock 5	Cronton	—	Bold Haig Wolstanton	—
South Wales	Deep Duffryn	Blaenavon Cwmgili	Coegnant	—	Blaengwrach Britannia Brynlliw Tymawr/ Lewis Merthyr Wyndham/ Western	—	Aberpergwm Abertillery Bedwas Celynen South Garw Markham Penrikyber St. Johns Treforgan	—
Kent	—	—	—	—	—	—	—	—

Coal Imports (South Africa)

Mr. Evans asked the Secretary of State for Energy how much coal was imported into the United Kingdom from the Republic of South Africa for the last full year for which figures are available; and what were the comparable figures for each year since 1974-75.

Mr. David Hunt: The information requested is as follows—(The figures for 1984 and 1985 were affected by the strike by some sections of the coal industry).

	Quantity ('000 tonnes)
1974	10
1975	34
1976	17
1977	11
1978	26
1979	38
1980	66
1981	80
1982	67
1983	58
1984	257
1985	725

Note: The data are provided on a calendar year basis.
Source: Derived from HM Customs and Excise returns.

North Sea (Exploration)

Mr. Rowlands asked the Secretary of State for Energy what information he has on the number of companies operating and exploring in the North sea which have deferred their exploration drilling and appraisal drilling in 1985 and 1986; and whether he will make a statement.

Mr. Buchanan-Smith: Oil companies, as a matter of course, regularly review their North sea exploration and appraisal plans. Some drilling programmes have recently been cut back, but although the full implications are not yet clear, there are no indications that drilling commitments under licence obligations will be affected.

My Department is keeping the situation under close review.

THE ARTS

Museums (Attendance Charges)

Mr. Tony Banks asked the Minister for the Arts if he will make it his policy to monitor the effect of admission charges on attendances at museums for which his Department is responsible; and if he will make a statement.

Mr. Luce: I shall continue to watch with interest the levels of attendance of all the museums and galleries for which I am responsible. Many factors however can affect attendance, and it is difficult to isolate the effects of any one on a particular set of figures. The introduction of museum charges is properly a matter for the trustees' discretion, in the light of the particular circumstances of their institution.

DEFENCE

Virgin Challenger (RAF Support)

Mr. Cohen asked the Secretary of State for Defence what was the total cost of Royal Air Force support to Virgin Challenger.

Mr. Freeman: I refer the hon. Member to the answer I gave the hon. Member for Hamilton (Mr. Robertson) on 7 July 1986 at column *7*.

Northern Ireland

Sir John Biggs-Davison asked the Secretary of State for Defence, pursuant to his written answer of 17 June, *Official Report*, column *493*, to his hon. Friend the Member for Newbury (Mr. McNair-Wilson) if he will state the strength of the Army elements, and other elements, of the armed forces of the Crown in Northern Ireland in each of the last nine months.

Mr. Stanley: Figures for June are not yet available. The figures for the preceding nine months, as at the end of each month, are as follows:

	Royal Navy-Royal Marines	*Regular army*	*Royal Air Force*	*Ulster Defence Regiment*	*Total*
1985					
September	90	8,548	1,000	6,451	16,089
October	88	8,717	988	6,503	16,296
November	86	8,677	989	6,478	16,230
December	86	8,583	994	6,508	16,171
1986					
January	86	9,143	1,054	6,542	16,825
February	86	9,600	998	6,547	17,231
March	86	9,585	984	6,562	17,217
April	86	9,790	971	6,559	17,406
May	86	9,836	1,025	6,541	17,488

Strategic Defence Initiative

Mr. D. E. Thomas asked the Secretary of State for Defence if any of the research work coming to the United Kingdom on the development of the strategic defence initiative under the memorandum of agreement between the United States of America and the United Kingdom will be carried out at institutions in Wales.

Mr. Lee: A number of companies and academic institutions located in Wales have expressed a clear

indication of their intention to seek United States funded work in the SDI research programme. Some of these bodies are currently pursuing prospects with the United States SDI organisation and United States companies.

Royal Ordnance Factory Barnbow

Mr. Batiste asked the Secretary of State for Defence how many employees of Royal Ordnance plc now employed at royal ordnance factory Barnbow in Leeds are in mobile grades with the right to transfer elsewhere in the group in the event of the sale of royal ordnance factory Barnbow to an outside purchaser.

Mr. Lee: I shall answer shortly.

Royal Ordnance plc

Mr. Batiste asked the Secretary of State for Defence whether the assurance given by the then Secretary of State for Defence the right hon. Member for Henley (Mr. Heseltine) to all employees of Royal Ordnance plc by personal letter on 30 January 1984 that he did not envisage a situation where subsidiary companies would be sold to someone who would wish to close them down, remains Government policy.

Mr. Younger: The statement on this point in my right hon. Friend's letter remains Government policy.

Royal Ordnance Factories

Mr. Batiste asked the Secretary of State for Defence if Her Majesty's Government have issued any invitation to Vickers plc to make a bid for any royal ordnance factory.

Mr. Lee: Vickers plc has expressed an interest in acquiring the Royal ordnance factory at Leeds and we are in discussion with it. It would not be appropriate for me to disclose details of the discussions, but no decisions have been taken.

Mr. Batiste asked the Secretary of State for Defence what parties and rights are involved in the disputes concerning the intellectual property rights vested in Royal Ordnance plc.

Mr. Lee: Discussions between the MOD and its suppliers are generally confidential because of the commercial sensitivity. I cannot therefore discuss the sort of matter to which my hon. friend refers.

Challenger Tanks

Mr. Batiste asked the Secretary of State for Defence when he plans to place an order for the 7th Regiment of Challenger tanks.

Mr. Lee: No decision has yet been taken on an order for Challenger tanks in addition to the six regiments already on order. I would hope a decision could be made shortly.

Homosexual Behaviour

Mr. Hancock asked the Secretary of State for Defence how many members of the armed forces have been dismissed from the services or court martialled for homosexual acts in each of the last five years, by rank, and in which service.

Mr. Freeman: The information requested is as follows:

	1980	*1981*	*1982*	*1983*	*1984*
*Royal Navy**					
Lieutenant Commander	1	—	—	—	—
Lieutenant	—	—	1	—	—
Chief Petty Officer	1	—	—	—	—
Petty Officer	2	2	1	1	—
Leading Hand	4	2	2	—	—
Able Seaman or Other	4	11	3	3	1

* Relates to numbers dismissed by summary trial or court martial for homosexual acts and includes all convictions for gross indecency or indecent behaviour.

Notes:

(a) The total number of naval personnel dismissed for homosexual activity in 1975 was 5; a breakdown by rank is not immediately available.

(b) Comparable figures in respect of the Royal Marines are not available.

	1981	*1982*	*1983*	*1984*	*1985*
Royal Air Force					
Flight Lieutenant	—	—	—	—	1
Sergeant	—	1	—	—	—
Corporal	—	2	—	—	—
Senior Aircraftsman	1	2	1	1	1
Leading Aircraftsman	—	—	—	—	1

Numbers of rank for Army personnel dismissed from the services or court martialled for homosexual acts could be provided only at disproportionate cost. I refer the member to the answer I gave to the hon. Member for Islington, South and Finsbury (Mr. Smith) on 25 June 1986 at column *163-4* for figures for total numbers of court martials and total numbers of dismissals for homosexual acts.

Dismissals on Courts Martial

Mr. Hannock asked the Secretary of State for Defence (1) how many Army officers and how many men have been dismissed from the service or court martialled in each of the last five years;

(2) how many Royal Navy officers and how many ratings have been dismissed from the service or court martialled in each of the last five years;

(3) how many RAF officers and how many men have been court martialled or dismissed from the service in each of the last five years.

Mr. Freeman: I shall answer shortly.

Prince of Wales (Wedding)

Mr. Canavan asked the Secretary of State for Defence what was the total cost to his Department of providing security and ceremonial services at the wedding of His Royal Highness the Prince of Wales.

Mr. Stanley [*pursuant to his reply*, 7 July 1986, c. *91*]: These costs were not identified at the time and an estimate could not now be produced except at disproportionate cost.

Mr. Canavan asked the Secretary of State for Defence how many members of the armed forces were engaged in duties connected with the wedding of His Royal Highness the Prince of Wales.

Mr. Stanley [*pursuant to his reply*, 7 July 1986, c. 91]: Some 3,100 members of the armed forces of the United Kingdom, together with nearly 100 members of the armed forces of Australia and Canada.

AGRICULTURE, FISHERIES AND FOOD

Radioactivity

Mr. Home Robertson asked the Minister of Agriculture, Fisheries and Food what representations he has made to Mr. V. S. Murakhovsky, the chairman of the state agro-industrial committee of the Union of Soviet Socialist Republics, who is currently visiting Britain, on the subject of compensation for British farmers who are suffering financial losses as a result of restrictions imposed following the emission of radioactive contamination from Chernobyl.

Mr. Jopling: In my meetings with Mr. Murakhovsky, I drew attention to the concerns of both the Government and British farmers about the effects on our agriculture of the incident at Chernobyl. I understand that my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs also raised this matter with Mr. Murakhovsky and told him that Her Majesty's Government would wish to reserve its rights to claim compensation.

African Swine Fever

Mr. Maclennan asked the Minister of Agriculture, Fisheries and Food, pursuant to his answer to the hon. Member for Caithness and Sutherland of 4 July, *Official Report*, column *676*, what further consideration he has given to the imposition of additional restrictions on the importation of pigmeat products in the light of recent veterinary advice he has received and representations made by farmers' organisations; what assessment he has made of the threat posed to United Kingdom pigs by African swine fever; and if he will make a statement.

Mrs. Fenner: In my reply of 4 July to the hon. Member at column *676* I informed him of the initiatives I had taken with the European Commission. Discussions are being pursued in Brussels at official level.

Specific provisions have been included in Community directives to provide safeguards against the spread of African swine fever through intra-Community trade. This disease is no longer present in the Community, except in Spain, Portugal and Sardinia.

Intervention Board

Mr. Patrick Thompson asked the Minister of Agriculture, Fisheries and Food whether he is now in a position to announce a decision on the future location of the Intervention Board.

Mr. Jopling: My agricultural colleagues and I have concluded that the benefits of relocation would be outweighed by the potential costs and that the Department should accordingly remain at Reading.

Stilton Cheese

Mr McLoughlin asked the Minister for Agriculture, Fisheries and Food if he will give the export figures for Stilton cheese in each of the last five years.

Mr. Gummer [*pursuant to his reply*, 10 July 1986]: Stilton cheese is not separately classified in United Kingdom trade statistics, but is included in te "blue veined cheese" category. There are, however, few exports of other "blue veined" varities so the figures in the following table are a reasonable guide to the position on Stilton.

United Kingdom exports of blue veined cheese

	KG	*£ sterling*
1981	374,175	829,000
1982	583,276	1,371,000
1983	714,263	1,713,000
1984	1,083,468	2,635,000
1985	893,263	2,298,000

Data: Department of Trade and Industry: Overseas Trade Statistics of the United Kingdom.

ENVIRONMENT

Nuclear Waste Disposal

Mr. Austin Mitchell asked the Secretary of State for the Environment if he will make a special development order to enable local authorities and independent groups other than NIREX to undertake geological surveys of the sites at Fulbeck and Killingholme before any decision on the disposal of waste is taken.

Mr. Waldegrave: We want the local communities affected to be properly informed on the geology of the sites. This can best be achieved through the arrangements already announced. NIREX has already undertaken to make publicly available the results of its site investigations after the first six months, and to publish a final report when the investigations are complete. This should enable local authorities and others to carry out their own assessment of the suitability of the sites concerned. NIREX is currently discussing with local authorities what further information should be made available to them.

Green Belt

Mr. Richard Page asked the Secretary of State for the Environment (1) what is the annual rate of encroachment, in acres and as a proportion, on green belt *(a)* in Hertfordshire and *(b)* nationally;

(2) what proportion of planning applications involving construction on green belt designated land have been approved in each of the years 1974 to 1985 *(a)* in Hertfordshire and *(b)* nationally;

(3) how many acres have been added to land designated as green belt in each of the years 1974 to 1985 *(a)* in Hertfordshire and *(b)* nationally.

Mr. Tracey: Most planning applications for development in the green belt are dealt with by district planning authorities and information in the form requested is not available within the Department. The area of approved green belt in England in 1985 was about 4½ million acres compared with about 1·8 million acres in 1975. An account of the development of each green belt is given in the Department's memorandum to the Environment Select Committee for their inquiry into green belt and Land for Housing. (First report, Session 1983-84, Volume II, see particularly pages 14-18).

Playing Fields (Building Development)

Mr. John Carlisle asked the Secretary of State for the Environment if he will take steps to monitor the loss of playing fields or sports facilities to building development.

Mr. Tracey: I share the concern expressed by sports and other bodies about losses of recreational land to development. Such losses need to be set against the substantial increase in new facilities over recent years, to establish a clearer view of the position nationally. The Sports Council is monitoring losses and gains in facility provision.

Archaeological Sites

Mr. Stephen Ross asked the Secretary of State for the Environment whether he will publish in the *Official Report* what areas have been designated under part II of the Ancient Monuments and Archaeological Areas Act 1979, as revised in 1983, as areas of archaeological importance *(a)* in major cities and *(b)* in the open countryside.

Mr. Tracey: Five areas of archaeological importance have been designated, at Canterbury, Chester, Exeter, Hereford and York. These are all within the historic centres of the cities.

Radiation

Mr. Alton asked the Secretary of State for the Environment (1) how many times the national arrangements for incidents involving radioactivity scheme has been implemented since its inception;

(2) how many qualified persons have been appointed to advise in the event of the national arrangements for incidents involving radioactivity scheme being implemented;

(3) what is the annual budget for the national arrangements for incidents involving radioactivity scheme.

Mr. Waldegrave: Between 1964 and 1983, which is the last year for which complete figures are available, the national arrangements for incidents involving radioactivity were invoked on 288 occasions. Of those, 61 were hoaxes or false alarms.

The NAIR scheme ensures that the police, when faced with an incident involving radioactivity, and for which no other pre-arranged source of assistance is available, have ready access to whatever level of expert advice and assistance may be required to ensure the safety of the public. It is activated in the first instance by the police who call upon their nearest specified expert as necessary. Ninety participating establishments provide voluntary support. These include hospitals, nuclear power stations and research establishments.

The National Radiological Protection Board, who administer the scheme centrally, have no specific funding in respect of NAIR.

Mr. Alton asked the Secretary of State for the Environment what is the annual budget for information to the public concerning the safety of items manufactured for public use which emit radiation at levels constituting a potential risk to health.

Mr. Waldegrave: My Department has no such annual budget. The Department of Trade and Industry intend to introduce regulations requiring prior approval by the National Radiological Protection Board of any household products containing radioactive material before these are supplied for sale to members of the public. In the meantime, should any items constituting a potential risk come to the Government's notice, relevant information will be provided as necessary.

Mr. Alton asked the Secretary of State for the Environment how many circulars have been issued and on which dates to councils' emergency services and hospitals concerning the procedure to be followed in the event that an item for public use emitting potentially dangerous levels of radioactivity is found.

Mr. Waldegrave: In the event of any radioactive item being found by members of the public, the national arrangements for incidents involving radioactivity are invoked by the police who will call upon their nearest specified expert for assistance. Information on the NAIR scheme has been published by the NRPB. Circulars relating to NAIR have been issued by Government Departments including the DHSS and the Home Office. I shall write to the hon. Member with details.

Polychlorinate Biphenyls

Mr. Sheerman asked the Secretary of State for the Environment to what extent recent changes in European Economic Community regulations have affected United Kingdom procedures for notifying the presence of quantities of polychlorinated biphenyls on particular sites.

Mr. Waldegrave: I will answer this question shortly.

Loft Insulation Grants

Mr. Evans asked the Secretary of State for the Environment (1) if he will list in the *Official Report* the total amount of money made available to each local authority in England and Wales for loft insulation grants for 1985-86; and if he will state how this compares with 1984-85;

(2) what was the total amount of money made available to local authorities in England and Wales for loft insulation grants for 1985-86; and how this compares with 1984-85.

Sir George Young: I shall answer these questions shortly.

London Residuary Body

Mr. Tony Banks asked the Secretary of State for the Environment how much has been distributed by the London residuary body to the London boroughs.

Mrs. Rumbold: The London residuary body is distributing to boroughs the GLC's "top-end estimate" of £134 millions, net of £45 millions which is being used to pay staff compensation and other costs. The timing of the distribution is a matter for the LRB.

Mr. Tony Banks asked the Secretary of State for the Environment what discussions he has with the London residuary body about drawing public attention to the distribution of Greater London council balances.

Mrs. Rumbold: The distribution of GLC balances has been discussed with the London residuary body on a number of occasions. In this and other matters it is for the

LRB to decide how they publicise their actions. Information about GLC balances was included in LRB's published budget.

Mr. Tony Banks asked the Secretary of State for the Environment what proposals have been made by his Department regarding borrowing by the London residuary body.

Mrs. Rumbold: With minor variations, residuary bodies have the same borrowing powers as local authorities. For certain purposes, they need the prior consent of the Secretary of State to borrow. The Department is in touch with the London residuary body about its need for such consents in respect of 1986-87.

Trust for London

Mr. Tony Banks asked the Secretary of State for the Environment when he anticipates the Trust for London being set up by the London residuary body; and if he will make a statement.

Mrs. Rumbold: The trustees of the City Parochial Foundation are responsible for setting up the Trust for London. I understand that they have already taken the formal steps to establish the trust.

Mr. Tony Banks asked the Secretary of State for the Environment what is the total amount of capital receipts now available to the London residuary body for the Trust for London.

Mrs. Rumbold: My right hon. Friend has recently published a draft order that will make £10 million available during the financial year 1986-87 for the Trust for London.

County Hall, Greater London

Mr. Tony Banks asked the Secretary of State for the Environment if he has been advised by the London residuary body of receipt of the consultants' report on the future of county hall; and if he will make a statement.

Mrs. Rumbold: I understand from the London residuary body that the consultants' report has not been received, but is expected in the next few weeks.

Mr. Tony Banks asked the Secretary of State for the Environment what discussions he has had with the London residuary body about the use of county hall in connection with the London marathon.

Mr. Tracey: I understand that the London residuary body has written to the organisers of the London marathon allowing its use of county hall in 1987.

GLC (Grants)

Mr. Tony Banks asked the Secretary of State for the Environment what Greater London council claims for Government grants are still outstanding; and what arrangements are being made for payment to the London residuary body.

Mrs. Rumbold: A wide variety of Exchequer grants were payable to the Greater London council. Arrangements for dealing with outstanding claims vary from case to case.

GLC (Seaside and Country Homes)

Mr. Tony Banks asked the Secretary of State for the Environment if his Department has been consulted about rent increases for tenants of properties which were formerly the Greater London council's seaside and country homes; and if he will make a statement.

Sir George Young: I shall answer this question shortly.

Residuary Bodies (Property Guidelines)

Mr. Tony Banks asked the Secretary of State for the Environment when he expects to publish the property guidelines for residuary bodies set up following abolition of the Greater London council and the metropolitan county councils.

Mrs. Rumbold: I expect the final version of the property guidelines to be published within the next few weeks.

Local Government Reform (Employment Schemes)

Mr. Hancock asked the Secretary of State for the Environment what representations he has received regarding employment schemes run by metropolitan districts and London boroughs which are affected by the abolition of the Greater London council and metropolitan counties; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend has received a number of representations about the funding of economic initiatives by local authorities including some involving employment schemes.

Local Authority Loans Schemes

Mr. Greenway asked the Secretary of State for the Environment if he has plans to introduce legislation to provide for powers to cancel or prevent the signing of deferred loan schemes by local authorities; and if he will make a statement.

Mrs. Rumbold: This is one of the issues which we are considering in our review of the local authority capital control system. We made clear in the consultation paper issued in February that we are concerned about such devices.

TRANSPORT

West Midlands PTA (Allocation)

Mrs. Renée Short asked the Secretary of State for Transport what allocation has been made to the West Midlands passenger transport authority for 1987-88 and 1988-89; and what is the current allocation.

Mr. David Mitchell: The capital allocation for the West Midlands passenger transport authority for 1986-87 is £6·475 million. Allocations in respect of 1987-88 and 1988-89 have not yet been made.

As to current expenditure, I refer the hon. Lady to my reply given on 20 June to my hon. Friend the Member for Manchester, Withington (Mr. Silvester) at column 666. Expenditure levels for passenger transport authorities for 1987-88 will be determined and announced later this month.

Air Services (Brussels)

Mrs. Peacock asked the Secretary of State for Transport if he will give consideration to encouraging the improvement of direct air services between Brussels and north of England airports.

Mr. Michael Spicer: I shall answer this question shortly.

West London Road Relief Scheme

Mr. Tony Banks asked the Secretary of State for Transport what consideration his Department is giving to the possibility of constructing a road through Earls court as part of the west London road relief scheme; and if he will make a statement.

Mr. Peter Bottomley: It was announced in November 1984 that consultants are looking into the possibility of a new road sharing the existing west London railway corridor with a view to relieving some of the bad current conditions of residential roads in that area.

LRT (Board Members)

Mr. Tony Banks asked the Secretary of State for Transport if he will list the outside directorships held by board members of London Regional Transport.

Mr. David Mitchell: Information on financial and other interests of LRT board members is given to the Secretary of State on a confidential basis.

Transport Act 1985 (Publicity)

Mr. Tony Banks asked the Secretary of State for Transport how much has been spent to date by his Department on publicising the workings of the Transport Act 1985.

Mr. David Mitchell: £165,000 principally on explanatory leaflets for operators and prospective operators.

Sir Neil Shields

Mr. Tony Banks asked the Secretary of State for Transport when Sir Neil Shields was appointed to the Board of London Regional Transport; and if he will list his responsibilities.

Mr. David Mitchell: Sir Neil Shields MC was appointed a part-time member of the board on 1 April 1986. He is Chairman of the LRT Property Board.

London Buses Ltd (Routes)

Mr. Tony Banks asked the Secretary of State for Transport how many bus routes outside the Greater London area have been registered by London Buses Ltd. under the Transport Act 1985.

Mr. David Mitchell: 25 so far.

Buses (London)

Mr. Tony Banks asked the Secretary of State for Transport what representations have been made to his Department by London Regional Transport concerning the extension of the bus priority at traffic lights scheme.

Mr. Peter Bottomley: I am not aware of any such representations.

Mr. Tony Banks asked the Secretary of State for Transport (1) what net annual effects from bus lanes in London have been identified by his Department;

(2) what discussions have been held between his Department and London Regional Transport regarding the future of bus lanes in London; and if he will make a statement.

Mr. Peter Bottomley: The Department and London Regional Transport are in regular touch about the programme of work in hand to improve assessment techniques for bus lanes. When consultations about this work are complete, the Department will prepare technical guidance notes for all traffic management authorities. This will enable them to take a soundly based view on the benefits and costs of particular lanes in London and elsewhere.

Mr. Tony Banks asked the Secretary of State for Transport (1) what consultations will be held on the subject of deregulation of bus services in London; and if he will make a statement;

(2) if he has any plans to issue a timetable for the deregulation of bus services in London; and if he will make a statement.

Mr. David Mitchell: I refer the hon. Member to my reply given to him on 9 May 1986 at column *284*. I have no current plans concerning consultation.

Mr. Tony Banks asked the Secretary of State for Transport what was the result of the recent meeting between his Department and the London Regional Transport passengers committee on the operation of one-person buses; and if he will make a statement.

Mr. David Mitchell: After meeting a delegation from the London Regional passengers committee on 15 May I conveyed their views on the further extension of one-person operated buses in London to the Chairman of London Regional Tranport.

Channel Tunnel Terminal, Waterloo

Mr. Tony Banks asked the Secretary of State for Transport how many representations have been made to his Department about the proposed Channel tunnel terminal at Waterloo.

Mr. David Mitchell: We have received about 90 written representations on this matter to date.

Lorry Ban (London)

Mr. Tony Banks asked the Secretary of State for Transport if he has any plans to change his Department's policy on the exemption of trunk roads from the London lorry ban; and if he will make a statement.

Mr. Peter Bottomley: The exemption of trunk roads flows from the traffic order made by the Greater London council.

Mr. Tony Banks asked the Secretary of State for Transport if he will take measures further to enforce the London lorry ban; and if he will make a statement.

Mr. Peter Bottomley: Responsibility for the ban rests with the boroughs.

Railways (Section 8 Grants)

Mr. Tony Banks asked the Secretary of State for Transport what was the total expenditure made under section 8 of the Railways Act 1974 in the Greater London area for each of the years 1979-80 to 1985-86.

Mr. David Mitchell: The information requested is as follows:

	£
1979-80	Nil
1980-81	139,351
1981-82	22,916
1982-83	363,891
1983-84	962,683
1984-85	22,936
1985-86	28,421
	1,540,198

Pedestrian Crossings, London

Mr. Tony Banks asked the Secretary of State for Transport what criteria are used by his Department when considering the proposed installation of pedestrian crossings on designated roads in London.

Mr. Peter Bottomley: The general criteria used are given in Departmental Advice Note, TA 10/80, "Design Considerations for Pelican and Zebra Crossings". A copy is in the Library. Applications on designated roads are considered on a case by case basis.

BR (Grants)

Mr. Hayward asked the Secretary of State for Transport how much public service obligation grant has been paid by central Government to the British Railways Board since 1979.

Mr. Moore: Cumulative payments made by central Government as compensation for the public service obligation imposed by direction under section 3(1) of the Railways Act 1974 for the periods 1979 — 1985-86 amount to £5,358 million. Section S3(4) of the Act, as amended by S2 of the Transport (Finance) Act 1982, sets a cumulative ceiling of £6,000 million on the total of PSO grant payments from 1 January 1979. The current estimate (Class VIII, 3, E1(1)), which was presented to the House last March, makes provision for grant payments £100 million in excess of this limit, consistent with the plans published in January in the public expenditure White Paper (Cmnd. 9702). There is, of course, no question of grant expenditure in excess of the limit until the House has agreed an increase in the statutory ceiling. I intend to lay a draft Order in Council before the House of Commons for this purpose in due course.

Written Answers to Questions

Monday 14 July 1986

ATTORNEY-GENERAL

Mr. Manus Nunan

43. **Mr. Simon Hughes** asked the Attorney-General why Mr. Manus Nunan was given no reason for the termination of his recordership.

The Attorney-General: Contrary to what the hon. Member states, in October 1984 Mr. Nunan was in fact warned in advance of defects in his judicial performance which had been reported to the Lord Chancellor's Office. Thereafter, the Lord Chancellor followed the procedure described in my answer to the hon. Member for Leeds, West (Mr. Meadowcroft) on 9 July 1986. Mr. Nunan's term of office expired on 31 December 1984. On 4 December, the Lord Chancellor, who was previously unaware personally of the case, satisfied himself as to the justification for the advice he had received that Mr. Nunan's performance had fallen below the standard required for renewal of his appointment. Mr. Nunan was duly informed of this decision. I understand that, at the invitation of the senior presiding Judge and with the approval of the Lord Chancellor, Mr. Nunan is to visit the senior presiding Judge in order that the situation may be further explained. In addition, the Lord Chancellor has granted a request which he has just received from the Bar Council that Mr. Nunan should be given an opportunity for his case to be reconsidered by the Lord Chancellor.

Mr. Alton asked the Attorney-General why Mr. Manus Nunan did not have his recordership renewed for 1985.

The Attorney-General: Mr. Nunan's judicial performance fell below a standard which justified the renewal of his appointment. I refer the hon. Member to the answer I gave the hon. Member for Leeds, West on 9 July 1986 for the procedure observed on these occasions.

Legal Aid

36. **Mr. Geraint Howells** asked the Attorney-General how many applications for legal aid in matrimonial causes were *(a)* made and *(b)* granted in each of the years 1984-85 and 1986, respectively, and if he will make a statement.

The Attorney-General: I will arrange to have the detailed figures printed in the *Official Report*. Between 1984-85 and 1985-86 the number of civil legal aid certificates issued for matrimonial proceedings rose by 2·6 per cent.

The figures are as follows:

Number of applications made for civil legal aid for matrimonial proceedings

The figure is not available for 1984-85. Prior to 1985-86, applications were not recorded by type of proceedings.

1985-86	183,812

Number of civil legal aid certificates granted for matrimonial proceedings

1984-85	111,218
1985-86	114,126

Notes:

(i) The figures for applications made and certificates issued are not directly comparable, since some certificates issued in 1985-86 will have related to applications made in 1984-85, and some applications made in 1985-86 will not have been determined until 1986-87.

(ii) Applications may not result in certificates being issued for a number of reasons. They may be refused, on either merits or means grounds. They may also be abandoned or withdrawn by the applicant.

Mr. Wigley asked the Attorney-General if he will make a statement on the speed with which the Law Society responds to applications for legal aid.

The Attorney-General: I refer the hon. Member to the reply I gave to my hon. Friend the Member for Devon, North (Mr. Speller) on 7 July, at column *15-16*.

Mr. Greenway asked the Attorney-General what amount was paid out of legal aid for the latest year for which figures are available; and if he will make a statement.

The Attorney-General: The net cost of all types of legal aid (including advice and assistance but excluding administration) in financial year 1985-86 was £320 million.

Westland plc

Mr. Dalyell asked the Attorney-General if he will make a statement pursuant to his answers, *Official Report*, 14 April, column 246, on the Metropolitan police report submitted to the Director of Public Prosecutions about allegations relating to honours for Alan Bristow over Westland.

The Attorney-General: I refer the hon. Member to my reply to my hon. Friend the Member for South Ribble (Mr. Atkins) on 10 July 1986.

Family and Domestic Jurisdiction

Mrs. Virginia Bottomley asked the Attorney-General if he will make a statement on the responses the Lord Chancellor has received so far to his consultation paper, "Interdepartmental Review of Family and Domestic Jurisdiction".

The Attorney-General: Responses have been asked for by 31 October. So far, five have been received.

Commander Bothwell

Mr. Dalyell asked the Attorney-General if he will give the cost to public funds of the Bow street hearings on Commander Bothwell.

The Attorney-General: No Bills of costs have yet been presented for taxation, and when taxation is complete the hon. Member will be aware that it is not the practice to publish individual fees. In addition, the cost to public funds will include the costs of court hearings which cannot be assessed except as an arbitrary component of the overhead costs of administering the court. In addition there will be costs of the other Government Departments concerned to which similar consideration apply.

RUC (Inquiry)

Mr. Alex Carlile asked the Attorney-General when the Director of Public Prosecutions for Northern Ireland

expects to receive the final report about the conduct of the Royal Ulster Constabulary in relation to the deaths in 1982 of Michael Tighe and others begun by Mr. John Stalker, and continued by the chief constable of West Yorkshire; and if he will make a statement.

The Attorney-General: Mr. Colin Sampson will submit his final report to the Chief Constable of the RUC whose duty will then be to furnish that report to the Director of Public Prosecutions for Northern Ireland for consideration. Although Mr. Sampson, who is actively and urgently pursuing his investigations, has assured the Director of Public Prosecutions that a final report will be submitted to the Chief Constable as soon as possible, I am not able to give the hon. Member any indication as to when the final report will be submitted to the Chief Constable or when it will be furnished by him to the Director of Public Prosecutions.

PRIME MINISTER

Berlin Discotheque (Bombing)

Mr. Dalyell asked the Prime Minister, pursuant to the answer to the hon. Member for Linlithgow, *Official Report*, 1 July, why she will not publish the evidence that Libya was involved in the bombing of the La Belle discotheque in Berlin on 5 April.

The Prime Minister: The customary reasons why we cannot make intelligence evidence public are because of the nature or source of certain information.

Television Licences (Pensioners)

Mr. Andrew F. Bennett asked the Prime Minister what is the estimated cost of providing a free television licence for all pensioners on supplementary benefit, as recommended by the Peacock committee.

The Prime Minister: The Peacock committee estimated that the maximum loss of licence fee revenue per year which would result from exempting from the licence fee all pensioners drawing supplementary pension, in households wholly dependent on a pension, would be in the order of £80 million. Further work to refine this estimate is in progress. The committee also recommended a separate licence fee of not less than £10 should be charged for car radio, which the committee estimated could yield an equivalent sum.

Office of Population Censuses and Surveys

Mr. Frank Field asked the Prime Minister if she will make it her policy not to accept any recommendation from the machinery of government review of the Office of Population Censuses and Surveys which would result in a reduction of the quality of integrity of statistics available to Parliament and Government.

The Prime Minister: All Government statistics are produced with integrity and to standards appropriate to their intended use under the supervision of professional statisticians. This will continue to be the case. When the review is complete, I shall consider its recommendations.

Mr. Frank Field asked the Prime Minister why the Office of Population Censuses and Surveys is to be the subject of a machinery of government review ; how much notice was given to the staff concerned; what reviews of statistical and similar services have been conducted since 1979; when such reviews were completed; and if she will make a statement.

The Prime Minister: A review of Government statistical services was completed in December 1980, a review of the commissioning of ad hoc social surveys in September 1981, and an efficiency scrutiny of the registration of births, deaths, and marriages in February 1985. Since 1979 there has not, however, been a review of the activities of the Office of Population Censuses and Surveys overall and I have decided that such a review would be appropriate now. The trade union side of OPCS was notified on 2 June, when the review commenced.

Parliamentary Questions

Mr. D. E. Thomas asked the Prime Minister, pursuant to her reply to the hon. Member for Meirionnydd Nant Conwy, 8 May, *Official Report*, column *217*, on the ministerial convention for answering parliamentary questions, whether this convention precludes the answering of factual questions for the period of earlier Administrations; and if she will make a statement.

The Prime Minister: The convention is that the Government of the day do not normally disclose information relating to the period of a former Administration and not published during that period.

Welsh and Scottish Universities

Mr. D. E. Thomas asked the Prime Minister what progress has been made on the devolution of control of Welsh and Scottish universities from the Department of Education and Science to the Welsh Office and Scottish Office.

The Prime Minister: There is no present intention to devolve control of the Welsh and Scottish universities. My right hon. Friends the Secretaries of State for Scotland and for Education and Science are considering the recommendations of the Scottish Tertiary Education Advisory Council on the planning and funding of higher education in Scotland.

South Africa

Mr. Gordon Brown asked the Prime Minister what is the policy of Her Majesty's Government towards the introduction of one person one vote and the attainment of black majority rule in South Africa.

The Prime Minister: We have repeatedly called, both bilaterally and with our EC and Commonwealth partners, on the South African Government to dismantle the system of apartheid and institute a process of genuine dialogue with a view to establishing a democratic, non-racial system of government acceptable to the people of South Africa as a whole. But we have also made clear that it is not for us to prescribe what constitutional structures might emerge from such negotiations.

ENVIRONMENT

Water Authorities (Privatisation)

Mr. Austin Mitchell asked the Secretary of State for the Environment what representations he has received from

the Sea Fish Industry Authority on the effects of privatisation of water authorities on the maintenance of shellfish beds.

Mr. John Patten: The Government have received a large number of responses to their consultation paper "The Water Environment: The Next Steps". It is for those responding to publicise the fact that they have done so if they wish.

Common Land

Mr. Nicholas Baker asked the Secretary of State for the Environment if he will bring forward legislation to implement the proposals for registration of common land set out in the common land forum's report to the Countryside Commission; and if he will make a statement.

Mrs. Rumbold: I would refer my hon. Friend to the reply given to the hon. Member for Eccles (Mr. Carter-Jones) on 7 July at column *34*.

Housing

Mr. Deakins asked the Secretary of State for the Environment what have been the numbers of public and private sector housing starts and completions in Brighton and Leicester, respectively, in each year since 1977.

Sir George Young: The reported figures of house building within Brighton and Leicester are as follows:

Number of dwellings

	Starts		*Completions*	
	Brighton	*Leicester*	*Brighton*	*Leicester*
Public sector				
1977	*175	1,678	*71	1,588
1978	145	924	*161	1,649
1979	193	467	123	1,043
1980	64	154	155	904
1981	73	203	172	515
1982	150	792	106	96
1983	†184	109	42	364
1984	179	132	†323	638
1985	94	117	105	118
Private sector				
1977	93	274	154	180
1978	186	252	170	349
1979	141	275	101	204
1980	110	129	203	187
1981	164	244	158	310
1982	238	261	129	221
1983	124	253	240	237
1984	84	253	112	302
1985	260	287	141	201

* Including GLC dwellings.

† Excluding 21 dwellings for Brighton district council built in Hove.

Radioactive Waste Management Advisory Committee

Mr. Ashdown asked the Secretary of State for the Environment if he will list the work commissioned by the Radioactive Waste Management Advisory Committee; whether the committee has a policy of initiating research or studies; whether it is passed research, studies or reports from other Departments; and whether it has to report all its deliberations to other Departments.

Mrs. Rumbold: The Radioactive Waste Management Advisory Committee has complete discretion on the work it may initiate. In addition, it may be asked by Government for advice on specific subjects. In setting about its work, it will have access to material in Government Departments or agencies. It is not required to report its deliberations other than in its annual report each year or in the advice given directly to Ministers.

Mr. Ashdown asked the Secretary of State for the Environment what are the procedures for the selection of members to the Radioactive Waste Management Advisory Committee.

Mrs. Rumbold: Members of the Radioactive Waste Management Advisory Committee are appointed by the Secretaries of State for the Environment, Scotland and Wales after they have taken advice from the chairman, and, as they consider necessary, from colleagues and other sources.

Mr. Ashdown asked the Secretary of State for the Environment if he will list the reports and any other publications of the Radioactive Waste Management Advisory Committee; what is the policy of the committee as regards publication of its reports and deliberations; and whether the committee makes available transcripts or other records of its meetings.

Mrs. Rumbold: The committee's policy is that its deliberations should be in confidence, but that its conclusions and advice to Ministers should be made public, usually through a report each year to Ministers which is then published. Six annual reports for the years 1980 to 1985 have been published. The report for 1986 will be published later this month.

Rented Accommodation

Mr. Fatchett asked the Secretary of State for the Environment, further to his reply of 25 June, *Official Report*, column *227*, why his Department currently makes no estimates on either a national or regional basis of the shortfall between the demand for and the supply of public rented accommodation to meet both general and special needs which cannot be met by other means.

Sir George Young: Such estimates would depend on assumption about the relationships between different sectors of the housing market which may or may not hold true over time.

Mr. Fatchett asked the Secretary of State for the Environment what research his Department has carried out concerning *(a)* the ages at which young people leave their parental home, *(b)* the circumstances in which young people leave their parental home and *(c)* those factors influencing when young people leave their parental home; and what assessment his Department has undertaken of the implications of this information for (i) the demand for and (ii) the supply of public rented housing in England as a whole, and in each regional area of his Department.

Sir George Young: Projections of the number of households, which are one factor influencing demand for housing, are published periodically by my Department for England, regions, counties, metropolitan districts and London boroughs.

The base data for these projections include census information about the proportion of young people living as independent households. My Department also helped fund the 1981 survey of the national child development

study cohort, and this included questions on the ages at which members of the cohort, born 1958, had left their parental home, and the circumstances.

Cement

Mr. Parry asked the Secretary of State for the Environment how many workers were employed in the cement industry in July 1979; and what are the comparable figures for the latest available date.

Mr. John Patten: About 12,000 people were employed in the cement industry in March 1986. Comparable information for July 1979 is not available.

Q Ray Compresses

Mr. Alton asked the Secretary of State for the Environment if he will place in the Library a copy of the report by the emergency planning officer for Nottinghamshire, Superintendent Tordoff, concerning the recent discovery in Nottinghamshire of a radioactive device produced in the 1930s and 1940s for the treatment of rheumatism and other ailments, known as a Q Ray compress; and if he will make a statement.

Mrs. Angela Rumbold: I shall write to the hon. Member.

Mr. Alton asked the Secretary of State for the Environment how many Q Ray electro-radioactive compresses have been found in the last five years.

Mrs. Angela Rumbold: Four have been brought to the attention of my Department.

Mr. Alton asked the Secretary of State for the Environment when his Department first issued advice on the safety of Q Ray electro-radioactive compresses.

Mrs. Rumbold: This Department has issued no written guidance, and my officials have advised as necessary in response to inquiries.

PSA Staff (Palace of Westminster)

Mr. McWilliam asked the Secretary of State for the Environment if it is his intention to make redundant Property Services Agency staff employed in the Palace of Westminster and put their work out to contract; and if he will make a statement.

Sir George Young: Following discussions with their trade union, the remaining seven cleaners employed by the Property Services Agency at the Palace of Westminster have accepted redundancy. Their employment ended on 11 July. From that date their work will be taken over by the contractor who already undertakes the rest of the cleaning work at the Palace for which the agency is responsible.

Two plant attendants also accepted redundancy on the same date. Existing contractors will take over their work as necessary.

Council House Sales

Mr. Chope asked the Secretary of State for the Environment on what date and in what manner he intends to publicise the availability of increased discounts for the purchase by sitting tenants of council flats.

Sir George Young: Preparations are in hand to ensure that tenants will be informed of their new rights when the Housing and Planning Bill is enacted; but final decisions have not yet been taken on the precise form the publicity will take, and timing must depend on the Bill's progress.

Pollution (River Mersey)

Mr. Alton asked the Secretary of State for the Environment when he will reply to the request from the North West water authority for funds to tackle pollution in the Mersey.

Mr. John Patten: The North West water authority has not requested such funds.

Mr. Alton asked the Secretary of State for the Environment what were the volumes of sewage sludge dumped into the Mersey by the North West water authority in each year since 1979.

Mr. John Patten: It has never been the practice of the North West water authority to dump sewage sludge in the River Mersey.

Domestic Radioactive Devices

Mr. Alton asked the Secretary of State for the Environment if his Department has compiled a list of those radioactive devices produced for use in the home which are potentially dangerous for the public.

Mrs. Angela Rumbold: Radioactive devices are only made available if careful assessment has shown that they present no danger to the public.

Lower Leigh, Churchstow

Mr. Steen asked the Secretary of State for the Environment if he will give details of the progress made between 1975 and the date of the transfer of the building to the Historic Buildings and Monuments Commission in restoring Lower Leigh, Churchstow; and what was the estimated date of completion in 1975.

Mr. Tracey: After having taken immediate steps to prevent the collapse of the building, between 1975 and 1984 my Department carried out the following projects: replacement and repair of masonry on the gatehouse; major renovation of the south range, including the construction of a new roof and the replacement of the wooden gallery; and the construction of new internal walls.

In 1975, it was estimated that the full restoration would take more than 10 years to complete.

Wildlife and Countryside Act 1981

Mr. Hardy asked the Secretary of State for the Environment if, when issuing licences under the Wildlife and Countryside Act 1981, checks are made to ensure that applicants have not been convicted under that or other relevant legislation; and if the applicant is required to make any signed declaration to prove that his or her record is satisfactory.

Mr. Waldegrave: My Department checks where possible that applicants for licences under the Wildlife and Countryside Act 1981 have not been convicted of offences under the 1981 Act or other relevant legislation.

Applicants for licences to take birds of prey from the wild are required to declare convictions under the

Protection of Birds Act 1954 and 1967 and the Wildlife and Countryside Act 1981; applicants for licences to take birds for the purposes of aviculture, or to take birds by certain methods are additionally required to declare convictions under the Endangered Species (Import and Export) Act 1976.

Members' Correspondence

Mr. Chope asked the Secretary of State for the Environment how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Ridley: As at 11 July, the total number of letters from right hon. and hon. Members to my Department where substantive replies had been outstanding for more than one month was 121. Of these cases 29 had been outstanding for more than two months; 12 for more than three months and one for more than four months.

Expressed as percentages of the total number of letters received during the period of review, the above totals represent 0·9 per cent., 0·2 per cent., 0·1 per cent. and 0·007 per cent., respectively.

Rent and Rate Arrears

Mr. Shersby asked the Secretary of State for the Environment if he will introduce legislation to permit local authorities to factor their collection of rents, rent arrears and rate arrears; and if he will make a statement.

Sir George Young: My right hon. Friend has no plans to legislate in this area.

Squatters

Mr. Shersby asked the Secretary of State for the Environment if he will introduce legislation to require local authorities to apply to the courts to evict squatters occupying council-owned properties; and if he will make a statement.

Sir George Young: No. It should be for each local authority to decide whether and when to take such action.

Landscape Areas

Mr. Ottaway asked the Secretary of State for the Environment when he intends to lay an order to replace the Landscape Areas Special Development Order 1980.

Mr. Waldegrave: The Town and Country Planning (Agricultural and Forestry Development in National Parks etc.) Special Development Order 1986 has been laid before the House today. My Department, in conjunction with the Welsh Office, has also published for comment the draft of a circular to cover the new order: a copy has been placed in the Library. We propose to bring the new order into force on 1 November.

Nature Conservation and Planning

Mr. Ottaway asked the Secretary of State for the Environment when he proposes to complete the revision and re-issue of circular 108/77, "Nature Conservation and Planning".

Mr. Waldegrave: We have had extensive consultations with other Government Departments, the Nature Conservancy Council and interested voluntary organisations concerning the revision of this circular announced in the reply given to my hon. Friend the Member for Mid-Kent (Mr. Rowe) on 27 January this year at column *423* by my hon. Friend the Parliamentary Under-Secretary of State, the Member for Mitcham and Morden (Mrs. Rumbold).

It has not proved possible to complete the consultations as quickly as I had hoped, given the volume of comment. However, the large number of bodies consulted will ensure that this important topic is thoroughly and properly covered. Every effort is being made to conclude the remaining consultations quickly and we expect to publish the revised circular before the end of the year.

Homeless People

Mr. Nellist asked the Secretary of State for the Environment what information he has concerning the number of homeless people in the city of Coventry for each half year since 1979.

Sir George Young [*pursuant to his answer*, 10 July 1986]: The number of households in Coventry accepted as homeless for each half year since the beginning of 1979 is as follows. (Because of changes in recording practice, figures for the second half of 1982 are not strictly comparable with those for earlier periods.)

	Number
1979	
1st Half	76
2nd Half	75
1980	
1st Half	100
2nd Half	75
1981	
1st Half	93
2nd Half	120
1982	
1st Half	113
2nd Half	190
1983	
1st Half	193
2nd Half	165
1984	
1st Half	150
2nd Half	155
1985	
1st Half	206
2nd Half	178

Polychlorinated Biphenyls

Mr. Sheerman asked the Secretary of State for the Environment to what extent recent changes in European Economic Community regulations have effected United Kingdom procedures for notifying the presence of quantities of polychlorinated biphenyls on particular sites.

Mr. Waldegrave [*pursuant to his reply*, 11 July 1986]: No EEC measures require the notification of the location of PCBs.

Loft Insulation

Mr. Evans asked the Secretary of State for the Environment if will list in the *Official Report* the total amount of money made available to each local authority in England and Wales for loft insulation grants for 1985-86; and if he will state how this compares with 1984-85.

Sir George Young [*pursuant to his reply*, 11 July 1986]: The total resources made available to each local authority in England for grants under the homes insulation scheme in 1985-86 and 1984-85 was as follows.

In Wales, the Homes Insulation Scheme is the responsibility of my right hon. Friend the Secretary of State for Wales.

Local authorities	*1985-86 £ thousand*	*1984-85 £ thousand*
Alnwick	42	50
Amber Valley	88	70
Ashfield	75	55
Aylesbury Vale	32	36
Ashford	67	35
Adur	59	25
Arun	120	50
Allerdale	68	80
Berwick upon Tweed	10	20
Barnsley	140	180
Beverley	70	75
Boothferry	33	50
Bradford	405	280
Bassetlaw	115	25
Blaby	83	34
Bolsover	55	50
Boston	26	34
Broxtowe	70	95
Basildon	130	12
Braintree	59	110
Brentwood	48	35
Babergh	43	60
Breckland	65	40
Broadland	80	40
Broxbourne	37	20
Bracknell	77	10
Basingstoke and Deane	40	25
Brighton	56	139
Barking and Dagenham	260	500
Barnet	95	150
Bexley	190	218
Brent	135	170
Bromley	140	100
Bath	27	35
Bristol	175	250
Bournemouth	100	120
Birmingham	511	750
Bridgnorth	23	13
Bromsgrove	76	50
Barrow in Furness	67	75
Blackburn	143	200
Blackpool	172	240
Bolton	189	211
Bury	101	170
Burnley	88	150
Blyth Valley	30	53
Castle Morpeth	25	35
Chester Le Street	32	35
Calderdale	95	200
Craven	30	30
Cleethorpes	59	42
Chesterfield	70	100
Charnwood	95	70
Corby	70	9
Cambridge	36	45
Castle Point	81	25
Chelmsford	78	90
Chiltern	40	20
Colchester	65	65
Canterbury	130	64
Cherwell	38	46
Chichester	54	60
Crawley	19	25
Caradon	28	35
Carrick	62	75
Christchurch	36	17
Cheltenham	52	50
Cotswold	24	43
Cannock Chase	30	20
Coventry	307	441
Chester	72	80
Congleton	51	40
Crewe and Nantwich	78	100
Carlisle	110	125
Copeland	32	60
Chorley	52	100
City of London	0	0
Camden	10	45
Croydon	135	220
Darlington	87	100
Derwentside	50	60
Durham	42	60
Doncaster	260	250
Daventry	34	30
Derby	194	250
Dacorum	62	40
Dartford	48	40
Dover	53	79
Dudley	175	140
Ealing	160	130
Enfield	190	170
Easington	35	65
East Yorkshire	43	40
Erewash	100	80
East Lindsey	60	54
East Northamptonshire	31	40
East Cambridgeshire	20	20
East Hertfordshire	51	56
Epping Forest	66	179
Eastbourne	82	50
East Hampshire	42	49
Eastleigh	68	24
Elmbridge	50	50
Epsom and Ewell	25	30
East Devon	85	40
Exeter	50	75
East Staffordshire	50	50
Eden	23	35
Ellesmere Port and Neston	61	50
Fenland	36	63
Forest Heath	31	15
Fareham	70	45
Forest of Dean	34	30
Fylde	46	82
GLS	10	32
Greenwich	95	200
Gateshead	125	150
Glanford	45	55
Great Grimsby	50	60
Gedling	100	52
Great Yarmouth	62	50
Gillingham	79	79
Gravesham	65	64
Guildford	56	40
Gosport	33	49
Gloucester	52	75

Local authorities	1985-86 £ thousand	1984-85 £ thousand
Hartlepool	45	100
Holderness	33	10
Hambleton	48	35
Harrogate	63	70
Harborough	40	40
Hinckley and Bosworth	65	54
High Peak	39	40
Harlow	123	38
Hertsmere	31	23
Huntingdonshire	32·5	20
Hastings	35	43
Hart	38	45
Havant	57	74
Hove	38	53
Horsham	46	35
Hammersmith and Fulham	35	55
Haringey	85	220
Harrow	85	110
Havering	205	224
Hillingdon	112	110
Hounslow	100	174
Hereford	47	15
Halton	100	60
Hyndburn	65	75
Hackney	20	35
Ipswich	84	106
Islington	12	16
Isles of Scilly	1	1
Kingston Upon Hull	126	128
Kirklees	300	500
Kettering	57	70
Kings Lynn and West Norfolk	71	100
Kensington and Chelsea	8	6
Kingston Upon Thames	60	87
Kennet	16	15
Kerrier	49	50
Knowsley	124	130
Kingswood	52·5	70
Langbaurgh	90	90
Leeds	550	750
Leicester	175	300
Lincoln	25	50
Luton	121	127
Lewes	42	40
Lambeth	70	158
Leominster	40	10
Lichfield	53	21
Lancaster	71	100
Liverpool	412	459
Lewisham	80	100
Middlesbrough	140	105
Mansfield	90	75
Melton	33	30
Maldon	25	15
Mid Bedfordshire	40	40
Mid Suffolk	25	25
Milton Keynes	29	45
Maidstone	77	30
Medina	48	47
Mid-Sussex	67	30
Mole Valley	30	20
Mendip	32	40
Mid-Devon	30	30
Malvern Hills	68	50
Merton	110	150
Macclesfield	77	80
Manchester	190	299
Newcastle upon Tyne	100	150
North Tyneside	140	300
Newark and Sherwood	60	60

Local authorities	1985-86 £ thousand	1984-85 £ thousand
Northampton	80	80
Nottingham	250	178
North Kesteven	52	30
North East Derbyshire	62	70
North West Leicestershire	53·5	60
Norwich	68	140
North Bedfordshire	71	65
North Hertfordshire	46	50
North Norfolk	45	75
Newbury	37	45
New Forest	134	64
Newham	170	350
Northavon	57	40
North Cornwall	28	40
North Devon	62	54
North Dorset	21	20
North Wiltshire	44	35
Newcastle under Lyme	83	50
North Shropshire	30	30
North Warwickshire	31·5	28
Nuneaton and Bedworth	78	70
Oadby and Wigston	55	26
Oxford	80	124
Oswestry	27	40
Oldham	140	185
Peterborough	72	75
Portsmouth	100	199
Penwith	35	50
Plymouth	70	200
Poole	75	60
Purbeck	29	27
Pendle	67	85
Preston	85	155
Richmondshire	15	20
Ryedale	52	56
Rotherham	175	200
Rushcliffe	75	60
Rutland	19	16
Rochford	36	60
Reading	75	100
Reigate and Banstead	46	32
Rother	61	42
Rochester upon Medway	80	89
Rushmoor	33	49
Restormel	44	50
Redbridge	200	215
Richmond upon Thames	65	132
Redditch	27	18
Rugby	45	54
Rochdale	119	110
Runnymead	35	25
Rossendale	25	50
Ribble Valley	35	40
South Tyneside	70	65
Sedgefield	20	25
Stockton on Tees	97	170
Sunderland	70	90
Scunthorpe	49	30
Scarborough	64	48
Selby	50	45
Sheffield	350	640
South Derbyshire	50	60
South Holland	50	30
South Kesteven	60	35
South Northamptonshire	40	40
South Bedfordshire	44	30
South Buckinghamshire	19	17
South Cambridgeshire	50	70
South Norfolk	80	20
Southend on Sea	115	80
St. Albans	39	30
St. Edmundsbury	30	32

Local authorities	1985-86 £ thousand	1984-85 £ thousand
Stevenage	20	4
Suffolk Coastal	53	49
Sevenoaks	46	22
Shepway	42	64
Slough	45	67
Southampton	133	119
South Oxfordshire	55	10
South Wight	46	40
Spelthorne	45	37
Surrey Heath	34	15
Swale	90	149
Salisbury	34	36
Sedgemoor	44	60
South Hams	33	32
South Somerset	48·5	100
Stroud	35	35
Sandwell	153	150
South Herefordshire	36	25
Shrewsbury and Aitcham	60	42
South Shropshire	25·5	12
Stafford	70	50
Staffordshire Moorlands	61	90
Stoke on Trent	170	250
Stratford on Avon	40	40
Solihull	114	150
Salford	100	120
Sefton	189	212
South Ribble	57	75
South Lakeland	45	40
St. Helens	102	75
Stockport	208	300
Southwark	48	100
Sutton	100	100
South Staffordshire	46	30
Teesdale	20	31
Tynedale	35	30
Tendring	100	80
Three Rivers	29	34
Thurrock	96	149
Tandridge	30	31
Test Valley	37	18
Thanet	123	109
Tunbridge Wells	29	33
Tonbridge and Malling	47	62
Tewkesbury	34	30
Taunton Deane	33	30
Teignbridge	48	70
Torbay	70	120
Torridge	31·6	25
Thamesdown	70	110
The Wrekin	51	30
Tamworth	39	40
Tameside	146	150
Trafford	156	179
Tower Hamlets	18	16
Uttlesford	15	12
Vale of White Horse	35	20
Vale Royal	58	60
West Dorset	34	30
Wansbeck	40	59
Wear Valley	30	30
Wellingborough	30	32
West Lindsey	49	50
West Derbyshire	40	45
Watford	29	70
Waveney	110	100
Welwyn Hatfield	45	50
Wycombe	60	40
Wealden	102	84
West Oxfordshire	38	36
Waverley	44	50
Winchester	48	10
Windsor and Maidenhead	45	55
Woking	40	40
Wokingham	53	28
Worthing	81	55
Wansdyke	40	35
West Devon	14	20
Weymouth and Portland	36	50
Wimborne	88	20
West Somerset	21	30
West Wiltshire	41	32
Woodspring	90	60
Warwick	71	45
Walsall	136	185
Worcester	80	49
Wolverhampton	273	400
Wychavon	60	35
Wyre Forest	86	63
Warrington	131	107
West Lancashire	46	70
Wigan	255	245
Wyre	120	80
Waltham Forest	150	275
Wandsworth	130	180
Westminster	4	5
Wakefield	185	175
Wirral	300	449
York	115	100

Rent Increases

Mr. Evans asked the Secretary of State for the Environment what was the total amount of money made available to local authorities in England and Wales for loft insulation grants for 1985-86; and how this compares with 1984-85.

Sir George Young [*pursuant to his reply*, 11 July 1986]: In 1985-86 the total resources made available to local authorities for grants under the homes insulation schme in England was £27·9 million. In 1984-85 a total of £31·5 million was made available. In Wales, my right hon. Friend the Secretary of State for Wales is responsible for the homes insulation scheme.

Mr. Tony Banks asked the Secretary of State for the Environment if his Department has been consulted about rent increases for tenants in the Greater London council's seaside and country homes; and if he will make a statement.

Sir George Young [*pursuant to his reply*, 11 July 1986]: My Department has received letters from the London residiary body and Anchor housing association, who are discussing arrangements for transfer of the homes. They are aware of my Answer on 15 November 1984 to my hon. Friend the Member for Richmond and Barnes (Mr. Hanley). I indicated that the financcial basis of transfer to district councils should enable them broadly to maintain on abolition the then existing levels of rent and management and maintenance expenditure, although changes both before and after abolition were not precluded. We have since agreed to a request by the ALA and LBA that the homes should be transferred not to district councils but to a housing association where fair rents apply, but the answer is still relevant to current discussions.

HOME DEPARTMENT

Prison Officers Dispute (Risley)

Mr. Charles Wardle asked the Secretary of State for the Home Department if he will make a statement on the dispute involving women prison officers at Her Majesty's remand centre, Risley.

Mr. Hurd: At noon on Friday 4 July the local branch of the Prison Officers Association at Risley began refusing to receive female prisoners without allowing for the discussion of their grievances at regional level envisaged in the procedure agreed between the Home Office and the Prison Officers Association as a basis for settlement of the recent national industrial action. According to unconfirmed reports, that procedure, which had been recommended to POA members by their National Executive Committee, was overwhelmingly endorsed in a national ballot conducted on 2 July: counting of the ballot is understood to have been suspended by the national executive committee pending a resolution of the Risley dispute.

The POA branch at Risley escalated its industrial action rapidly on 4 July to include an overtime ban and work to rule. The Governor had to call in assistant governors from two other establishments to carry out essential work not being undertaken by POA members, who were neither suspended nor locked out but simply told they would not be paid for work they were not doing.

In the course of last week, Home Office officials held over 16 hours of talks with POA national executive committee and Risley branch representatives in which they made several proposals designed to find a way of enabling the dispute at Risley to be resolved within the agreed procedure. Discussions focussed on the manning of an annexe of four cells in the establishment. At the conclusion of discussion on Thursday 10 July, POA representatives agreed to put the following proposal to the Risley branch:

"The Risley dispute has not been handled locally in accordance with the procedure agreed between the Home Office and the Prison Officers' Association as a basis for settlement of the recent national industrial action. Both sides reiterate their commitment to that procedure.

The long term function and manning of the cellular annexe at Risley and other issues raised by the Risley branch will be the subject of review by the regional manpower team. They will then be discussed locally and at regional level in accordance with the agreed procedure.

For the present, on an interim and without prejudice basis, and in order to enable the agreed procedure to get under way, the cellular annexe at Risley will be occupied by rule 43 inmates and the adjacent landing and dormitory areas will be manned by two staff. The unit will be manned throughout the day by one officer when it is in a patrol state. These levels are an irreducible minimum. Additional manning will be provided to give effect to satisfactory regime activities in the unit, which will be determined in the context of appendix D of the agreed 1981 manpower report. The level of additional manning required (which will not be found by diversion from officer tasks) will be decided following discussions between the governor and the local branch in accordance with the agreed procedure."

This joint statement was accepted by the Risley branch at a meeting on Friday 11 July. The prison is now working normally.

Departmental Contracts

Mr. Mates asked the Secretary of State for the Home Department if he will list the contracts, with the subject of the assignment, awarded to management consultancy or accounting firms by his Department in 1985, with the name of the consultants concerned.

Mr. Hurd: The information is as follows:

Consultancy	*Assignment*
Arthur Young McClelland and Moores and Company	Tasks related to the development work on a local budgeting system for the Prison Department.
Atkins Planning	Further development of project management information in the Directorate of Telecommunications.
BIS Applied Systems	Task related to a review of the Prison Costing System.
Coopers and Lybrand Associates Limited	Review of the commercial relationship between the Prison Service Industries and Farms and customers.
Craton Lodge and Knight Company Limited	Assistance with marketing strategy for Prison Service Industries and Farms.
Data Logic Limited	Software strategy study for the Police National Computer Unit.
Ernst and Whinney	Appraisal of options for Automatic Fingerprint Recognition.
Gilpin Black Associates Grubb Institute	Management training for the Probation Service.
Hay—MSL Management Consultants	Performance Bonuses.
John Bell Associates	Development of a computer programme for timetabling purposes.
Local Government Operational Research Unit	Development of a computerised information system for the Probation Service.
Pactel	Development of a system specification for computerisation of Prison Officer rostering.
PA Management Consultants	Prison Offices complementing and shift systems.
Price Waterhouse	Tasks related to a computer accounting system and marketing organisation in Prison Service Industries and Farms.
Service in Information and Analysis Limited	Development of a computer programme for use in HOLMES data conversion.
Spicer and Pegler Associates	Review of TV licence collection and enforcement procedures.
Touche Ross Management Consultants	Study of an accounting and organisational framework for the Directorate of Telecommunications.

Prisoners (Statistics)

Mr. Tom Cox asked the Secretary of State for the Home Department what is the number of prisoners in Her

Majesty's prisons in the United Kingdom who have served *(a)* 15, *(b)* 20, and *(c)* 25 years of their sentence as of 1 July.

Mr. Mellor: The latest readily available information is given in the table.

Population of prisoners in Prison Department establishments in England and Wales on 31 May 1986 whose initial reception under sentence was 15 years or more earlier.*

Time since initial reception under sentence into a Prison Department establishment†	*Number of prisoners*	
	All	*Recalled‡*
15 years but less than 20 years	125	34
20 years but less than 25 years	37	21
25 years and over	21	14

* The figures are those recorded centrally and are approximate; detailed checking of individual cases would involve disproportionate cost.
† Includes time spent on licence by prisoners recalled after having been released on licence.
‡ Prisoners who had been recalled after having been released on licence.

Stocken Hall, Rutland

Mr. Latham asked the Secretary of State for the Home Department whether he will make a statement on the sale by his Department of Stocken hall, Rutland, Leicestershire; and what conditions he has imposed regarding the need for it to be fully rehabilitated within a specific period of time.

Mr. Mellor: The disposal of Stocken hall was undertaken by the Property Services Agency on behalf of the Home Office. The sale, by private treaty, was completed on 30 April 1986. The terms of the sale require that the buildings be kept in a safe condition and that they do not become a danger or nuisance to the owners or occupiers of adjoining properties. Rehabilitation of the hall was not a condition of sale. The terms of the sale also provide for the Home Office to continue its farming use of the stable block for up to two years until alternative new buildings are available.

Asylum

Mr. Meadowcroft asked the Secretary of State for the Home Department what measures he has taken in response to the United Nations General Assembly resolutions calling on United Nations member states to grant asylum or safe transit to all persons who refuse service in military or police forces used to enforce apartheid; and if he will make a statement.

Mr. Waddington: I would refer the hon. Member to the reply I gave to a question from him on 30 June 1986 at column *371*. When resolution 33/165 was adopted by the United Nations General Assembly on 20 December 1978, the United Kingdom Government placed on record their view that it left it open to member states to decide in accordance with their own laws and procedures whether to admit, or to grant asylum, or to recognise any person as a refugee. That remains the position.

Mr. David Sulley

Mr. Nellist asked the Secretary of State for the Home Department when he will be in a position to reply to the letter from the hon. Member for Coventry, South-East of 14 May concerning Mr. David Sulley, presently in Stafford prison.

Mr. Mellor: A reply will be sent to the hon. Member within the next two weeks.

George O'Dowd

Mr. Ron Brown asked the Secretary of State for the Home Department if he will make a statement about police raids on houses belonging to George O'Dowd and his friends.

Mr. Giles Shaw: I understand from the Commissioner of Police of the Metropolis that his officers executed six warrants obtained under the Misuse of Drugs Act 1971 at a number of properties in North London on the morning of 8 July. Five people have now been charged with misuse of drugs offences and the matter is therefore sub judice.

Central Drugs Squad

Mr. Tony Banks asked the Secretary of State for the Home Department what is the relationship between the central drugs squad and the divisional squads; and if he will make a statement.

Mr. Giles Shaw: The Metropolitan Police central drugs squad investigates large-scale drug offences. Divisional drug squads are being replaced by area drug squads under the command of the area deputy assistant commissioners and tasked to disrupt middle level drugs dealings.

Mr. Tony Banks asked the Secretary of State for the Home Department what is the relationship between the central drugs squad and the national drugs intelligence unit.

Mr. Giles Shaw: The national drugs intelligence unit provides drugs intelligence to police and customers througout the country. The central drugs squad, which investigates large-scale drugs crime, is both a user and a provider of this intelligence.

Mr. Tony Banks asked the Secretary of State for the Home Department (1) when the central drugs squad was established; what was its original establishment size and what has been the central establishment of both civilian and uniformed personnel each year since its creation;

(2) if he will provide a breakdown by rank of the officers in the central drugs squad, the national drugs intelligence unit and the divisional drugs squads;

(3) how may drugs raids were carried out by the district —divisional drugs squads in each year since 1979;

(4) how many drugs raids were completed by the central drugs squad in each year since 1979;

(5) if he will detail the number of prosecutions in respect of offences relating to each listed and prohibited drug within the Metropolitan police district for each of the past five years;

(6) how many black and Asian personnel are employed in the central, national intelligence and divisional drug squads;

(7) how many weeks' training are given to officers in *(a)* the central drugs squad, *(b)* the national drugs intelligence unit and *(c)* the divisional drugs squads;

(8) what was the total amount of *(a)* cannabis, *(b)* heroin, *(c)* cocaine and *(d)* LSD, seized by police officers in the Metropolitan police area for each of the past five years.

Mr. Giles Shaw: The information requested is not readily available. I shall provide such information as is available as soon as possible.

Mr. Tony Banks asked the Secretary of State for the Home Department (1) for the most convenient recent period, what was the percentage of referrals for investigation of drug offences emanating from *(a)* the police, *(b)* the public and *(c)* other agencies and institutions in the Metropolitan police area;

(2) if he will estimate the number of Metropolitan police working hours spent on drugs-related investigations in the past 12 months;

(3) if he will estimate the number of Metropolitan police officers involved in drug raids during the past 12 months;

(4) what personnel are employed by the Metropolitan police on maintaining liaison between the drugs squads and Customs and Excise officers.

Mr. Giles Shaw: I will reply as soon as possible.

Glasgow Passport Office

Mr. Eadie asked the Secretary of State for the Home Department if he will investigate the management and administration of the Glasgow passport office, in the light of its current slowness of response to inquiries from the public; and if he will make a statement.

Mr. Waddington: Demand for standard passports in Scotland so far this year has increased by 27 per cent. compared with the same six-month period in 1985. This sharp increase in demand and the residual effects of industrial action in passport offices earlier this year have caused abnormal and regrettable delays in dealing with passport applications.

Steps have been taken to reduce the delays including the recruitment of temporary staff, overtime working and the transfer of work to the Liverpool passport office where at present average processing times are shorter.

I confidently expect that the Glasgow passport office will soon be able to respond to inquiries from the public in the normal prompt manner.

Lynne Marsland

Ms. Harman asked the Secretary of State for the Home Department if there will be an inquest into the death of the infant born to Lynne Marsland, a prisoner at Her Majesty's prison, Holloway, on 29 June.

Mr. Mellor: I understand that an inquest will be held on 15 October.

Ms. Harman asked the Secretary of State for the Home Department when Lynne Marsland, a prisoner at Her Majesty's prison, Holloway, first said she experienced labour pains before giving birth to a daughter on 29 June.

Mr. Mellor: Ms. Marsland first said that labour had begun during the evening of Saturday 28 June. Medical reports indicate that the contractions she then experienced subsided and that labour began in the afternoon of Sunday 29 June.

Ms. Harman asked the Secretary of State for the Home Department when Lynne Marsland, a prisoner at Her Majesty's prison, Holloway, was first put in a single room for close observation on 29 June; and what was the reason she was moved to this room.

Mr. Mellor: Ms. Marland was placed in a single room in Holloway's mother and baby unit at 3.10 am on Sunday 29 June to facilitate closer observation. This accords with standard procedures under which a pregnant inmate is moved to a single room if she appears to be experiencing pain or discomfort in the abdomen during the night.

Members' Correspondence

Mr. Chope asked the Secretary of State for the Home Department how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Hurd: The latest period for which figures are available is 1 April 1985-31 March 1986. In this period 30,388 letters from hon. and right hon. Members and others were received for ministerial reply in my Department.

As of 31 March, 7,984 cases were recorded as awaiting a substantive reply: of these, 1,871 were recorded as having been received between 31 and 60 days previously, 706 cases 61 to 90 days previously, 1,421 cases between 91 to 180 days previously and 1,197 more than 180 days previously. In a significant proportion of immigration cases, substantive replies are not sent for a number of months while inquiries are being pursued or while an appeal is outstanding. In addition, because of present difficulties with the computer recording system it seems likely that a number of these cases had in fact been completed before 31 March.

Metropolitan Police

Mr. Tony Banks asked the Secretary of State for the Home Department (1) how many Metropolitan police officers and civilians are engaged on traffic matters within force headquarters; and if he will provide a breakdown by branch and rank and describe the functions of each branch;

(2) how many officers and civilians are engaged on traffic matters locally in the Metropolitan police district area; and if he will provide a breakdown by rank and location;

(3) what was the strength of B department of the Metropolitan police for each year from 1980 to 1985 broken down by officer and civilians, headquarters staff and for locally-based officers by rank and area.

(4) what have been the average weekly flying hours of Metropolitan police helicopters on traffic patrol duties during the past year;

(5) if he will list all Metropolitan police buildings other than section houses, garages, local police stations and married quarters and identify the functions performed by the officers and civilians using it and the numbers of staff employed within each building.

Mr. Giles Shaw: I will reply as soon as possible.

Roads (Police Patrols)

Mr. Tony Banks asked the Secretary of State for the Home Department how many miles of road are now

regularly patrolled and policed by traffic department officers within the Greater London area; and if he will identify the major roads currently covered by traffic patrols and provide details of the major roads and mileage patrolled in each year from 1979.

Mr. Giles Shaw: The Commissioner has informed me that traffic officers regularly patrol all the major routes within the Metropolitan police district. These include 1,054 miles of A or A/M class roads and 75 miles of motorway. Figures for the miles of road patrolled in the years 1979 to 1985 are not readily available.

Road Accidents

Mr. Tony Banks asked the Secretary of State for the Home Department how many road traffic accidents were attended by traffic police in each year from 1979; and how many arrests and charges were made by traffic patrol officers in each year since 1979.

Mr. Giles Shaw: Information is not available centrally on the number of road accidents attended by the police or the number of arrests and charges made by the police. Statistics on road accidents involving injury are published by the Department of Transport each year in "Road Accidents Great Britain", and information on persons proceeded against for motoring offences is published by the Home Office in an annual bulletin "Offences Relating to Motor Vehicles, England and Wales".

South Africa

Mr. Tony Banks asked the Secretary of State for the Home Department if he will estimate the total number of persons currently located in South Africa who would be eligible for registration to vote in the United Kingdom under the provisions of the Representation of the People Act 1985.

Mr. Mellor: My right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs gave figures for the British community in South Africa in his answer to my hon. Friend the Member for Elmet (Mr. Batiste) on 15 April at column *380*. We estimate that only a small proportion of those will qualify under the terms of the Representation of the People Act 1985.

Public Order

Mr. Deakins asked the Secretary of State for the Home Department what proportion of total Metropolitan police expenditure is spent on public order equipment and training for public order duties.

Mr. Giles Shaw [*pursuant to his reply*, 26 June, c. *289-90*]: I understand from the Commissioner of Police of the Metropolis that the proportion of total Metropolitan police expenditure spent on public order equipment and training for public order duties in the financial year 1985-86 was 0·1 per cent. and 0·3 per cent. respectively.

TRADE AND INDUSTRY

Multi-fibre Arrangement

Mr. Meadowcroft asked the Secretary of State for Trade and Industry if he will make a statement on the position he will present at the European Economic Community Council of Ministers on 21 July regarding Her Majesty's Government's policy towards the new multi-fibre arrangement.

Mr. Alan Clark: The purpose of any discussion at the Foreign Affairs Council on 21 July will be for the Commission to report progress on the MFA negotiations so far. The Commission is negotiating, in close consultation with Member States, on the basis of a mandate agreed by Ministers in March, which takes full account of United Kingdom interests.

Sir John Farr asked the Secretary of State for Trade and Industry (1) in view of the increase in clothing imports, the decrease in exports of clothing and textiles and the increase in the balance of trade deficit for the first quarter of 1986, he will, in the multi-fibre arrangement negotiations now taking place, urge the introduction of a more stringent protection mechanism on imports;

(2) if he will take the increase in imports of textiles and clothing from countries covered by the multi-fibre arrangement in the first quarter of 1986 into account when negotiating the next multi-fibre arrangement.

Mr. Alan Clark: The mandate agreed by the Foreign Affairs Council in March provides the basis on which a renewal could be negotiated which would continue to provide effective protection for the most sensitive sectors of our industry. I am keeping in close touch with the industry as the negotiations progress. The most recent trade figures for particular sectors are indeed being taken into account in the negotiations on bilateral agreements. The mandate provides for the retention of a safeguard mechanism against growth in unrestricted imports.

Carpets (Imports)

Sir John Farr asked the Secretary of State for Trade and Industry what evidence he has to indicate whether the sustantial increase in carpet imports from France in the first quarter of 1986 was due to unfair dumping; and what action he intends to take.

Mr. Alan Clark: If there were evidence that French carpet manufacturers were receiving subsidies, we would ask the European Commission to investigate them under their state aids powers. No such evidence has been produced to date.

Hosiery Imports

Sir John Farr asked the Secretary of State for Trade and Industry how he accounts for the increase in hosiery imports for the first quarter of 1986.

Mr. Alan Clark: Trading performance in any particular sector may be influenced by a wide range of factors, notably exchange rates. I note the increase in imports — in particular from certain developed countries — in the first quarter of 1986, but I am not aware of any specific reasons which might have contributed to this, nor has such an increase been in excess of quota provisions where these are applicable.

Textile and Clothing Exports

Sir John Farr asked the Secretary of State for Trade and Industry what steps he is taking to seek to increase the accessibility of markets in Russian and Indonesia to United Kingdom exports of textiles and clothing.

Mr. Alan Clark: It is the Government's and the Community's intention to use every occasion to press the case for opening up these markets to a wide range of our goods. The opening up of markets—in particular of the more advanced developing countries—will be a major United Kingdom objective in the forthcoming Multilateral Trade Negotiations in the GATT. In the MFA negotiations the Community has agreed that positive account should be taken of the degree of market openness of supplier countries.

Trade Marks Office

Mr. Tom Cox asked the Secretary of State for Trade and Industry when Her Majesty's Government will decide which site they will support for the building of the European Trade Marks Office in the United Kingdom.

Mr. Pattie: Her Majesty's Government will decide on the particular London site which they will propose once it receives an invitation from the European Commission to provide detailed information about its bid. This is expected to be in the very near future.

Research and Development

Mr. Evans asked the Secretary of State for Trade and Industry if he has any plans to meet the Trades Union Congress to discuss funding from his Department for research and development; and if he will make a statement.

Mr. Butcher: My right hon. Friend has no immediate plans to do so.

Cement Imports

Mr. Parry asked the Secretary of State for Trade and Industry what measures Her Majesty's Government propose to take to protect the interests of the United Kingdom cement industry and its employees in the light of the increasing level of subsidised imports from Greece, the German Democratic Republic and Poland.

Mr. Roy Hughes asked the Secretary of State for Trade and Industry if he has had any discussions with his European Economic Community counterparts on the possibility of restricting imports of cement from East Germany and Poland.

Mr. Alan Clark: I will shortly be writing to the European Commission about subsidies to exporters granted by the Greek Government. As regards the German Democratic Republic and Poland, the Commission has completed an anti-dumping investigation into imports of cement from those sources into the Community and is considering its findings. I have had no other discussions with my Community counterparts on possible restrictions of imports of cement from the German Democractic Republic and Poland.

Mr. Roy Hughes asked the Secretary of State for Trade and Industry if he has had any discussions with the Greek Government concerning allegations of dumping of cement imports into the United Kingdom.

Mr. Pawsey asked the Secretary of State for Trade and Industry (1) if he will make firm representations to the Greek Government about the implications for the viability of the United Kingdom cement industry of the current level of subsidy enjoyed by Greek exports of cement to the United Kingdom; and if he will make a statement;

(2) what action he intends to take to seek to prevent Greek cement being dumped in the United Kingdom;

(3) if he will ask the European Commission to investigate alleged unfair trade practices in respect of cement exported from Greece and imported into Greece from other countries.

Mr. Parry asked the Secretary of State for Trade and Industry (1) what representations he has received concerning the level of subsidised imports of cement into the United Kingdom; and if he will make a statement;

(2) if he will meet representatives of the Cement Employers Association and the trade unions involved in the industry to discuss the level of subsidised imports of cement into the United Kingdom.

Mr. Alan Clark: The British cement industry has made representations to my Department and to the Department of the Environment, who sponsor the industry, about the threat of subsidised imports of cement from Greece. My hon. Friend the Minister for Construction, Housing and Urban Affairs, and officials from both Departments, met a delegation of Members of Parliament and the Cement Makers Federation on 10 July to discuss the position. I am arranging to meet the same delegation and will shortly be writing to the European Commission to express the Government's serious concern at the Commission's continued authorisation of the general system of subsidies to Greek exporters, which the Commission has already investigated and found to be incompatible with the common market. If evidence of the use of other forms of subsidy comes to light I shall also take this up with the European Commission and, where appropriate, with the Greek Government.

Mr. Roy Hughes asked the Secretary of State for Trade and Industry if he will review the regulations preventing the dumping of imports of cement into the United Kingdom; and if he will impose further restrictions.

Mr. Alan Clark: The Community's anti-dumping law provides a means by which complaints of dumping can be investigated and remedies imposed where appropriate.

Mr. Pawsey asked the Secretary of State for Trade and Industry if he will seek to introduce a duty on imports of cement from Greece of an amount equivalent to the duty levied by Greece on imports of cement from the United Kingdom; and if he will make a statement.

Mr. Alan Clark: No duty is imposed by Greece on imports of cement.

Mr. Parry asked the Secretary of State for Trade and Industry if he will list in the *Official Report* the level of imports of cement into the United Kingdom in each of the past three years.

Mr. Alan Clark: I will reply to the hon. Member as soon as possible.

Greyhound Management Services

Mr. Greenway asked the Secretary of State for Trade and Industry when he expects to publish the report of the Monopolies and Mergers Commission into the supply of greyhound management services; and if he will make a statement.

Mr. Howard: The Monopolies and Mergers Commission has submitted its report on the supply of greyhound management services and it will be published as soon as possible. I shall make an announcement at that time.

Pyramid Selling

Mr. Maclennan asked the Secretary of State for Trade and Industry when his Department completed its review of the pyramid selling provisions of the Fair Trading Act 1973; what conclusions it reached; and what specific changes in the operation of the law are proposed.

Mr. Howard: My Department will be completing this review shortly. I expect it to result in proposals for strengthening and simplifying the existing legislation on pyramid selling.

EC (Balance of Trade)

Mr. Austin Mitchell asked the Secretary of State for Trade and Industry whether he will bring up to date the figures showing the balance of trade with the EC each year and in 1986 to date on a balance of payments basis, as given in the written reply to the hon. Member for Great Grimsby on 29 February 1984, *Official Report*, columns *193-4*; and if he will provide comparable figures on an overseas statistics basis.

Mr. Alan Clark: The information is in the table.

*United Kingdom balance of trade with the European Community**
£ billion

	BOP basis		*OTS basis*	
	Manufactures† less precious stones‡	*Total trade less fuels‖ and precious stones‡*	*Manufactures† less precious stones‡*	*Total trade less oils¶ and precious stones‡*
1970	+0·6	+0·1	+0·5	—
1971	+0·4	−0·2	+0·3	−0·2
1972	—	−0·5	+0·1	−0·5
1973	−0·5	−1·4	−0·5	−1·4
1974	−0·6	−2·1	−0·8	−2·2
1975	−0·7	−2·4	−0·7	−2·3
1976	−0·8	−2·3	−0·8	−2·4
1977	−0·8	−2·4	−1·0	−2·7
1978	−2·1	−3·3	−2·4	−3·6
1979	−2·9	−4·3	−3·4	−4·9
1980	−1·3	−2·2	−1·9	−2·8
1981	−2·6	−4·1	−3·0	−4·4
1982	−4·4	−6·1	−5·1	−6·8
1983	−7·3	−9·2	−8·1	−10·1
1984	−8·2	−10·6	−9·0	−11·8
1985	−8·8	−11·3	−9·7	−12·3
1986	−2·8	−3·4	−3·0	−3·6
1986	..	..	−4·9	−6·0

* Present membership throughout.
† Standard international trade classification sections 5 to 8.
‡ Standard international trade classification division 66.
‖ Standard international trade classification section 3 (fuels). Trade in oil by country is not available on a balance of payments basis.
¶ Standard international trade classification division 33.
.. Not available—data for trade with the European Community on BOP basis available only quarterly.
January to March.
January to May.
Source: Department of Trade and Industry. United Kingdom Overseas Trade Statistics.

Military Tanks (Competition)

Mr. Fatchett asked the Secretary of State for Trade and Industry if he will ask the Monopolies and Mergers Commission to examine the current extent of competition in the United Kingdom in relation to the supply of military tanks; and if he will make a statement.

Mr. Howard: I have no plans to make a reference. Monopoly references are normally a matter for the Director General of Fair Trading. Should the question of a qualifying merger arise, I would expect to be advised by the director general in the usual way on whether a reference should be made to the MMC.

Steelmaking

Mr. Wilson asked the Secretary of State for Trade and Industry what information he has as to the percentage change in steelmaking capacity *(a)* between 1970 and 1986 and *(b)* between 1979 and 1986 in (i) the European Economic Community as a whole, (ii) the United Kingdom, (iii) Scotland, (iv) England, (v) Wales and (vi) each of the other member states of the European Economic Community.

Mr. Peter Morrison: The following is the available information.

Crude Steel: Production potential
Percentage changes

	1970-86	*1979-86*
England	n.a.	−37·1
Scotland	n.a.	+33·3
Wales	n.a.	+2·3
United Kingdom	*−20·8	−19·4
Belgium	−10·5	−31·0
Denmark	*+60·0	−33·3
France	+1·9	−19·9
Greece	*+462·5	†+246·1
Ireland	*+200·0	+200·0
Italy	+68·9	−1·1
Luxembourg	−10·0	−25·0
Netherlands	+50·9	−3·6
West Germany	−10·8	−31·4
EEC 10	+5·1	−19·0
Spain	n.a.	n.a.
Portugal	n.a.	n.a.

Sources: ECSC Investment in the Community coalmining and iron and steel industries, except those marked * and †.
*Data for 1970 from OECD, the Iron and Steel industry in 1970 and trends in 1971.
†Data for 1979 from OECD, the Iron and Steel industry in 1979.
n.a. = not available.

Mr. Wilson asked the Secretary of State for Trade and Industry what information he has as to how many people are employed in the steelmaking industry of each of the member states of the European Economic Community at present; and if he will give comparable figures for each year since 1974.

Mr. Peter Morrison: The following is the available information.

Total labour force employed in ECSC activities
Average numbers employed ('000)

	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986 January-March*
Belgium	63·6	61·4	58·4	54·2	49·3	49·0	47·0	44·7	43·1	40·5	38·7	35·6	33·7
Denmark	2·7	2·7	2·7	2·5	2·6	2·7	2·5	1·9	1·7	1·5	1·6	1·8	1·8
France	155·7	157·0	155·1	149·3	135·8	125·0	114·0	100·2	96·8	92·6	87·1	80·8	74·4
Greece†	8·7	—	8·5	—	8·3	8·5	8·7	—	7·0	—	4·2	4·2	—
Ireland	0·8	0·8	0·7	0·7	0·7	0·7	0·7	0·6	0·7	0·6	0·7	0·5	0·6
Italy	93·8	96·0	96·9	97·3	96·3	98·0	101·0	98·3	93·9	90·5	81·7	71·1	68·8
Luxembourg	23·4	22·7	22·0	20·1	17·3	17·0	16·0	13·9	13·4	12·4	12·7	12·4	12·7
Netherlands	23·8	23·2	23·1	21·9	21·5	21·0	21·0	20·9	20·5	19·7	18·7	18·9	18·8
Portugal†	5·0	5·6	5·6	—	6·2	6·5	6·7	—	7·1	6·9	6·7	6·5	—
Spain†	89·4	90·0	91·0	90·8	88·4	87·4	85·8	80·5	76·5	72·9	69·2	—	—
United Kingdom	197·7	190·7	183·3	182·0	170·0	162·0	134·0	96·0	81·9	67·3	62·3	60·7	58·4
West Germany	230·6	226·7	220·3	214·4	205·0	204·0	201·0	192·0	181·2	168·9	156·5	152·1	150·3

Sources: Eurostat except where marked †.
* Provisional.
† OECD, the Steel Market.

Mergers

Dr. Glyn asked the Secretary of State for Trade and Industry if he will introduce amendments to the law to permit him to be the final arbiter on any decision made by the Monopolies and Mergers Commission to allow a merger to proceed when this involves matters of national security or defence.

Mr. Howard: Consideration of the powers of the Secretary of State for Trade and Industry in mergers cases falls within the scope of the review of mergers and restrictive trade practices law and policy announced by the Secretary of State on 5 June 1986.

Petrol Stations (Pricing Policies)

Mr. Thurnham asked the Secretary of State for Trade and Industry if he will ask for a report from the Director General of Fair Trading on his monitoring of developments into pricing policies at petrol stations; and if he will make a statement.

Mr. Howard: I have no present intention of doing so, since competitive forces appear to be working on the price of petrol.

Members' Correspondence

Mr. Chope asked the Secretary of State for Trade and Industry how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Channon: The figures requested are as follows:

	Number
(a)	43
(b)	9
(c)	2
(d)	0

Mr. Brian Gentleman

Mr. Kirkwood asked the Secretary of State for Trade and Industry between which dates Mr. Brian Gentleman was employed by his Department; and on what dates he moved between sections within the Department.

Mr. Butcher: Mr. Gentleman has been employed in my Department since 18 August 1980; he moved between sections on 10 August 1983 and 24 October 1984; and he was suspended from duty on 14 April 1986.

Industry Council

Mr. Fallon asked the Secretary of State for Trade and Industry if he will make a statement on the outcome of the meeting of the European Economic Community Council of Industry Ministers on 9 July.

Mr. Peter Morrison: The Industry Council I chaired on 9 July concluded that the agreement on exports of semi-finished steel negotiated by the Commission with the USA was the best available in the circumstances. Subject to the final views of one member state, the Council agreed on the division between member states of the allowed levels of exports to the USA. BSC's exports of semi finished steel to Tuscaloosa Steel are unaffected.

I advised the Chairman of the Scrutiny Committee of the likely timetable beforehand. The Scrutiny Committee at its meeting on 9 July recommeded the Commission's proposals for debate, but indicated that it did not wish adoption to be delayed on this account. The debate will take place at the earliest opportunity.

Motor Insurance

Mr. Campbell-Savours asked the Secretary of State for Trade and Industry if he will introduce legislation to prevent motor vehicle insurance companies from discriminating against unemployed persons in the granting of insurance policies; and if he will make a statement.

Mr. Howard: I have no plans to introduce such legislation. I have seen no evidence to suggest that any serious discrimination of this kind exists. The terms and conditions of insurance policies are matters for the commercial judgment of insurers.

Steel (Scotland)

Mr. Tom Clarke asked the Secretary of State for Trade and Industry what was the output of each various category of steel from plants in Scotland in the last year for which figures are available and for each year since 1979.

Mr. Peter Morrison [*pursuant to his reply*, 11 July]: I refer the hon. Member to the reply I gave to the hon. Member for Caernarfon (Mr. Wigley) on 25 June 1986 at column *208*.

WALES

Caravan Sites

Mr. Soley asked the Secretary of State for Wales on how many occasions he has exercised his powers under section 9 of the Caravan Sites Act 1968, since it came into force in April 1970, to direct any local authority to provide additional sites for gipsies; on how many occasions he has had cause to threaten to do so; and if, in each case, he will name the authority, the date on which he exercised these powers and whether his direction was complied with.

Mr. Nicholas Edwards: I have exercised these powers once. On 11 April 1986 I made directions requiring West Glamorgan county council to provide so many sites as will provide accommodation for 60 caravans for gipsies. The county council is taking action on the directions but has not yet complied with them. Clwyd county council were advised on 7 July 1986 that I am minded to issue a direction requiring them to provide sides for an additional 30 caravans.

Mr. Soley asked the Secretary of State for Wales if he will state how many gipsies are estimated to be resorting to or residing in each of the counties in Wales; and when these estimates were made.

Mr. Nicholas Edwards: At the January 1986 count of caravans conducted by district councils in Wales the number of gipsy caravans recorded in each county was as follows:—

County	*Number of caravans*
Clwyd	14
Dyfed	209
Gwent	56
Gwynedd	25
Mid Glamorgan	75
Powys	28
South Glamorgan	105
West Glamorgan	87

Information about the number of people living in these caravans is not available.

Mr. Soley asked the Secretary of State for Wales which local authority areas in Wales are designated under the Caravan Sites Act 1968.

Mr. Nicholas Edwards: None.

Mr. Soley asked the Secretary of State for Wales how many separate caravan sites have been provided in each of the counties in Wales; and what is the number of caravan pitches accommodated on those sites.

Mr. Nicholas Edwards: Twelve caravan sites have been provided by local authorities in Wales. The number in each county and the pitches accommodated on them are given in the following table:

County	*Number of Sites*	*Number of Pitches*
Clwyd	Nil	Nil
Dyfed	6	80
Gwent	2	36
Gwynedd	1	34
Mid Glamorgan	1	24
Powys	1	10
South Glamorgan	2	59
West Glamorgan	Nil	Nil

Mr. Soley asked the Secretary of State for Wales whether the provision of caravan pitches by each of the counties in Wales meets the requirements of the Caravan Sites Act, stating which counties do and which do not meet such requirements.

Mr. Nicholas Edwards: I may, on the application of a county council, and if I am satisfied that adequate

provision is made in their area for the accommodation of gipsies residing in or restoring to that area, designate the area under section 12 of the Caravan Sites Act 1968. No such designation has been made in Wales.

Welsh Students (A-Levels)

Mr. Barry Jones asked the Secretary of State for Wales what has been the number of Welsh students taking Welsh at A-level for each of the last six academic years.

Mr. Nicholas Edwards: The information, as provided by the Welsh Joint Education Committee, is given in the following table:—

*Number of Candidates**

	1980	*1981*	*1982*	*1983*	*1984*	*1985*
'A' level Welsh (First Language)	252	265	257	269	263	255
'A' level Welsh (Second Language)	260	315	293	314	311	284

* Including external candidates.

Housing Benefit

Mr. Barry Jones asked the Secretary of State for Wales how much housing benefit has been paid to tenants of private landlords in Wales not subject to fair rents, for each year from 1979 to 1986.

Mr. Nicholas Edwards: The information requested is not held centrally.

Expenditure

Mr. Barry Jones asked the Secretary of State for Wales if he will publish in the *Official Report* comparisons between current expenditure in 1979-80 and 1986-87, or to the latest possible date, giving the difference in money terms and as a percentage and giving the difference between 1979-80 and 1986-87, or the latest possible date, at 1986-87 prices.

Mr. Nicholas Edwards: Net current public expenditure within my responsibility totalled £1,310 million in 1979-80. Consistent with "The Government's Expenditure Plans 1986-87 to 1988-89" (Cmnd 9702), the provision for 1986-87 is £2,300 million.

The difference of £990 million represents an increase of about 75 per cent. between 1979-80 and 1986-87. In real terms the increase is £108 million (1986-87 price levels). The increase in real terms has been derived by excluding the effect of general inflation as measured by the latest GDP deflators.

Pupils (Competition Allowances)

Mr. Barry Jones asked the Secretary of State for Wales what has been the capitation allowance per pupil on average in each Welsh local education authority for both infant and secondary schools in each year from 1979-80 to 1985-86, inclusive, in cash terms.

Mr. Nicholas Edwards: Consistent information on full capitation allowances is not collected centrally. However, the available figures relating to expenditure per pupil on books and equipment are given in the following table:

(£'s at outturn prices)

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*
Expenditure per primary pupil:						
Clwyd	11·6	14·8	17·8	18·6	21·0	20·6
Dyfed	14·7	16·4	21·7	19·7	19·5	16·8
Gwent	8·9	12·8	14·9	19·1	18·2	18·1
Gwynedd	10·9	13·1	12·6	14·9	15·8	15·5
Mid Glamorgan	12·5	13·6	20·0	16·1	19·6	15·9
Powys	12·8	11·8	19·6	22·2	22·7	22·1
South Glamorgan	13·3	14·1	16·6	17·1	18·8	16·9
West Glamorgan	17·4	18·8	19·0	23·4	23·3	19·9
Expenditure per secondary pupil:						
Clwyd	20·0	25·2	32·3	33·4	46·6	44·0
Dyfed	21·4	22·3	28·8	33·6	33·6	30·0
Gwent	20·5	25·6	30·0	33·6	37·3	45·2
Gwynedd	21·2	26·0	28·4	30·7	34·8	46·3
Mid Glamorgan	23·9	26·3	24·0	30·9	33·9	36·5
Powys	25·1	23·1	35·7	36·7	35·3	61·0
South Glamorgan	23·8	26·1	28·6	32·3	33·6	32·0
West Glamorgan	27·5	24·4	26·4	39·2	42·6	40·5

Members' Correspondence

Mr. Chope asked the Secretary of State for Wales how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Nicholas Edwards: I will reply as soon as possible.

EDUCATION AND SCIENCE

Higher Education

Mr. Aspinwall asked the Secretary of State for Education and Science what information he has on the percentage of those entering higher education in Avon who receive some form of local government award, indicating the percentage of those who receive a full grant at undergraduate level.

Mr. Walden: It is not possible to provide the information in the form requested. In 1984-85, there were 5,800 first year students on full-time and sandwich undergraduate courses of higher education and courses for the postgraduate certificate of education, in Avon. These students were residents of Avon and other parts of the United Kingdom. Information is not available centrally on the proportion of these students who were in receipt of local authority grants. 2,700 new mandatory awards and 360 new full value discretionary awards were made by Avon for study within the county and outside. The number of new full value award holders in receipt of a full grant is not collected by the Department.

Pupil-Teacher Ratios

Mr. Phillip Oppenheim asked the Secretary of State for Education and Science how the latest figures available for the pupil-teacher ratio in primary, middle and secondary schools in *(a)* Derbyshire and *(b)* Amber Valley compare with the corresponding ratios for 1979 and 1983.

Mr. Dunn: Information for Amber Valley, or other areas within local education authorities, is not available centrally. The pupil-teacher ratios in maintained primary and secondary schools in Derbyshire for the years 1979, 1983 and 1985 are as follows. Middle schools are included within primary and secondary as deemed.

Pupil-Teacher Ratios: Derbyshire

	Primary	*Secondary*
January 1979	23·7	17·5
January 1983	22·3	17·2
January 1985	22·4	16·8

School Leavers (Qualifications)

Mr. Phillip Oppenheim asked the Secretary of State for Education and Science what is the percentage and number of school leavers in Derbyshire from maintained and independent schools, separately, in 1979, 1981, 1983 and the latest year for which figures are available who attained one, two, three, four, five, six, seven, or eight or more higher grade O-level or CSE grade 1 passes, one or more A-levels, and no graded O-level or CSE results.

Mr. Dunn: The information requested is given in the following table.

School Leavers, Derbyshire—CSE and GCE examination attainments

	1978-79		*1980-81*		*1982-83*		*1984-85*	
	Number of leavers (000s)	*Percentage of leavers*	*Number of leavers (000s)*	*Percentage of leavers*	*Number of leavers (000s)*	*Percentage of leavers*	*Number of leavers (000s)*	*Percentage of leavers*
Maintained schools								
Total leavers	13·89	100·0	13·10	100·0	15·11	100·0	14·76	100·0
Leavers with higher* grade passes at GCE O level or CSE								
1	1·72	12·4	1·91	14·6	1·70	11·3	1·95	13·2
2	0·92	6·6	0·88	6·7	0·99	6·6	1·07	7·3
3	0·72	5·2	0·63	4·8	0·68	4·5	0·75	5·1
4	0·61	4·4	0·48	3·7	0·68	4·5	0·50	3·4
5	0·53	3·8	0·45	3·4	0·64	4·2	0·56	3·8
6	0·50	3·6	0·52	4·0	0·68	4·5	0·58	3·9
7	0·55	4·0	0·41	3·1	0·71	4·7	0·61	4·1
8 or more	1·11	8·0	1·18	9·0	1·55	10·3	1·43	9·7
Total	6·66	47·9	6·46	49·3	7·64	50·6	7·46	50·5
Leavers with 1 or more GCE A level pass	1·65	11·9	1·49	11·4	1·99	13·2	1·81	12·3
Leavers with no graded result at GCE or CSE	1·89	13·6	1·09	8·3	1·49	9·9	1·07	7·3
Independent schools								
Total leavers	0·65	100·0	0·44	100·0	0·61	100·0	0·54	100·0
Leavers with higher* grade passes at GCE O level or CSE								
1	0·04	6·2	0·03	6·8	0·03	4·9	0·04	7·4
2	0·03	4·6	0·04	9·1	0·04	6·6	0·03	5·6
3	0·03	4·6	0·01	2·3	0·06	9·8	0·05	9·3
4	0·05	7·7	0·06	13·6	0·02	3·3	0·03	5·6
5	0·10	15·4	0·02	4·5	0·02	3·3	0·03	5·6
6	0·05	7·7	0·05	11·4	0·09	14·8	0·02	3·7
7	0·07	10·8	0·04	9·1	0·08	13·1	0·04	7·4
8 or more	0·20	30·8	0·18	40·9	0·20	32·8	0·25	46·3

	1978-79		1980-81		1982-83		1984-85	
	Number of leavers (000s)	Percentage of leavers	Number of leavers (000s)	Percentage of leavers	Number of leavers (000s)	Percentage of leavers	Number of leavers (000s)	Percentage of leavers
Total	0·57	87·7	0·43	97·7	0·53	86·9	0·49	90·7
Leavers with 1 or more GCE A level pass	0·25	38·5	0·23	52·2	0·33	54·1	0·31	57·4
Leavers wih no graded result at GCE or CSE	0·01	1·5	—	—	0·01	1·6	—	—

Source: School leavers sample survey. Data on examination results subject to sampling error.
* O level grades A-C or CSE grade 1.

Further and Higher Education

Mr. Phillip Oppenheim asked the Secretary of State for Education and Science what are the latest figures available regarding the numbers of schoolchildren in Debyshire who continued into higher and further education; and what were the comparable figures in 1979.

Mr. Walden: The information is not available in the form requested. The number of leavers from maintained schools in Derbyshire in the academic year 1984-85 who intended directly to persue a full-time course of further or higher education was 3,780. This represented 25·6 per cent. of the total number of leavers. Comparable figures for the academic year 1978-79 were 2,630 and 18·9 per cent. respectively.

Teachers' Salaries

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what information he has about the average level of teachers' salaries in the independent sector.

Mr. Chris Patten: This information is not collected by the Department.

School Buildings

Mr. Tom Cox asked the Secretary of State for Education and Science how many schools in each education authority were built over 100 years ago and are still in use.

Mr. Dunn: This information is not held centrally.

Qualified Teacher Status

Mr. Fatchett asked the Secretary of State for Education and Science what criteria he uses in assessing an application under paragraph 2*(e)* of Schedule 5 of the Education (Teachers) Regulations 1982 by a local education authority for qualified teacher status for a person who does not hold a qualification which in itself would give them qualified teacher status.

Mr. Chris Patten: The conditions for approval are set out in paragraph 2(e) of the schedule. In applying these to individual cases, my right hon. Friend looks for possession of a qualification higher than GCE advanced level, for attainment of a standard in English language and mathematics equivalent to GCE ordinary level grade C, where required, and for evidence of length and relevance of experience.

University of Wales (Staff)

Mr. Barry Jones asked the Secretary of State for Education and Science what has been the student to staff ratio in each college within the university of Wales for each year from 1979-80 to 1986-87.

Mr. Walden: The available information is provided in the table. Data for 1985 or later years are not yet available.

*Staff/student ratios**

University of Wales Constituent Colleges	Academic year beginning 1979	1980	1981	1982	1983	1984 (provisional)
Aberystwyth	8·4	8·5	8·8	9·5	9·2	†13·4
Bangor	9·3	9·4	9·7	9·9	10·5	9·4
Cardiff	10·0	10·3	9·6	9·5	9·3	9·6
St. Davids, Lampeter	10·7	11·0	11·5	11·5	11·0	10·6
Swansea	10·4	10·7	10·6	10·6	10·3	10·6
College of Medicine	5·1	4·8	4·5	4·6	4·8	5·7
Institute of Science and Technology	9·9	10·6	10·6	10·2	9·3	9·9
Total university of Wales	9·3	9·6	9·5	9·5	9·3	10·0

* Staff/student ratios are defined as the full-time equivalent student load divided by the number of full-time wholly university financed academic staff.
† The basis of the ratio is different from earlier years due to change in the definition of wholly university financed staff in that college, with some of the staff now partly financed from general funds.

Mr. D. E. Thomas asked the Secretary of State for Education and Science what information he has on changes in grant aid to the constituent colleges of the university of Wales in each year since 1979.

Mr. Walden [*pursuant to his reply*, 11 July 1986]: The percentage changes in grant aid by the University Grants Committee and the Computer Board to the constituent colleges of the University of Wales over the period 1979-80 to 1985-86 in real terms (using the GDP deflator) are as follows:

	1979-80 to 1980-81	*1980-81 to 1981-82*	*1981-82 to 1982-83*	*1982-83 to 1983-84*	*1983-84 to 1984-85*	*1984-85 to 1985-86*
Aberystwyth UC	+0·3	−5·2	+12·1	+2·8	−7·2	−0·6
Bangor UC	+7·2	−3·2	+14·8	−10·1	−0·2	−1·6
Cardiff UC	+7·3	−5·9	+14·8	−2·6	+7·6	−9·7
St. David's Lampeter	+11·2	−2·6	+42·8	+0·5	−16·7	+3·4
Swansea UC	+6·5	−1·9	+1·9	−1·9	−1·6	+3·4
University of Wales Institute of Science and Technology	+15·4	−4·3	+7·5	−12·3	−4·3	+4·2
Welsh National School of Medicine	+2·3	−2·9	+11·3	−1·4	−4·3	+1·7

Members' Correspondence

Mr. Chope asked the Secretary of State for Education and Science how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Kenneth Baker: My Department introduced a computer system for recording ministerial correspondence in October 1985. Between then and June 10, about 9,000 letters from hon. Members were received. Figures for those which remain unanswered are as follows*

	Number	*Percentage of total received*
a Received one to two months ago	390	4
b Received two to three months ago	205	2
c Received three to four months ago	75	1
d Received more than four months ago	330	4

* These figures include some letters which have received a substantive reply but which require further action.

There has been an increase of about 80 per cent. in the volume of ministerial correspondence in the first four months of this year as compared with the same period last year. As soon as the necessary extra staff can be made available, it will be a principal objective of the Department to reduce the average time taken to reply to letters from hon. Members and to clear the current backlogs.

Lecturers

Mr. Ron Davies asked the Secretary of State for Education and Science what are the latest available figures for average salaries for lecturers in further education in Britain; and what information he has on such salaries in *(a)* France, *(b)* West Germany, *(c)* Italy, *(d)* Spain, *(e)* the United States of America and *(f)* Japan.

Mr. Walden: The average salary of full-time lecturers in further education in England, Wales and Northern Ireland was £11,900 in 1983-84, the latest year for which information is available. Comparable information for the other countries named is not available.

Mr. Ron Davies asked the Secretary of State for Education and Science if he will provide figures to show the numbers of *(a)* part-time and *(b)* full-time lecturers employed in the public sector in further and higher education for each of the last five years in each local education authority in England and Wales.

Mr. Walden: I will reply to the hon. Member as soon as possible.

Teachers' Pay

Mr. Madel asked the Secretary of State for Education and Science whether he expects to receive either a full or interim report from the Advisory, Conciliation and Arbitration Service inquiry into teachers' pay in England and Wales before 31 July; and if he will make a statement.

Mr. Chris Patten: In accordance with the agreement reached on 24 January, the final report of the independent panel chaired by Sir John Wood will be made to the unions, management and the Advisory, Conciliation and Arbitration Service. A meeting on 9 July received the reports of the four working parties set up by the independent panel to examine pay structure, duties and responsibilities, appraisal and training, and negotiating machinery. Negotiations will now be taken forward at a meeting on 25-26 July.

Blackburn House, Liverpool

Mr. Alton asked the Secretary of State for Education and Science why parents of pupils at Blackburn house, Liverpool, have been told that their children must attend university comprehensive school from September.

Mr. Dunn: It is a matter for the local education authority.

Teachers (Career Development)

Mr. McCrindle asked the Secretary of State for Education and Science if he has had recent discussions with representatives of the teaching profession regarding opportunities for career development for teachers; and if he will make a statement.

Mr. Chris Patten: My right hon. Friend will be meeting representatives of the AUT and NUT on 24 July; meetings are also being arranged with other organisations

representing teachers. My right hon. Friend will be happy to discuss any matters of a common interest then, including career development.

Parental Contributions

Mr. McCrindle asked the Secretary of State for Education and Science if he will estimate the proportion of resources for education met by parental contributions; and if he will make a statement.

Mr. Chris Patten: The information is not collected centrally.

EMPLOYMENT

Training and Enterprise Programmes

Mr. Phillip Oppenheim asked the Paymaster General how many people are currently participating in each of the Government-funded employment training and enterprise programmes in Derbyshire; and how this compares with the years 1979 and 1983.

Mr. Lang: The numbers of people participating in programmes in Derbyshire at the end of June are set out in the table. Because of the basis on which local statistics are collected a small proportion may be outside the county.

Scheme	*June 1979*	*June 1983*	*June 1986*
Youth Training Scheme	*n/a	2,836	5,291
Adult Training Strategy	†n/a	†120	2,076
Community Programme	†n/a	120	2,500
Enterprise Allowance Scheme	—	—	759
Community Industry	83	100	100
Job Release Scheme	723	1,545	848
Job Splitting Scheme	—	4	17
Young Workers Scheme	—	1,491	453
New Workers Scheme	—	—	48

* The forerunner to YTS which operated in 1979 was the youth opportunity programme, for which no relevant figures are available.

† Training opportunities programme preceded the adult training strategy, but no figures are available for 1979.

‡ The special temporary employment programme was a forerunner to the community programme in 1979, for which no relevant figures are available.

Labour Statistics

Mr. Pawsey asked the Paymaster General if he will give details of the number of (i) men and (ii) women employed in England for each year since 1978 with similar figures for Rugby and for the Rugby travel-to-work area.

Mr. Lang: The figures can be given for England but employment statistics for local areas are available only for those dates when censuses of employment are taken. The available information is as follows:

Employees in employment

(thousand)

	Male	*Female*	*All*
England			
June 1978	11,281	7,889	19,170
September 1979	11,424	8,160	19,583
September 1980	11,129	8,053	19,182
September 1981	10,564	7,823	18,386
September 1982	10,304	7,656	17,960
September 1983	10,172	7,707	17,879
September 1984	10,165	7,867	18,031
December 1985 (latest available)	10,160	8,109	18,268
Rugby			
June 1978	20·2	11·7	31·8
September 1981	20·5	12·1	32·6

As figures for the new ward based travel-to-work areas are not available for years prior to 1981, the figures for Rugby relate to the area covered by the Rugby jobcentre area which was a travel-to-work area under the old definition.

More up-to-date employment estimates for local areas will become available following publication of the 1984 census of employment later this year. Between censuses employment statistics are based on small scale sample inquiries which cannot produce reliable results for areas smaller than regions.

Dr. McDonald asked the Paymaster General, pursuant to his answers given on 20 May, *Official Report*, columns 153-54, and 2 June, *Official Report*, column 259, if he will show where and what number of those placed into *(a)* job clubs and *(b)* restart courses also appear in the numbers placed into (i) jobs, (ii) community programme and (iii) other measures.

Mr. Lang: I regret that the information is not available in the form requested. However, a computer analysis of the pilot initiatives, available in September, will show details of those who are placed in job clubs and restart courses and who subsequently leave the unemployment register.

Mr. Winnick asked the Paymaster General what is the current number of unemployed in the United Kingdom and what was the figure in July 1979; and if he will also give the percentage increase between July 1979 and now in the number who have been unemployed for 12 months and more.

Mr. Kenneth Clarke: On 8 May 1986 the number of unemployed claimants, seasonally adjusted excluding school leavers, in the United Kingdom was 3,208,600. The corresponding number for July 1979 was 1,128,400.

On 10 April 1986, the latest date for which an analysis of unemployment by duration is available, the number of claimants in the United Kingdom who had been unemployed for over 12 months was 1,356,509. The corresponding number of unemployed registrants in July 1979 was 360,622. The figures are not strictly comparable because of changes in the way the figures are collected.

Mr. Winnick asked the Paymaster General how many are currently unemployed in the black country area of the west midlands; and how many have been unemployed for 12 months or more.

Mr. Kenneth Clarke: On 10 April 1986, the latest date for which an analysis of unemployment by duration is available, there were 98,881 unemployed claimants in the Dudley and Sandwell, Walsall and Wolverhampton travel-to-work areas, which closely correspond to the black country area. Of these, 49,200 had been unemployed for over 12 months.

Mr. Winnick asked the Paymaster General how many are currently unemployed in the borough of Walsall; and how many of these have been unemployed for 12 months or more.

Mr. Kenneth Clarke: On 10 April 1986, the latest date for which an analysis of unemployment by duration is available, there were 19,846 unemployed claimants in the Walsall local authority area, of whom 10,051 had been unemployed for over 12 months.

Mr. Winnick asked the Paymaster General (1) what is the total number of vacancies, by industrial occupation, in the west midlands currently known to his offices there;

(2) what is the total number of vacancies, by industrial occupation, currently known to his offices in the borough of Walsall;

(3) how many vacancies there are by industrial occupation in the black country area of the west midlands currently known to his Department.

Mr. Kenneth Clarke: The table shows the numbers of unfilled vacancies analysed by occupation at jobcentres in the west midlands region, the Walsall local authority area, and the Dudley and Sandwell, Walsall and Wolverhampton travel-to-work areas, which closely correspond to the black country area, as at 4 April 1986, the latest date for which an analysis by occupation is available.

Unfilled vacancies at jobcentres

	West Midlands	*Walsall*	*Black country*
Managerial	690	31	163
Nursing	191	5	31
Typing and secretarial	385	8	56
Clerical and machine operators	1,915	83	360
Selling—distribution	1,230	26	162
Selling—others	1,254	20	188
Security and protective services	148	4	15
Catering	1,483	26	184
Cleaning and personal services	1,454	45	207
Farming and fishing	117	2	12
Materials processing—Textiles/ cloth	21	1	3
Materials processing—food	103	3	14
Metal processing	49	9	26
Metal processing—others	21	1	2
Making/repairing—Textiles/ cloth	409	7	103
Making/repairing—others	302	20	58
Machine operator (engineering) skilled	431	37	148
Machine operator (engineering) unskilled	52	6	27
Toolmakers/fitters	90	3	26
Installation/maintenance	316	9	60
Electricians	151	4	25
Electronic technicians	67	3	16
Welding/fabrication	213	13	71
Painting	123	3	21
Assembling/packaging/ inspecting	301	10	65
Construction—skilled	190	4	29
Construction—unskilled	78	0	6
Mining and Quarrying	1	0	0
Transport operators—HGV and PSV	125	4	27
Transport operators—others	705	15	109
Miscellaneous	500	12	88
Total	13,115	414	2,302

Job Creation (Coventry)

Mr. Nellist asked the Secretary of State for Employment what measures his Department is currently introducing to reduce the level of unemployment in Coventry.

Mr. Lang: The new package of measures announced in the Budget will significantly benefit Coventry as well as the rest of the country by accelerating the growth of enterprise, boosting employment opportunities for the young and helping the long term unemployed find work. Young people will benefit from the new two year YTS which began on 1 April; the new workers scheme, designed to encourage employers to take on more 18 to 20-year-olds was recently introduced; and the restart programme, to help the long term unemployed back to work, got under way on 1 July.

Unemployment Benefit

Mr. O'Brien asked the Paymaster General if he is satisfied with the efficiency of the unemployment benefit service.

Mr. Lang: Yes, although we are always keen to make further improvements. There has been a 60 per cent. improvement in productivity since 1979.

Mr. Deakins asked the Paymaster General what has been the total number of unemployed claimants in each of the Brighton and Leicester parliamentary constituencies for each year since 1979 *(a)* showing the number of males and females and *(b)* showing the number by age group under 25 years, 25 to 50 years and over 50 years.

Mr. Lang: The following information is in the Library. The table gives figures for 10 April 1986, the latest date for which an analysis of unemployment by age is available, and for April 1984 and April 1985. The comparison is affected by the change in the timing of compilation of unemployment statistics in March 1986. Statistics of unemployment for parliamentary constituencies are derived from the new ward-based system and are available only from June 1983.

UNEMPLOYED CLAIMANTS BY SEX AND AGE

Brighton Kemptown Parliamentary Constituency

	Male	*Female*	*Total*
April 1984	3,371	1,198	4,569
April 1985	3,477	1,373	4,850
April 1986	3,479	1,437	4,916

	Under 25 years	*25-49 years*	*Over 50 years*	*Total*
April 1984	1,631	2,141	797	4,569
April 1985	1,641	2,342	867	4,850
April 1986	1,670	2,412	834	4,916

Brighton Pavilion Parliamentary Constituency

	Male	*Female*	*Total*
April 1984	3,079	1,281	4,360
April 1985	3,354	1,549	4,903
April 1986	3,408	1,560	4,968

	Under 25 years	25-49 years	Over 50 years	Total
April 1984	1,513	2,049	798	4,360
April 1985	1,742	2,319	842	4,903
April 1986	1,703	2,402	863	4,968

Leicester East Parliamentary Constituency

	Male	Female	Total
April 1984	3,966	1,849	5,815
April 1985	3,916	1,880	5,796
April 1986	3,798	1,840	5,638

	Under 25 years	25-49 years	Over 50 years	Total
April 1984	2,019	2,792	1,004	5,815
April 1985	1,987	2,870	939	5,796
April 1986	1,811	2,819	1,008	5,638

Leicester South Parliamentary Constituency

	Male	Female	Total
April 1984	5,401	1,902	7,303
April 1985	5,456	2,116	7,572
April 1986	5,337	2,008	7,345

	Under 25 years	25-49 years	Over 50 years	Total
April 1984	2,709	3,440	1,154	7,303
April 1985	2,756	3,639	1,177	7,572
April 1986	2,545	3,571	1,229	7,345

Leicester West Parliamentary Constituency

	Male	Female	Total
April 1984	5,215	1,841	7,056
April 1985	5,288	2,014	7,302
April 1986	5,080	1,968	7,048

	Under 25 years	25-49 years	Over 50 years	Total
April 1984	2,564	3,367	1,125	7,056
April 1985	2,588	3,556	1,158	7,302
April 1986	2,419	3,467	1,162	7,048

Retail Prices

Mr. Austin Mitchell asked the Paymaster General whether he will bring up to date the figures showing for the United Kingdom and certain other countries the annual increase in retail prices as given in the written reply to the hon. Member for Great Grimsby on 27 November 1979, *Official Report*, columns *578-80*.

Mr. Trippier: The updated figures are given in the table. In making comparisons between countries it is important to note that there are differences in coverage and methods of construction of the price indices.

Consumer prices indices

1970 = 100

	1979	1980	1981	1982	1983	1984	1985
Belgium	191	201·4	217	236	254	270	283
Canada	197	215·9	243	267	285	297	309
France	221	248·7	282	315	346	371	393
Federal Republic of Germany	156	164·9	175	185	191	195	200
Italy	305	363·2	428	498	571	633	691
Japan	219	237·6	249	256	261	266	272
Netherlands	191	201·8	215	228	234	242	248
United States of America	187	213·1	235	250	258	269	278
United Kingdom	306	361·0	404	438	458	481	511

Source: International Labour Office—Year Book of Labour Statistics.

Long-term Unemployed

Mr. Frank Field asked the Paymaster General what instructions have been given to his officers interviewing the long-term unemployed concerning regulation 6(*e*) of the Supplementary Benefit (Conditions of Entitlement) Regulations.

Mr. Trippier: Manpower Services Commission staff, whether counselling the long-term unemployed or in any other contact with unemployed people, are instructed that all cases where availability for work is in doubt should be referred to the benefit authorities. This includes cases where clients—

(*a*) should be on another benefit, including single parent families, care of relative, role swapping etc.;

(*b*) are taking part-time courses of education and do not wish to be considered for work or other opportunities; or

(*c*) are pregnant and are not available to work.

Mr. Frank Field asked the Paymaster General whether his officers interviewing the long-term unemployed are able to calculate the financial gains and losses an individual might have in starting part-time work under the community programme.

Mr. Trippier: Manpower Services Commission staff interviewing the long-term unemployed are able in general terms to describe how clients may benefit but are unable to calculate in detail the financial gains and losses an individual might have starting part-time work under the community programme.

People requiring specific advice on this are referred to the benefit authorities.

Nuclear Inspectors

Mr. McWilliam asked the Paymaster General if he will list the constraints which exist in the recruitment of nuclear inspectors beyond the current manpower target.

Mr. Trippier: The Health and Safety Executive has authorised the nuclear installations inspectorate to recruit up to 20 inspectors in the current year. They pay of nuclear inspectors is presently under review.

Members' Correspondence

Mr. Chope asked the Paymaster General how many letters from hon. Members to his Department still awaiting a substantive reply were more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago, and *(d)* four months ago; and if he will make a statement.

Mr. Kenneth Clarke: The information is as follows: *(a)* 24; *(b)* 2; *(c)* 0; *(d)* 0.

If my hon. Friend is concerned about a delay on a particular case, I would be very willing to look into the matter.

Community Programme

Mr. Sheerman asked the Paymaster General on the basis of the second postal follow-up survey of past participants on the community programme, in respect of those long-term unemployed community programe entrants that were in employment at the time of the survey, and for the following three standard eligibility by age groups, 18 to 20 years, 20 to 24 years, and 25 and over years, if he will provide the number and percentage that were *(a)* male and (i) married and (ii) single, separated, divorced or widowed and *(b)* female and (i) married and (ii) single, separated, divorced, or widowed; and for each latter group and sub-group if he will provide the number and percentage that were working full-time or part-time: (I) while on the programme and (II) at the time of the follow-up survey.

Mr. Lang [*pursuant to his reply*, 7 July 1986, *c.16.*]: Of the 2,500 respondents to the second community programme follow-up survey, 772 (31 per cent.) were in employment at the time of the survey. 757 of these gave fully usable replies. 219 (29 per cent.) of these were aged 18 to 20 on entry 201 (27 per cent.) were aged 20 to 24 on entry and 337 (44 per cent.) were aged 25 and over on entry.

Table 1 below shows for each age group the number and percentage who were male and female.

Table 1 Age by Sex

	18 to 20		*20 to 24*		*25+*	
	Number	*Percentage*	*Number*	*Percentage*	*Number*	*Percentage*
Male	164	75	152	76	216	64
Female	55	25	49	24	121	36
Total	219	100	201	100	337	100

The sample sizes are too small to permit full further analysis in the detail requested, but, as a guide, over 90 per cent. of males in the 18 to 20 age group were single; about 90 per cent. of males in the 20 to 24 age group were single; about 80 per cent. of females in the 18 to 24 age group were single; about one third of males in the 25 and over age group were single; about one in six females aged 25 and over were single.

As for full-time/part-time employment on CP, 25 per cent. of males in the 18 to 20 and 20 to 24 age groups, who were in work at the time of the survey, had been employed full time on CP; about 30 per cent. of females in the 18 to 24 age group had been employed full-time on CP; in the 25 and over age group, about one half of males had been employed full time on CP; in the 25 and over age group, about one in eight females had been employed full-time on CP.

As for full-time/part-time employment at the time of the survey, about 90 per cent. of males, in all age groups, who were in work at the time of the survey were in full-time employment; about three quarters of females in the age range 18 to 24 were in full-time employment; about one third of those females aged 25 and over were in full-time employment.

In producing the preceding figures, the phrase, "long-term unemployed" has been taken to refer to all participants on the community programme, and thus includes the full sample of ex-participants who were in employment at the time of the survey.

AGRICULTURE, FISHERIES AND FOOD

Radioactivity

Sir Adam Butler asked the Minister of Agriculture, Fisheries and Food how many *(a)* individual sheep and *(b)* flocks have had to be destroyed in Great Britain as a result of the Chernobyl fallout.

Mr. Jopling: No flocks have had to be destroyed. To date, 726 individual sheep have been slaughtered in England for sampling purposes. The position in Wales and Scotland is a matter for my right hon. Friends the Secretaries of State for Wales and Scotland respectively.

Mastitis

Mr. John asked the Minister of Agriculture, Fisheries and Food how many outbreaks of corynebacterium pyogenes mastitis there have been in dairy herds in the past year; where these were located; and what action was taken.

Mrs. Fenner: This disease is not notifiable and statistics are not available about numbers of outbreaks. However, veterinary investigation centres isolated the organism from 324 incidents in cattle herds throughout Great Britain during 1985, which was the lowest figure for nine years. Owners consult their veterinary practitioners on the problems arising from the disease, in the light of advice from VI centres.

"How to Help Farmers and Keep England Beautiful"

Mr. Andrew Rowe asked the Minister of Agriculture, Fisheries and Food if he will make a statement on his policy on the proposals made in the report "How to Help Farmers and Keep England Beautiful", published by the Council for the Protection of Rural England and the Council for National Parks.

Mrs. Fenner: I was interested to see this report, which contains a series of proposals as to how the different claims of agriculture and conservation can be reconciled in the countryside. The report urges a massive redirection of funds from agriculture to conservation.

The European Commission's current socio-structural proposals might provide some encouragement for a shift towards more extensive farming methods. However, the proposals in this report would go so much further that I do not consider that they would be negotiable in Brussels.

Members' Correspondence

Mr. Chope asked the Minister of Agriculture, Fisheries and Food how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Jopling: The number of letters from hon. Members to my Department still awaiting a substantive reply received more than *(a)* one month ago is eight, *(b)* two months ago is one, *(c)* three monts ago is nil and *(d)* four months ago is nil.

My Department aims to reply to all ministerial correspondence within three weeks of its receipt.

Mercury in Fish

Mr. Alton asked the Minister of Agriculture, Fisheries and Food if he has any plans to raise the official environmental quality standard of 0·3 mg of mercury per kilo in fish caught in Liverpool bay; and if he will make a statement.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Intervention Stores

Mr. Jackson asked the Minister of Agriculture, Fisheries and Food whether he can list for the latest available date the stocks of European Economic Community surplus agricultural produce in each individual intervention store in the United Kingdom.

Mr. Gummer: I shall reply to my hon. Friend as soon as possible.

NORTHERN IRELAND

Fair Employment Act (Northern Ireland) 1976

Mr. Bell asked the Secretary of State for Northern Ireland *(a)* which public authorities in Northern Ireland have been investigated by the Fair Employment Agency, *(b)* how many complaints and investigations have been made for each such authority, *(c)* what were the nature of any investigations and *(d)* what were the findings in each case.

Dr. Boyson: The annual reports of the Fair Employment Agency contain tables indicating the numbers of complaints made against public bodies and I have been advised by the chairman of the Fair Employment Agency that the agency has completed section 12 investigations into the following public authorities:

Department of Health and Social Services (Enniskillen)
Northern Ireland Civil Service
Northern Ireland Electricity Service
Northern Ireland Housing Executive
Fire Authority for Northern Ireland
Southern Health and Social Services Board
The Ambulance Services of the four Health Boards
Cookstown District Council
Ulster Museum

With the exception of the first investigation report which was not published because of agency policy at that time and the Cookstown district council report which has yet to be published, the Fair Employment Agency has published separate reports on each of these investigations. Copies of these and the agency's Annual Reports are held in the Library.

The agency's annual reports do not identify bodies investigated under section 24 of the Fair Employment Act, although the annual reports do contain summaries and tables of complaints made. I understand the agency is of the view that it would not generally be in the best interests of its work in this area to release the names of those public authorities against which claims of unlawful discrimination under section 24 have been made. The latest figures supplied by the agency indicate that between 1 December 1976 and 23 June 1986 the agency initiated investigations into 301 complaints made against public bodies under section 24 of the Act. Of these 74 were subsequently withdrawn, 15 were discontinued by virtue of section 42 of the Act, there were 21 findings of discrimination and 148 of no discrimination. Forty-three complaints are under investigation.

Mr. Bell asked the Secretary of State for Northern Ireland what are the vocational organisations for which the Fair Employment Agency (Northern Ireland) has completed or initiated formal investigations; whether these investigations were under section 12 or section 24 of the Fair Employment Act; and what are the compositional analyses by religion, sex, length of service and occupation, including apprenticeships, of the employees of the organisations investigated.

Dr. Boyson: I have been advised by the chairman of the Fair Employment Agency that there have been no section 12 investigations into vocational organisations. Three investigations, comprising five complaints, have been carried out under section 24. I understand the agency, is of the view that it would not be in the best interests of its work in this area to name the organisations concerned. Section 24 investigations do not involve analyses of the type requested. Commentary on these cases is contained in the agency's annual reports, held in the Library. The relevant references are seventh report pages 34-35; eighth report pages 35-36, 39-40 and nineth report page 10.

Mr. Bell asked the Secretary of State for Northern Ireland when the fair employment appeals board under part II, section 4 of the Fair Employment Act (Northern Ireland) 1976 was first formally constitued; and if he will name the appellants, numbers and type of appeal, and the outcome in each case of any such appeal since 1976.

Dr. Boyson: The fair employment appeals board was first constituted on 2 July 1982. There have been three appeals against directions by the Agency under the Fair Employment (Northern Ireland) Act 1976. I refer the hon. Member to page 9 of the eighth annual report of the Fair Employment Agency which is available in the Library and gives information about the employers concerned. As of 30 June 1986 the fair employment appeals board has issued one decision which upholds the earlier decision of the Fair Employment Agency.

Divis Flats

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland if he will make a statement about the future of the Divis flats in Belfast.

Mr. Needham: The future of the Divis flats complex is, in the first instance, a matter for the Northern Ireland Housing Executive and is one of a number of housing management issues which the Executive keeps under constant review. The present strategy includes the demolition of Pound block (to begin shortly) and St. Brendans block (to begin around the turn of the year). There are no plans for further demolition.

Anglo-Irish Agreement

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he will make a statement on his policy with regard to possible changes in the Anglo-Irish agreement; and what discussions he has had with the Government of the Republic of Ireland about that possibility.

Mr. Tom King: I shall reply to the right hon. Gentleman as soon as possible.

Orange Marches

Mr. John David Taylor asked the Secretary of State for Northern Ireland what representations he has received from the Republic of Ireland about traditional Orange marches during July; and if he will make a statement.

Mr. Tom King: I shall reply to the right hon. Gentleman as soon as possible.

"Belfast Telegraph" (Ministerial Interview)

Mr. John David Taylor asked the Secretary of State for Northern Ireland what representations he has received from the Government of the Republic of Ireland arising from his interview in the *Belfast Telegraph* on Friday 4 July; and if he will make a statement on each of the issues involved in these representations.

Mr. Tom King: I shall reply to right hon. Gentleman as soon as possible.

Members' Correspondence

Mr. Chope asked the Secretary of State for Northern Ireland how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Tom King: I shall reply to my hon. Friend as soon as possible.

OVERSEAS DEVELOPMENT

South Africa

45. **Mr. Meadowcroft** asked the Secretary of State for Foreign and Commonwealth Affairs what plans he has to increase aid to the states adjoining the Republic of South Africa.

Mr. Raison: We maintain substantial programmes of assistance to Zimbabwe, Botswana, Lesotho, Swaziland and Mozambique. Earlier this year I announced new commitments of £10 million for Zimbabwe, £7 million for Mozambique and £10 million through the Southern African development co-ordination conference for transport and communications projects in the region. In addition, my right hon. Friend the Prime Minister announced on 1 July that we were providing an additional £3 million for transport projects in states adjoining South Africa.

50. **Dame Judith Hart** asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Government policy towards assistance to South African overseas students.

Mr. Raison: We are doing more to help non-white South African students overseas. Training in Britain is being provided under the existing bilateral programme for South Africa. We have also made available £0·5 million a year for the Nassau fellowships scheme put forward at the last Commonwealth Heads of Government meeting. In addition, over half of the £15 million to be provided over five years from 1987-88 and announced by my right hon. Friend the Prime Minister on 1 July, will be devoted to undergraduate training in this country.

Bilateral Aid

51. **Mr. Bruce** asked the Secretary of State for Foreign and Commonwealth Affairs what proportion of the United Kingdom's overseas aid payments have been paid as bilateral aid for the last three years for which figures are available.

Mr. Raison: Bilateral aid as a proportion of gross aid programme expenditure was 54 per cent. in 1983-84, 57 per cent. in 1984-85 and an estimated 59 per cent. in 1985-86.

UNICEF (Sub-Saharan Africa)

52. **Mr. Tom Clarke** asked the Secretary of State for Foreign and Commonwealth Affairs what resources Her Majesty's Government intend to contribute to the recently established United Nations Children's Fund (UNICEF) fund for sub-Saharan Africa.

Mr. Raison: I await the detailed proposals from UNICEF to which I referred in my reply to the hon. Member on 23 June. As I told him then, we have already contributed more than £2 million over the last two years to an earlier appeal for similar purposes.

Ghana

53. **Mr. Parry** asked the Secretary of State for Foreign and Commonwealth Affairs how much overseas aid has been given to Ghana over the past three years.

Mr. Raison: £22 million over the period 1983 to 1985.

Aid (Benefits)

54. **Mr. Deakins** asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made as to how the benefits to United Kingdom industry from multilateral aid compares with those from bilateral aid.

Mr. Raison: Both bilateral and multilateral aid bring substantial benefits to British industry. Bilateral aid, except for certain local cost aid, is tied to procurement in Britain. In addition, the aid and trade provision helps win major contracts for Britain. Over the years 1982 to 1984, the average value of contracts placed by multilateral agencies with Britain was £435 million annually, against our cash contribution of £372 million.

FOREIGN AND COMMONWEALTH AFFAIRS

Mr. John Robinson

Mr. John Carlisle asked the Secretary of State for Foreign and Commonwealth Affairs whether he will make immediate representations to the President of Zambia regarding the continued detention without trial of John Robinson, a British citizen arrested in Zambia on Tuesday 3 June.

Mr. Eggar: The High Commission in Lusaka is in close contact with Mr. Robinson's lawyer, who is actively engaged on the case. It would therefore be inappropriate to comment at this stage.

European Coal and Steel Community

Mr. Austin Mitchell asked the Secretary of State for Foreign and Commonwealth Affairs, pursuant to the Prime Minister's reply, *Official Report*, 12 June, column *287*, relating to agreements between the member states meeting within the Council of the European Coal and Steel Community, on what dates in each of the years from 1978 to 1981 the agreements to provide supplementary finance for the European Coal and Steel Community were concluded; and on what dates and in what form parliamentary approval for the United Kingdom's contribution to such provisions was authorised.

Mrs. Chalker: The information requested is as follows:

Decisions of 30 April 1978 (published as Cmnd. 7464), Treaty Series No. 22(79)) approved by the European Communities (Definition of Treaties) (ECSC Decision on Supplementary Revenues) Order 1979 (SI No. 292 of 1979) made on 14 March 1979.

Decision of 9 April 1979 (published as Cmnd. 7584, Treaty Series No. 60(79)) approved by the European Communities (Definition of Treaties) (ECSC Decision of 9 April 1979 on Supplementary Revenues) Order 1979 (SI No. 932 of 1979) made on 26 July 1979.

Decision of 18 March 1980 (published as Cmnd. 7936, Treaty Series No. 50(80)) approved by the European Communities (Definition of Treaties) (ECSC Decision of 18 March 1980 on Supplementary Revenues) Order 1980, (SI No. 1090 of 1980) made on 28 July 1980.

Decision of 7 December 1981 (published as Cmnd. 8490, Treaty Series No. 12(82)), approved by the European Communities (Definition of Treaties) (ECSC Decision of 7 December 1981 on Supplementary Revenues) Order 1982, (SI No. 341 of 1982) made on 10 March 1982.

In each case the approval of Parliament was given by affirmative resolution of each House to a draft of the Order which had been laid before each House in accordance with Section 1(3) of the European Communities Act 1972. Each Order specifies the Decision to which it relates as a Community Treaty as defined in Section 1(2) of the ECA 1972.

Radar

Mr. D. E. Thomas asked the Secretary of State for Foreign and Commonwealth Affairs what are the implications of the introduction of aircraft invisible to radar for agreements with the Soviet Union on the prevention of accidental nuclear war.

Mr. Renton: The agreement between the United Kingdom and the Soviet Union on the prevention of accidental nuclear war makes provision for arrangements to guard against the accidental or unauthorised use of nuclear weapons and the use of "hot-line" communications. The introduction of aircraft with reduced radar cross sections would not, in our judgment, affect the operation of this agreement.

South Africa

Mr. Meadowcroft asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the South African Government on the requirement contained in the South African Citizenship Amendment Act 1984 for all white male EEC subjects living in South Africa to register for military service in the South African Defence Force; and if he will make a statement.

Mrs. Chalker: I refer the hon. Member to the reply that I gave him on 30 June. All white males in South Africa, irrespective of nationality, have to register for military service if they are "normally resident" in South Africa.

Asylum

Mr. Meadowcroft asked the Secretary of State for Foreign and Commonwealth Affairs what measures he has taken in response to the United Nations General Assembly resolutions calling on United Nations member states to grant asylum or safe transit to all persons who refuse service in military or police forces used to enforce apartheid; and if he will make a statement.

Mrs. Chalker: I refer the hon. Member to the answer my right hon. Friend the Home Secretary gave earlier today.

Kurt Waldheim

Mr. Janner asked the Secretary of State for Foreign and Commonwealth Affairs if he will seek from other relevant countries access to their files relating to the fate of British prisoners of war interrogated by German Army Group E and the involvement of Kurt Waldheim therein.

Mr. Eggar: I refer the hon. and learned Member to the reply that my right hon. Friend the Prime Minister gave him on 23 June, at column *49*.

Penguins

Mr. Tony Banks asked the Secretary of State for Foreign and Commonwealth Affairs what is the likely cause of the unusually high concentration of lead in the tissue of dead penguins found in the Falklands; and if he will make a statement.

Mr. Eggar: Investigations by the Ministry of Agriculture, Fisheries and Food's investigation centre at Norwich are continuing. An explanation of the likely cause of the high concentration of lead in the tissue of the dead rockhopper penguins is not yet available.

Mr. Tony Banks asked the Secretary of State for Foreign and Commonwealth Affairs how many dead rockhopper penguins have been counted in the Falkland Islands in connection with the current outbreak of puffinosis; and what other types of penguin have been affected.

Mr. Eggar: There are roughly 4 million penguins in the Falklands. The colonies of rockhopper penguins are widely separated and many are on remote sites. No comprehensive count has been possible of either living or dead birds. The Falkland Islands Government have received no evidence to indicate that other types of penguins have been affected by puffinosis .

European Assembly

Mr. Marlow asked the Secretary of State for Foreign and Commonwealth Affairs what responsibilities he has to the European Assembly; and how long he has had them.

Mrs. Chalker: In accordance with normal practice, my right hon. and learned Friend has, as President-in-Office of the Council of Ministers, presented the United Kingdom presidency's objectives to the European Parliament and will report on results achieved at the end of the presidency. Either he or I, or one of my other colleagues, will answer questions at the European Parliament's monthly question time.

Cultural Organisations

Mr. Hancock asked the Secretary of State for Foreign and Commonwealth Affairs what information he has on the level of funding by other large West European countries of cultural organisations similar to the British Council.

Mr. Eggar: No western European country maintains a programme where the range of functions or the country's objectives are directly comparable to the British Council. Any statistical comparisons are therefore misleading.

British Council

Mr. Hancock asked the Secretary of State for Foreign and Commonwealth Affairs what response he has made to the British Council's request in its annual report for more resources to pay for increased security measures.

Mr. Eggar: We have informed the British Council that we are very sympathetic towards its security requirements. They have already been told that, subject to parliamentary approval, some adjustment to their grant will be made during the course of the current financial year, 1986-87, in view of the increase of risk. As regards future years, the House will not expect me to anticipate the results of the public expenditure survey.

Hong Kong District Board

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the recent visit to the United Kingdom by members of the Hong Kong district board.

Mr. Renton: Twelve members of the Wong Tai Sin district board paid a sponsored visit to Britain between 15 and 22 June as guests of the Foreign and Commonwealth Office. The visit was one of a continuing series of such visits made by various district boards in Hong Kong.

During their visit the group had talks with officials in London and Yorkshire concerned with inner-city problems, with particular emphasis on education, housing and health care. Their programme also included tours of urban renewal and housing development schemes.

West Germany

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the recent visit of the President of the Federal Republic of Germany.

Mr. Eggar: I refer the hon. Member to the reply that I gave to my hon. Friend the Member for Shrewsbury and Atcham (Mr. Conway) on 9 July.

Members' Correspondence

Mr. Chope asked the Secretary of State for Foreign and Commonwealth Affairs how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Eggar: The precise information is not readily available in the form requested and could only be supplied at disproportionate cost. However, it is our office practice to reply to all letters from right hon. and hon. Members within, as far as possible, (and in many cases less than) two weeks from receipt. In the majority of cases these replies are substantive.

Soviet Union

Sir Frederic Bennett asked the Secretary of State for Foreign and Commonwealth Affairs if any sanctions imposed by the United Kingdom on the Soviet Union following its invasion of Afghanistan in 1980 are still in force.

Mr. Renton: We and our NATO allies continue to restrict military contacts with the Soviet armed forces in order to register our disapproval of the Soviet military occupation of Afghanistan.

Sir Frederic Bennett asked the Secretary of State for Foreign and Commonwealth Affairs what assessment he has made of the effectiveness of those sanctions imposed on the Soviet Union following its invasion of Afghanistan in 1980 in bringing about the removal of Soviet occupying forces.

Mr. Renton: The measures taken by the United Kingdom, together with our allies and European Community partners, following the Soviet invasion of Afghanistan brought home to the Soviet Union our condemnation of Soviet aggression. We shall impress on the Soviet Foreign Minister, Mr. Shevardnadze, during his visit to London the need for early withdrawal of the Soviet occupying forces.

Sir Frederic Bennett asked the Secretary of State for Foreign and Commonwealth Affairs if he will list the

representations he has received over the past year seeking the imposition of mandatory sanctions on the Soviet Union in the light of its military activities in Afghanistan.

Mr. Renton: I am aware of no such representations.

Middle East

Mr. Ron Brown asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government have had any recent contacts with the Polisario Front; and if he will make a statement about the United Kingdom's relations with the Saharan Arab Democratic Republic.

Mr. Renton: There continue to be occasional informal contacts between Polisario representatives and Foreign and Commonwealth Office officials. These do not denote any change in our neutral policy towards the Western Sahara dispute. We do not recognise the "Sahara Arab Democratic Republic".

Falkland Islands (Census)

Mr. Campbell-Savours asked the Secretary of State for Foreign and Commonwealth Affairs whether he will publish in full the results of the census being undertaken of the population of the Falkland Islands; and if he will make a statement.

Mr. Eggar: The Falkland Islands Government have not yet decided on the precise date for the next census: it is their intention to hold one before the end of the year. The results will be published.

Brazil (Aircraft Landing Rights)

Mr. Campbell-Savours asked the Secretary of State for Foreign and Commonwealth Affairs whether Her Majesty's Government have any agreement with the Government of Brazil for landing rights for aircraft carrying United Kingdom military personnel en route from or to the Falkland Islands; and if he will make a statement.

Mr. Eggar: No. In accordance with international practice, Brazil affords facilities for emergency aircraft diversions.

SCOTLAND

Sites of Special Scientific Interest

Mr. Wilson asked the Secretary of State for Scotland if, pursuant to his answer to the hon. Member for Dundee, East of Monday 23 June, *Official Report*, column *20*, he will list the remaining sites of special scientific interest in Scotland which are of an area of 259 hectares (one square mile) or over.

Mr. Ancram: The Nature Conservancy Council has provided the following information:

Site name	*Local authority district*	*Local authority region*	*Site area*	*Date of re/notification*
Priestside Bank	Annandale and Eskdale	Dumfries and Galloway	1,408·3	—
Eigg	Lochaber	Highland	1,402·5	—
Foula	Shetland	Shetland	1,380·0	—
Coire Na Beinne Mires	Caithness	Highland	1,373·7	23 August 1985
Inchnadamph	Sutherland	Highland	1,295·0	—
Borgue Coast	Stewartry	Dumfries and Galloway	1,291·0	—
Laggan Peninsula Islay	Argyll and Bute	Strathclyde	1,259·8	11 November 1983
Loch Moidart	Lochaber	Highland	1,259·0	—
Loch Fleet	Sutherland	Highland	1,238·0	13 July 1984
Greenlaw Moor	Berwickshire	Borders	1,197·9	—
Choc Na Beiste	Sutherland	Highland	1,177·7	—
River Spey Insh Marshes	Badenoch and Strathspey	Highland	1,177·0	6 June 1986
Shiel Dod	Lanark	Strathclyde	1,175·6	30 April 1986
Loch Bee	Western Isles	Western Isles	1,172·9	30 October 1984
Luskentyre Banks and Saltings	Western Isles	Western Isles	1,172·9	14 March 1984
Glen Roy	Lochaber	Highland	1,168·0	—
Dubh Lochs of Shielton	Caithness	Highland	1,164·0	10 April 1984
Loch Glencoul	Sutherland	Highland	1,094·5	29 February 1984
Glen Barisdale	Skye and Lochalsh	Highland	1,093·9	20 July 1984
Inchrory	Moray	Grampian	1,063·5	—
Tayport Tentsmuir Coast	North East Fife	Fife	1,043·5	21 February 1984
Barry Links	Angus	Tayside	1,041·1	9 May 1984
Rassal	Ross and Cromarty	Highland	1,021·2	22 August 1985
Lammer Law	East Lothian	Lothian	991·0	30 April 1984
Sands of Forvie and Ythan Estuary	Gordon	Grampian	976·3	14 June 1984
Crossapol and Gunna	Argyll and Bute	Strathclyde	973·0	30 August 1985
Hermaness	Shetland	Shetland	964·0	—
Forsinard Bogs	Sutherland	Highland	961·1	13 July 1984
Orphir and Stenness Hills	Orkney	Orkney	947·0	—
Auchencairn Bay	Stewartry	Dumfries and Galloway	943·8	—
Papa Stour	Shetland	Shetland	922·7	—
Loch of Strathbeg	Banff and Buchan	Grampian	913·2	3 July 1985
Strathy Bogs	Sutherland	Highland	908·7	13 June 1984
Montrose Basin	Angus	Tayside	888·5	3 March 1986
Loch Doon	Kyle and Carrick	Strathclyde	880·3	—
Struie Channels	Ross and Cromarty	Highland	880·0	—

Site name	Local authority district	Local authority region	Site area	Date of re/notification
Schiehallion	Perth and Kinross	Tayside	871·0	15 December 1983
Aberlady Bay	East Lothian	Lothian	866·2	15 August 1983
Clais Dhearg	Argyll and Bute	Strathclyde	858·0	28 June 1985
St. Kilda	Western Isles	Western Isles	853·0	14 March 1984
Ben Lui	Argyll and Bute	Strathclyde	849·9	—
Balranald Bog and Loch Nam Feithean	Western Isles	Western Isles	838·1	6 December 1984
Ellary Woods	Argyll and Bute	Strathclyde	833·0	—
Kentra Bay and Moss	Lochaber	Highland	822·5	—
Dumbuck Foreshore—Pillar Bank	Dumbarton	Strathclyde	819·5	11 November 1983
Mingulay and Berneray	Western Isles	Western Isles	819·0	22 December 1983
Lambhoga	Shetland	Shetland	809·7	18 March 1986
Torr of Troup	Banff and Buchan	Grampian	807·4	31 March 1983
North Colonsay	Argyll and Bute	Strathclyde	800·1	25 September 1984
Ben vorlich	Dumbarton	Strathclyde	779·4	13 March 1983
Kirkcowan Flows—Wigtown	Merrick	Dumfries and Galloway	776·6	20 December 1985
Dunnet Links	Caithness	Highland	775·8	23 August 1985
Ulva lagoons and Danna Island	Argyll and Bute	Strathclyde	769·7	—
Carse Bay	Nithsdale	Dumfries and Galloway	769·7	—
Machairs Robach and Newton	Western Isles	Western Isles	757·0	1 August 1985
Loch Sunart Coast and Islands	Lochaber	Highland	756·0	—
Forth Bridge—Granton Shore	City of Edinburgh	Lothian	742·3	24 April 1986
Loch Stack	Sutherland	Highland	726·3	29 February 1984
Ross of Mull Coast	Argyll and Bute	Strathclyde	719·0	—
Kinneil Kerse	Falkirk	Central	713·0	—
Ardvar Woodlands	Sutherland	Highland	710·5	—
Morven	Kincardine and Deeside	Grampian	708·2	—
Loch More Wetlands	Caithness	Highland	703·3	10 April 1985
Eden Estuary	North East Fife	Fife	699·7	—
Green Hill Strathdon	Gordon	Grampian	671·8	—
Kielderhead Moors	Roxburgh	Borders	670·0	17 October 1983
Moine Mhor	Argyll and Bute	Strathclyde	657·6	—
Invernaver	Sutherland	Highland	651·0	—
Threave and Carlingwark Loch	Stewartry	Dumfries and Galloway	647·9	—
Kildrummie Kames	Inverness	Highland	643·4	27 June 1983
Bornish and Ormiclate Machair	Western Isles	Western Isles	626·2	—
Ben Lomond	Stirling	Central	623·6	—
Tyninghame Shore	East Lothian	Lothian	608·3	30 April 1984
Ard Trilleachan	Argyll and Bute	Strathclyde	605·2	31 January 1986
Inner Solway (Waterfoot—Sarkfoot)	Annandale and Eskdale	Dumfries and Galloway	599·8	—
Talisker	Skye and Lochalsh	Highland	593·0	4 July 1985
Fair Isle	Shetland	Shetland	592·5	2 August 1983
Handa	Sutherland	Highland	363·0	—
Girvan to Ballantrae Coast Section	Kyle and Carrick	Strathclyde	356·1	—
Dundonnell Woods	Ross and Cromarty	Highland	353·0	16 May 1985
Lee Valley	Lanark	Strathclyde	348·0	—
Cullen to Stakeness Coast	Banff and Buchan	Grampian	347·5	3 July 1985
Forest of Alyth Mires	Perth and Kinross	Tayside	344·5	1 March 1984
Glen Aird na Drochaide	Argyll and Bute	Strathclyde	344·0	—
Moss of Rora	Banff and Buchan	Grampian	343·1	—
Ruel Estuary	Argyll and Bute	Strathclyde	342·3	—
Loch Hallan Fens	Western Isles	Western Isles	338·4	—
Morrone Birkwood	Kincardine and Deeside	Grampian	336·1	28 June 1984
Gannachy Gorge	Angus	Tayside	333·9	—
Bridgend Flats Islay	Argyll and Bute	Strathclyde	331·0	11 November 1983
Oronsay	Argyll and Bute	Strathclyde	329·4	24 November 1983
Rhunahaorine Point	Argyll and Bute	Strathclyde	325·8	23 August 1985
Taynish Woods	Argyll and Bute	Strathclyde	325·8	—
Fala Flow	Midlothian	Lothian	323·0	11 March 1986
Gamrie and Pennan Coast	Banff and Buchan	Grampian	321·7	3 July 1985
Dumbarton Muir	Dumbarton	Strathclyde	320·0	13 May 1983
An Fhaodhail and the Reef	Argyll and Bute	Strathclyde	318·4	21 December 1984
Gosford Bay to Port Seton	East Lothian	Lothian	317·7	30 April 1984
Noss	Shetland	Shetland	313·0	18 May 1983
Glen Tarff	Inverness	Highland	311·1	12 April 1984
Doire Damh	Ross and Cromarty	Highland	310·4	25 June 1985
Machrihanish Dunes	Argyll and Bute	Strathclyde	309·0	28 February 1986
Brora—Helmsdale Coast	Sutherland	Highland	308·0	—
Achnacre Bog	Western Isles	Western Isles	306·6	22 December 1983
Alvie	Badenoch and Strathspey	Highland	303·9	—
An Sithean	Sutherland	Highland	299·1	—
Gullane to Broad Sands	East Lothian	Lothian	294·0	15 August 1983

Site name	Local authority district	Local authority region	Site area	Date of re/notification
Black Head to Dally Bay	Merrick	Dumfries and Galloway	291·4	—
Meall A' Mhaoil	Sky and Lochalsh	Highland	291·1	20 July 1984
Crannach Wood	Argyll and Bute	Strathclyde	289·8	5 August 1983
Leith to Prestonpans	East Lothian	Lothian	287·2	24 April 1986
Dundreich Plateau	Midlothian	Lothian	286·5	11 March 1986
Leven Valley	Lochaber	Highland	280·0	—
Rahoy Woodlands	Lochaber	Highland	279·2	19 April 1984
Kirkconnel Merse	Nithsdale	Dumfries and Galloway	277·6	—
Langwell Water	Caithness	Highland	274·4	29 February 1984
Castle Semple and Barr Lochs	Renfrew	Strathclyde	272·9	26 June 1985
Barnsness Coast	East Lothian	Lothian	271·3	30 April 1984
Meggernie and Croch na Keys Wood	Perth and Kinross	Tayside	267·3	15 December 1983
Munlachy Bay	Ross and Cromarty	Highland	267·2	26 February 1985
Corserine	Stewartry	Dumfries and Galloway	267·1	—
Mound Alderwoods	Sutherland	Highland	267·0	—
Inninmore Bay	Lochaber	Highland	265·5	—
Gleann Dubh	Cunninghame	Strathclyde	265·5	—
Glac na Criche	Argyll and Bute	Strathclyde	265·0	11 November 1983
Garvellachs	Argyll and Bute	Strathclyde	264·7	30 August 1985
River Dee Parton to Crossmichael	Stewartry	Dumfries and Galloway	590·1	—
Monach Islands	Western Isles	Western Isles	577·0	12 December 1983
Eilean na Muice Dubh	Argyll and Bute	Strathclyde	574·0	19 July 1984
Beinn A' Chapuill	Skye and Lochalsh	Highland	569·8	20 August 1985
North Esk Reservoir	Tweeddale	Borders	566·0	—
Claish Moss	Lochaber	Highland	563·0	5 June 1985
Bagh Tharsgabhaig	Skye and Lochalsh	Highland	550·0	5 July 1984
Ardalanish—Loch na Lathaich	Argyll and Bute	Strathclyde	546·3	—
Erskine—Langbank	Renfrew	Strathclyde	545·2	29 October 1984
Birkenhead Burn and Logan Reservoir	Lanark	Strathclyde	538·6	—
Glen Beasdale	Lochaber	Highland	526·5	—
Loch Scadavay	Western Isles	Western Isles	526·5	18 July 1984
Easter Ness Forest	Inverness	Highland	517·5	12 April 1984
Hough Bay and Balevullin Machair	Argyll and Bute	Strathclyde	508·3	22 February 1985
Cnoc Na Moine	Sutherland	Highland	506·4	—
West Loch Lomonside Woodlands	Dumbarton	Strathclyde	504·4	5 August 1983
Rammer Cleugh	East Lothian	Lothian	499·3	30 April 1984
Poll Lucharain and Druimbuidhe	Lochaber	Highland	495·7	—
Spey Bay	Moray	Grampian	492·0	30 April 1986
Portencross Coast	Cunninghame	Strathclyde	477·9	—
Skinflats	Falkirk	Central	473·5	—
Glas Tulaichean	Perth and Kinross	Tayside	459·8	19 April 1985
Laxford Moors	Sutherland	Highland	450·9	—
Glasdrum	Argyll and Bute	Strathclyde	448·4	23 August 1985
Letterewe Oakwoods	Ross and Cromarty	Highland	446·3	—
Beinn a Chuallaich	Perth and Kinross	Tayside	443·5	15 December 1983
Eoligarry	Western Isles	Western Isles	440·8	—
Bad Nam Bo	Caithness	Highland	433·5	11 October 1984
Loch Watten	Caithness	Highland	432·6	—
Earlshall Muir	North East Fife	Fife	431·9	19 May 1983
Howmore Estuary	Western Isles	Western Isles	424·1	2 May 1985
Tong Saltings	Western Isles	Western Isles	417·2	14 March 1984
Craignaw	Merrick	Dumfries and Galloway	416·8	—
Loch Lomond	Dumbarton	Strathclyde	416·0	—
Knockan Cliff	Sutherland	Highland	414·7	—
Northton Bay	Western Isles	Western Isles	414·6	27 September 1984
Whiteness Head	Inverness	Highland	411·7	25 November 1983
Powdowrin Burn	Lanark	Strathclyde	410·7	—
Ard Bheinn	Cunninghame	Strathclyde	406·7	30 June 1986
Maidens-Doonfoot	Kyle and Carrick	Strathclyde	400·6	—
Mochrum Lochs	Merrick	Dumfries and Galloway	390·2	—
Badanloch Bogs	Sutherland	Highland	389·5	25 October 1983
Oykel Marshes	Sutherland	Highland	385·0	—
Feur Lochain	Argyll and Bute	Strathclyde	384·1	20 July 1984
St. Abbs Head to Fast Castle Head	Berwickshire	Borders	378·4	25 June 1986
West Westray	Orkney	Orkney	377·9	11 February 1985
Ardura-Auchnacraig	Argyll and Bute	Strathclyde	376·5	—
Coulin Pinewood	Ross and Cromarty	Highland	374·5	13 January 1984
Tarbert-Skipness Coast	Argyll and Bute	Strathclyde	369·9	—
Laudale Woods	Lochaber	Highland	263·6	—
Lynn of Lorne Small Islands	Argyll and Bute	Strathclyde	263·0	—
Glen Nant	Argyll and Bute	Strathclyde	262·2	—
Lochs of Butterstone, Craiglush, Lowes	Perth and Kinross	Tayside	259·3	19 April 1985

Lambs (Radiation)

Mr. Wilson asked the Secretary of State for Scotland what is the average content and standard deviation of caesium content, in becquerels per kilogram, in monitored lambs in each monitoring area of Scotland since April.

Mr. John MacKay: In the area of Dumfries and Galloway from which restrictions were lifted on 8 July, the mean level of caesium-134 and caesium-137 together in 233 samples was 198 becquerels per kilogram and the standard deviation was 152. There is no need for such statistics to be calculated for areas where monitoring shows clearly that restrictions on the movement and slaughtering of lambs cannot yet be removed or for areas where testing and other available evidence have demonstrated that there is no cause for restrictions to be imposed.

Mr. Wilson asked the Secretary of State for Scotland what geographical sub-divisions have been used in the monitoring of caesium content in lambs in Scotland since the beginning of May.

Mr. John MacKay: Monitoring is undertaken by local authority area and is concentrated in locations where it appears, on the basis of evidence collected since the Chernobyl incident occurred, that depositions of radioactive material may have been such as to give rise to high caesium readings in young lambs.

Mr. Wilson asked the Secretary of State for Scotland how many lambs have been tested for caesium content in each area of Scotland since the beginning of May.

Mr. John MacKay: The following is the information to date:

Region or Islands area	*Number of animals tested*
Borders	18
Central	3
Dumfries and Galloway	934
Fife	1
Grampian	8
Highland	113
Lothian	2
Orkney	2
Shetland	1
Strathclyde	51
Tayside	5
Western Isles	4

Radiation

Mr. Wilson asked the Secretary of State for Scotland what monitoring has been carried out in which areas of Scotland to access the caesium content in game species such as salmon, trout, deer and grouse since April; and what have been the results.

Mr. John Mackay: The following is the information:

Species	*Origin*	*Cs 134 and Cs 137 (Bq/kg)*
Salmon	Perth	13·5
Salmon	Culkein	1·0
Salmon	Strathy	8·9
Sea Trout	Perth	12·0
Sea Trout	Perth	12·5
Sea Trout	Strathy	8·9
Brown Trout	Loch Achoire	59·0
Rainbow Trout (farmed)	Dumfries and Galloway	3·0
Rainbow Trout (farmed)	Highland	3·4
Rainbow Trout (farmed)	Tayside	2·9
Venison	Dumfries and Galloway	322·0
Venison	Grampian	108·0
Venison	Highland	675·0

Note: Monitoring of these and other game species continues.

Disabled Persons (Services, Consultation and Representation) Act 1986

Mr. Tom Clarke asked the Secretary of State for Scotland when he proposes to make commencement orders to bring into force the various provisions of the Disabled Persons (Services, Consultation and Representation) Act 1986 for which he is responsible; if he proposes to issue a circular to local authorities regarding his intentions in this respect; if he will issue a document summarising for the benefit of the public the provisions of the Act, with particular reference to the new rights for the disabled created by the Act; and if he will make a statement.

Mr. John MacKay: As indicated by my hon. Friend the Under-Secretary of State for Industry and Education when the House considered Lords amendments, we shall reach a view on implementation of the provisions in the light of consultations with the Convention of Scottish Local Authorities and other relevant factors.

My right hon. and learned Friend has no plans to issue a circular solely on commencement of these provisions: the nature and timing of guidance to local authorities and others on the Act as a whole is currently being considered by the Scottish Education Department. My right hon. and learned Friend also has no plans to present general publicity about the Act; such publicity would in any case not be appropriate in advance of provisions being commenced.

Local Government Ombudsman

Sir Russell Johnston asked the Secretary of State for Scotland (1) how many local authorities have refused to implement the recommendations of the local government ombudsman since his establishment where he has upheld a complaint against them; and if he will list these authorities and the cases concerned;

(2) in how many cases his establishment and the local government ombudsman have upheld a complaint against a local authority; and if he will list the local authorities concerned.

Mr. Ancram: According to their annual reports, successive Commissioners for Local Administration in Scotland have, up to 31 March 1986, upheld 250 complaints. Where local authorities have not implemented a Commissioner's recommendations, 14 further reports have been issued. More detailed information is not held centrally, but I have asked the Commissioner's office to write to the hon. Member.

Forestry Commission

Mr. Ron Davies asked the Secretary of State for Scotland if he will give the names of all the forestry commissioners, with dates of appointment to the commission, together with details of the relevant background experience of each.

Mr. John MacKay: The information is as follows:

	Date of appointment
Sir David Montgomery *(Chairman)* Landowner and farmer. Prior to his appointment he was Vice Convener of Tayside Regional Council, Vice Chairman of the Convention of Scottish Local Authorities, a member of the Nature Conservancy Council, and Chairman of the Council's Scottish Committee.	21 August 1979
G. D. Holmes *(Deputy Chairman and Director General)* A full-time appointment at Deputy Secretary level. Professional forestry qualifications. Held various posts in the Forestry Commission since 1948, including Director Research.	1 January 1977
G. J. Francis *(Commissioner, Operations)* A full-time appointment at Under Secretary level. Professional forestry qualifications. Held various posts in the Forestry Commission since 1954, including Director Harvesting and Marketing.	31 October 1983
D. T. J. Rutherford *(Commissioner, Administration and Finance)* A full-time appointment at Under Secretary level. Professional accountancy qualifications. Management accounting and computing experience in the private sector prior to joining Her Majesty's Stationery Office in 1975 where he held various posts including Principal Finance and Establishment Officer.	1 November 1984
R. T. Bradley *(Commissioner, Private Forestry and Development)* A full-time appointment at Under Secretary level. Professional forestry qualifications. Held various posts in the Forestry Commission since 1960, including Senior Officer for Wales and Director for Harvesting and Marketing.	2 September 1985
Lord Gibson-Watt of Wye *(Part-time Commissioner)* Farmer and woodland owner. Member of Parliament from 1956 to 1974; a Lord Commissioner of the Treasury (1959-61); Minister of State (Welsh Office) (1970-74). A former president of the Royal Welsh Agricultural Society. Chairman of Council on Tribunals from 1980.	1 October 1976
J. D. Pollock *(Part-time Commissioner)* General Secretary of the Educational Institute of Scotland. Member of Manpower Services Committee Scotland. Former Chairman of the Scottish Trades Union Congress.	1 October 1978
G. O. Hutchison *(Part-time Commissioner)* Timber merchant. The first Chairman of the Timber Research and Development Association's Stress Grading Committee.	1 October 1981
Captain W. F. E. Forbes *(Part-time Commissioner)* Woodland owner and farmer. Former Chairman of Scottish Woodland Owners' Association. Member of the Executive of the Scottish Landowners' Federation. Chairman of the Central Scotland Countryside Trust.	1 October 1982
James Forbes *(Part-time Commissioner)* Chartered Accountant with wide business and commercial experience.	1 November 1982
I. D. Coutts *(Part-time Commissioner)* Chartered Accountant with wide commercial and local government experience. Chairman of Norfolk County Council Planning Committee.	18 April 1984

Members' Correspondence

Mr. Chope asked the Secretary of State for Scotland how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Rifkind: The information requested by the categories listed by the hon. Member is as follows: *(a)* 52; *(b)* 19; *(c)* 12; *(d)* 8.

I hope shortly to take one or two particular policy decisions which will make it possible to reduce these numbers significantly, especially the numbers in categories *(c)* and *(d)*.

North British Hotel, Glasgow

Mr. Dewar asked the Secretary of State for Scotland what grants or loans were made by the Scottish tourist board to Mr. Emil Malak in connection with the refurbishment of the North British hotel, Glasgow; and what money was repaid by Mr. Malak when he sold the hotel in 1985.

Mr. Rifkind: Archyield Ltd received a grant of £207,000 towards the refurbishment of the North British hotel. The offer of grant was made in August 1984. No recovery of grant was made by the board following the sale of the company.

Mr. Dewar asked the Secretary of State for Scotland what grants or loans were made by the Historic Buildings Council to Mr. Emil Malak in connection with the refurbishment of the North British hotel, Glasgow; and what money was repaid by Mr. Malak when he sold the hotel in 1985.

Mr. Rifkind: I offered an historic buildings grant of £90,000 on the recommendation of the Historic Buildings Council for Scotland, and accepted by Mr. Malak on behalf of his company, Archyield Limited, in 1984. The grant was solely in respect of the restoration of the facade and external repairs to the North British Hotel.

The grant having been made to the company, Mr. Malak was not due to repay it when he sold his interest in Archyield Limited.

Mr. Dewar asked the Secretary of State for Scotland what grants or loans were made by the Scottish Development Agency in connection with the refurbishment of the North British hotel, Glasgow between 1983 and 1985; and what money was repaid when the hotel was subsequently sold.

Mr. Rifkind: I shall reply to the hon. Member as soon as possible.

Housing (Leith)

Mr. Ron Brown asked the Secretary of State for Scotland what recent representations he has received from the Buchanan Street housing association about its proposals to provide housing in Albert Street, Leith; and if he will make a statement.

Mr. Ancram: One letter has been received from the director of the Buchanan Street Residents' Housing Association Ltd. within the last three months.

My right hon. and learned Friend is still considering Edinburgh district council's policies and priorities in relation to the capital consent issued to the council on the non-housing revenue account block. Decisions affecting the Edinburgh Albert street Etc. (No. 3) housing action area for improvement and other housing action areas are expected to be reached shortly.

Mr. Emil Malak

Mr. Dewar asked the Secretary of State for Scotland what grants or loans have been paid by the Highlands and Islands Development Board or other public body for which he is responsible to Mr. Emil Malak in connection with his purchase of nursing homes in Inverness and in other parts of the Highlands.

Mr. Rifkind: The board has provided financial assistance to a company in which Mr. Emil Malak is a shareholder for the establishment of a nursing home near Beauly.

In order to preserve confidentiality, the board does not disclose details of financial assistance given to companies which are currently trading except with the consent of the company. This consent has not been obtained.

I am not aware that any other public body for which I am responsible has provided assistance to Mr. Malak in connection with any purchase by him of nursing homes in the Highlands.

Sheep Variable Premium

Mr. Kennedy asked the Secretary of State for Scotland what evidence he has on the current value of the variable premium in those areas affected by the recent ban on the movement and slaughter of sheep; and if he will make a statement.

Mr. John MacKay: Sheep variable premium does not vary from area to area but is paid at the same rate throughout Great Britain. Sheep reared in areas which are still subject to the restrictions cannot, of course, qualify for variable premium at present because they cannot for the time being be brought to market. However special arrangements have been made to monitor the prices of these animals coming on to the market as the restrictions are lifted. It is too early to draw firm conclusions from the prices available so far.

Lambs (Restrictions)

Mr. Kennedy asked the Secretary of State for Scotland what steps he proposes to take to help alleviate the particular difficulties being encountered by those within the areas affected by the ban on the movement and slaughter of lambs with regard to the special sales of breeding stock; and if he will make a statement.

Mr. John MacKay: My right hon. and learned Friend is aware of the difficulties facing those in the designated areas who wish to move animals to special sales of breeding stock. There is no reason to expect any detectable increase in genetic mutation in sheep following the Chernobyl incident and no need to restrict the use of animals from designated areas for breeding purposes. My right hon. and learned Friend will therefore consider sympathetically requests for consent to move animals out of designated areas where he is satisfied that the movement is for the purpose of selling animals for breeding use at a recognised sale of breeding stock. Applications for consent should be made to the local area office of the Department of Agriculture and Fisheries for Scotland.

Mr. Kennedy asked the Secretary of State for Scotland when he expects to be in a position to announce any relaxation in the movement and slaughter of sheep in those areas affectd by his announcement of 23 June; and if he will make a statement

Mr. John MacKay: I would refer the hon. Member to the reply given today by my right hon. and learned Friend to my hon. Friend the Member for Cunninghame, North (Mr. Corrie).

Mr. Corrie asked the Secretary of State for Scotland if he proposes any further changes in the areas in Scotland within which the movement and slaughter of sheep are presently controlled under the Food Protection (Emergency Prohibitions) (No. 4) Order 1986.

Mr. Rifkind: In the light of further results from the first round of monitoring in the designated areas, I am pleased to say that I can remove restrictions from two further areas in Dumfries and Galloway, one in the east of the region and one in the west. I have accordingly today made an order amending the Food Protection (Emergency Prohibitions) (No. 4) Order 1986 to be effective from midnight tonight. Details of the derestricted areas, together with the latest monitoring results are being issued by my Department today and I am arranging for a copy to be placed in the Library of the House.

Mental Health (Code of Practice)

Mr. Dewar asked the Secretary of State for Scotland what action has so far been taken to prepare for the drafting of a code of practice for Scotland under the Mental Health (Scotland) Act 1984, section 119; and when he expects the consultation process to be completed.

Mr. Rifkind: I refer the hon. Member to the reply which my hon. Friend the Parliamentary Under-Secretary of State for Home Affairs, Health and Social Work gave to the hon. Member Greenock and Port Glasgow (Dr. Godman) on 1 July at column *484*. I cannot at present say when the consultation process on the draft code of practice is likely to be completed.

Family Law (Scotland) Act 1985

Mr. Pollock asked the Secretary of State for Scotland when he intends to bring into operation the Family Law (Scotland) Act 1985.

Mr. Rifkind: I have authorised the commencement of the provisions of the Family Law (Scotland) Act 1985 (except section 25) with effect from 1 September. My noble and learned Friend, the Lord Advocate, has made an order to bring into operation on the same day the provisions of part IV of the Matrimonial and Family Proceedings Act 1984, dealing with financial provision in Scotland after overseas divorce.

ENERGY

Nuclear Plants (Accidents)

Mr. Corbyn asked the Secretary of State for Energy if he will list in tabular form the latest information he has available on the officially reported first acknowledgement of the accidents that took place at *(a)* Windscale plutonium pile in 1957, *(b)* Kyshtym nuclear facility in the Soviet Union in 1957, *(c)* Windscale Head-End reprocessing plant in 1973, *(d)* Windscale nuclear liquor storage tank in 1978, *(e)* Three Mile Island PWR nuclear power station in the United States in 1979 and *(f)* the Chernobyl nuclear plant in 1986.

Mr. Goodlad: The information is as follows:

(a) The UKAEU issued a public statement on 11 October 1957;

(b) The Soviet Union has never acknowledged an accident at Kyshtym;

(c) The incident at BNFL Windscale on 26 September 1973 was reported to the NII within 24 hours and was later the subject of a press statement;

(d) The incident at the Windscale magnox cladding storage silo on 31 October 1978 was reported to the NII within 24 hours and details were later published in the quarterly report of the Health and Safety Executive;

(e) The President's commission on the accident at Three Mile Island reported that local authorities and the media were informed of problems at the plant on 28 March 1979;

(f) The first official acknowledgement by the Soviet Government of the accident at Chernobyl was given on 28 April.

Kyshtym (Nuclear Accident)

Mr. Home Robertson asked the Secretary of State for Energy if he will publish a report on research undertaken by the United Kingdom Atomic Energy Authority on the nuclear accident at Kyshtym in the Soviet Urals in 1958.

Mr. Goodlad: I am advised by the United Kingdom Atomic Energy Authority that while it is aware of reports about the alleged accident at Kyshtym it has not undertaken any specified research into them.

Nuclear Research and Development

Mr. D. E. Thomas asked the Secretary of State for Energy if he will update to March 1986 the information given by the right hon. Member for Croydon, Central (Mr. Moore) in reply to the question from the hon. Member for Surrey, North-West (Mr. Grylls), *Official Report*, 15 May 1981, column *381*, on the amount his Department spent each year on (i) nuclear research and development *(a)* through the United Kingdom Atomic Energy Authority and *(b)* otherwise, (ii) on non-nuclear research and development and (iii) on the various categories of renewable energy research and development.

Mr. David Hunt: It is misleading to compare R & D on nuclear energy with that on renewable energy simply on the basis of annual expenditures. Nuclear power is a highly developed, economically proven and large scale technology which already provides about one-fifth of United Kingdom electricity generation. The electricity-producing renewables on the other hand are at an earlier stage of development; their ecomomics are as yet uncertain; and the scale at which it is appropriate to conduct R & D is much smaller that is the case with nuclear power. As the prospects for renewable energy technologies become more clearly identified as economically attractive, we would expect the R & D effort to grow accordingly and the adoption of the technologies by final users would be encouraged. This approach is exemplified by my right hon. Friend's announcement to the House on 9 July that the Department is to launch a further research programme aimed at reducing the technical and economic uncertainties of tidal power as a means of power generation. The programme, which will involve the CEGB, the Severn tidal power group and the Mersey Barrage company was well as my Department, will cost an estimated £5·5 million, of which my Department will contribute £2 million.

Expenditure by my Department on research and development for the year 1980-81 to 1984-85 is given in the table below:

	£ millions				
	1980-81	*1981-82*	*1982-83*	*1983-84*	*1984-85*
(i) Nuclear R & D*	186·2	205·4	214·8	203·8	†196·2
(ii) Non Nuclear R & D of which					
Renewables:	33·2	46·1	34·8	40·0	40·8
Wind	0·8	0·9	2·5	2·5	4·8
Wave	3·3	4·4	3·1	1·0	0·4
Geothermal-Aquifer	1·7	2·6	1·5	1·8	1·1
Geothermal-Hot Dry Rocks	0·6	5·6	3·0	2·9	4·6
Solar	0·9	0·7	1·4	0·9	0·5
Biomass	0·3	0·4	0·7	0·3	0·2
Tidal	1·4	0·4	0·0	0·0	0·3
ETSU Services	2·2	2·3	2·0	1·9	2·1
Total Renewables	11·2	17·3	14·2	11·3	14·0

* All nuclear R & D funded by the Department is through the United Kingdom Atomic Energy Authority.
† This figure does not reconcile with the Appropriation Account because of a change in accounting conventions following the change in the basis of departmental funding of the UKAEA in that year from parliamentary grant to grant-in-aid.

Alternative Energy

Mr. D. E. Thomas asked the Secretary of State for Energy what assessment he has made of the potential contribution of United Kingdom research and development in *(a)* wind energy, *(b)* solar energy, *(c)* tidal energy, *(d)* wave energy, *(e)* photovoltaic cells, *(f)* geothermal energy and *(g)* passive solar building design over the next 30 years in exports to the Third world in enhancing their energy supplies.

Mr. David Hunt: My Department's programme on renewable forms of energy is concerned with supporting and seeking to develop cost-effective technologies with wide application under United Kingdom conditions. The Department of Trade and Industry has provided support for projects in the areas of wind and solar energy which have export prospects, with my Department maintaining a watching brief on development both at home and worldwide.

Mr. D. E. Thomas asked the Secretary of State for Energy if he will set out in tabular form the amount of investment on research, development and demonstration made by his Department, the Central Electricity Generating Board, the South of Scotland Electricity Generating Board, British Nuclear Fuels Limited, United Kingdom Atomic Energy Authority and in collaborative projects with the European projects with the European Commission from 1975 to 1986, in relation to *(a)* thermal nuclear fission, *(b)* fast reactors, *(c)* fusion reactors, *(d)* coal burning for electricity generation, *(e)* combined heat and power technology, *(f)* active solar, *(g)* passive solar, *(h)* goethermal, *(i)* wind energy generation, *(j)* biomass energy, *(k)* wave energy, *(l)* tidal energy, *(m)* electricity conservation, *(n)* gas fired electricity generation and *(o)* oil-fired electricity generation.

Mr. David Hunt: I shall reply to the hon. Member as soon as possible.

Plutonium

Mr. D. E. Thomas asked the Secretary of State for Energy if, pursuant to his answer of 20 June, *Official Report*, column 654-5, he will set out the specific use to which the 545 kg of Calder Hall/Chapelcross plutonium referred to was put; and whether it has now been removed from safeguards.

Mr. Goodlad: Some of the material has been transfered to the UKAEA for civil R and D purposes, and the remainder is being held by BNFL as part of its stockpile of plutonium available for civil use. None of the material has been removed from safeguards.

Mr. D. E. Thomas asked the Secretary of State for Energy if, pursuant to his answer to the hon. Member for Meirionnyd Nant Conwy of 23 June, *Official Report*, column *47*, he will set out by date, quantity, and reactor of origin all withdrawals from safeguards of plutonium in gramme quantities.

Mr. Goodlad: There have been 50 temporary withdrawals ranging up to 12g. As I stated in my answer of 23 June at column *47*, the material involved originated in either Chapelcross/Calder Hall or in generating board reactors.

Sellafield

Mr. Meadowcroft asked the Secretary of State for Energy if he will specify the areas of Sellafield to which casual visitors *(a)* will and *(b)* will not be permitted access; and if he will give in each case the reasons for their exclusion.

Mr. Goodlad: Casual visitors to Sellafield can see the exhibition centre and take advantage of coach tours around the operating and construction sites. It is for British Nuclear Fuels to determine the detailed arrangements.

Nuclear Power (Military Uses)

Mr. Meadowcroft asked the Secretary of State for Energy what continuous surveillance of the processes involved is provided by control agencies to ensure that nuclear energy programmes are not used for warlike ends.

Mr. Goodlad: Safeguarding of the processes involved in civil nuclear programmes consists of continuous materials accountancy arrangements complemented by on-site inspections.

Mr. Meadowcroft asked the Secretary of State for Energy what assessment he makes of the extent to which technical difficulties in implementing safeguards against the use of nuclear energy programmes for warlike ends are surmountable.

Mr. Goodlad: I have no reason to believe that there are technical difficulties in implementing safeguards which cannot be surmounted.

Nuclear Accidents

Mr. Meadowcroft asked the Secretary of State for Energy what action has been taken by his Department on the basis of studies undertaken by *(a)* the United Kingdom Atomic Energy Authority, *(b)* the Central Electricity Generating Board, *(c)* the South of Scotland Electricity Board and *(d)* the NNC since May 1979 on the risks of accidents at nuclear plants; and if he will arrange for copies of each study on which action has been so taken, to be placed in the Library.

Mr. Goodlad: Operators of nuclear installations in the United Kingdom are required to keep safety atthose installations under close and continuing review.

Mr. Meadowcroft asked the Secretary of State for Energy what effect the Chernobyl accident has had on his assessment of the methodology of determining the risks of an accident at a nuclear installation in the United Kingdom.

Mr. Goodlad: Full details of the Chernobyl accident have not yet been given by the Soviet Union. Any lessons from Chernobyl will be carefully evaluated.

Mr. Meadowcroft asked the Secretary of State for Energy what account is taken in assessment by Her Majesty's Government and by the nuclear industry of the safety of nuclear installations in the United Kingdom, of the Rasmussen report on the probability of accidents of various types in reactors in the United States of America; and if he will make a statement.

Mr. Goodlad: I shall reply to the hon. Member as soon as possible.

Members' Correspondence

Mr. Chope asked the Secretary of State for Energy how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Peter Walker: It is my aim that all letters from hon. Members to Ministers in my Department should be dealt with within two working weeks. This is achieved in the majority of cases, but is not always possible, for example where letters raise complex issues or where information needs to be sought from other bodies. There are currently 30 letters awaiting a reply which were received over a month ago, and none for any period of more than two months.

Coal Imports

Mr. Allen McKay asked the Secretary of State for Energy if he will list in the *Official Report* the amount of coal imported and the places of origin for each quarter for each year since 1979.

Mr. David Hunt [*pursuant to the reply*, 7 July 1986, c. *28*]: Following is the information:

United Kingdom Coal Imports (thousand tonnes)

	1979			
	Q1	*Q2*	*Q3*	*Q4*
EC Countries				
Federal Republic of Germany	42	69	55	63
Netherlands	4	14	—	4
Belgium	9	3	4	6
Irish Republic	16	20	3	16
France	—	—	—	—
Others	—	—	—	—
Non-EC Countries				
Australia	263	384	627	890
United States	44	112	280	595
Poland	96	181	212	169
South Africa	7	10	4	17
Canada	—	—	—	—
Columbia	—	—	—	—
USSR	11	20	16	18
German Democratic Republic	—	—	—	—
China	—	—	—	58
Sweden	—	—	—	—
Bulgaria	—	—	—	—
Others	3	8	7	15

	1980				*1981*			
	Q1	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*
EC countries								
Federal Republic of Germany	10	24	23	23	33	17	40	42
Netherlands	—	11	10	2	—	2	4	3
Belgium	2	2	9	1	2	—	1	3
Irish Republic	24	6	7	4	1	1	3	—
France	—	—	—	—	—	—	1	—
Others	—	—	—	—	—	—	—	—
Non-EC countries								
Australia	752	845	831	419	554	562	471	203
United States	334	1,148	1,202	969	502	241	491	721
Poland	18	238	79	111	—	6	63	73
South Africa	14	17	6	29	22	23	16	19
Canada	—	—	—	—	—	—	—	—
Columbia	—	—	—	—	—	—	—	—
USSR	10	12	18	5	—	—	—	34
German Democratic Republic	—	—	—	—	—	—	—	1
China	32	17	18	—	—	1	—	—

	1980				1981			
	Q1	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*
Sweden	—	—	—	—	73	—	—	36
Bulgaria	—	—	—	—	—	—	—	—
Others	15	15	12	9	3	7	7	6

	1982				1983			
	Q1	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*
EC countries								
Federal Republic of Germany	91	67	97	79	83	141	172	87
Netherlands	7	1	14	22	7	13	31	34
Belgium	10	5	11	8	9	15	21	18
Irish Republic	1	—	1	1	1	1	1	1
France	3	1	6	4	1	2	3	1
Others	—	—	—	2	—	—	—	—
Non-EC countries								
Australia	291	307	325	218	132	905	651	299
United States	647	691	459	255	252	297	391	202
Poland	32	163	9	117	37	120	108	244
South Africa	32	8	1	26	8	3	14	32
Canada	—	—	—	—	—	—	1	—
Columbia	—	—	—	—	—	—	—	—
USSR	8	—	—	4	2	6	8	7
German Democratic Republic	—	—	—	—	1	—	11	29
China	—	2	1	3	1	1	3	2
Sweden	1	—	—	—	—	—	1	—
Bulgaria	—	—	—	—	—	—	—	—
Others	8	9	4	4	5	5	3	29

	1984				1985				1986
	Q1	*Q2*	*Q3*	*Q4*	*Q1*	*Q2*	*Q3*	*Q4*	*Q1*
EC Countries									
Federal Republic of Germany	137	228	291	304	217	183	207	139	120
Netherlands	47	93	71	94	64	45	83	113	56
Belgium	20	52	54	106	50	55	43	18	43
Irish Republic	2	6	5	4	5	3	2	2	3
France	1	17	58	154	17	7	3	1	3
Others	4	4	4	1	4	—	—	—	—
Non-EC Countries									
Australia	385	318	423	733	968	1,490	1,483	1,448	1,008
United States	320	875	1,064	1,086	1,183	839	503	620	763
Poland	183	509	226	441	416	363	237	371	296
South Africa	43	13	59	143	157	240	136	191	155
Canada	—	8	16	93	55	116	69	159	121
Columbia	—	—	—	—	—	5	66	17	35
USSR	2	1	3	5	—	7	5	11	18
German Democratic Republic	28	12	17	17	15	19	3	—	7
China	2	3	7	10	5	10	18	—	6
Sweden	26	—	—	2	1	2	2	17	6
Bulgaria	—	—	—	—	—	—	23	58	—
Others	4	16	34	13	18	4	13	8	3

Notes:

1. Derived from Her Majesty's Customs and Excise returns on a "country of origin" basis. Data for the second quarter of 1986 are not yet available.
2. The figures for 1984 and 1985 are affected by the strike by some sections of the coal industry.

TRANSPORT

Safety Engineering Techniques

10. **Sir John Wells** asked the Secretary of State for Transport what evaluation his Department has made of the extent of application of small-scale safety engineering techniques for accident reduction.

Mr. Peter Bottomley: The Department actively promotes these techniques. They are highly cost-effective. Some authorities use them extensively. If others followed their lead, many more accidents could be saved at low cost.

Airports (Security)

16. **Mr. Maclennan** asked the Secretary of State for Transport what recent discussions he has had with other member states of the European Community regarding the security provisions at international airports.

Mr. Michael Spicer: We hold frequent discussions on these matters with foreign Governments. They take place on a bilateral and Community basis. and within the European Civil Aviation conference and also the International Civil Aviation Organisation.

29. **Mr. Cartwright** asked the Secretary of State for Transport what further steps he proposes to take to improve security measures at international airports in the United Kingdom.

Mr. Michael Spicer: Security at United Kingdom airports has been stepped up in recent weeks, but it would not be in the public interest to disclose details. I keep our aviation security programme constantly under review and I will take any further measures that are necessary.

Buses (Subsidies)

17. **Mr. John Mark Taylor** asked the Secretary of State for Transport whether any local authorities have completed the tendering process for subsidised bus services; and if he will make a statement.

Mr. David Mitchell: I understand that only Highland region in Scotland has completed the tendering process. It will save about £179,000—some 14 per cent. of this year's budget. I also understand that Lancashire's results, with virtually all its tendering completed, show equivalent savings of about £5·8 million—70 per cent. of this year's budget on the provision of broadly the same level of service as previously. Results in Cumbria also show substantial savings for the five-month period between 26 October, when the tendered services come into operation, to 31 March 1987; expenditure will be only £0·24 million compared with some £0·7 million budgeted for the first seven months of the financial year up to 26 October. In all three cases service levels were broadly maintained. Of course, there are many more results to come and it is too early to draw general conclusions, but I regard these results as very encouraging, bearing in mind the alarmist prophecies of massive service cuts or spending increases which we heard a year ago.

35. **Mr. Hardy** asked the Secretary of State for Transport what steps he will take to limit the subsidy which a local authority may make to assist privately owned bus operations.

Mr. David Mitchell: I see no need to impose such a limit. The Transport Act 1985 requires local authorities to put contracts for local bus service subsidies out to competitive tender, and to award the contract to whichever tenderer offers best value for money. If private sector operators can give the best value, they should win the contracts.

Severn Crossing

18. **Mr. Heathcoat-Amory** asked the Secretary of State for Transport if any new road or rail link to the proposed Severn crossing is planned; and if he will make a statement.

Mr. Peter Bottomley: I refer my hon. Friend to the answer given earlier by my right hon. Friend the Secretary of State for Transport to the hon. Member for Newport, East (Mr. Hughes) about the second Severn crossing study. The brief for the study required a second crossing to have convenient road links to the M4 and M5 Motorways. The consultants were not asked to study rail links.

Mr. Barry Jones asked the Secretary of State for Transport when he proposes to make a statement on plans for a second crossing of the Severn river based on consultants' reports.

Mr. Peter Bottomley: I refer the hon. Member to the reply given today by my right hon. Friend to the hon. Member for Newport, East (Mr. Hughes).

Light Dues

19. **Mr. Holt** asked the Secretary of State for Transport what new measures he is considering to reduce the burden of light dues on the shipping industry.

Mr. Moore: Between 1981-82 and 1985-86, the burden of United Kingdom light dues has been reduced, in constant price terms, by over 13 per cent. For the future, I have asked Arthur Young, the management consultants, to undertake a major study of the feasibility of rationalising the operations of the general lighthouse authorities' tender fleets. This could lead to large cost savings. I will also continue to press for economies in the annual expenditure review in the late autumn.

Road Casualty Figures

20. **Dr. Twinn** asked the Secretary of State for Transport if he will make a statement on the road casualty figures for the first quarter of 1986.

Mr. Peter Bottomley: The rise in casualties of 4 per cent. in the first quarter of 1986 is disappointing. Of particular concern is the rise of 8 per cent. in car user casualties, which is greater than the 6 per cent. rise in car traffic. There is encouragement to be drawn from the 4 per cent. fall in child pedestrian casualties and the 15 per cent. fall in child cyclist casualties.

The general upturn in casualties follows last year's exceptionally low figures. The trend cannot be reversed by Government alone; it is up to all of us as road users. I urge drivers especially to contribute to reducing road casualties.

Transport Act 1985

21. **Mr. David Atkinson** asked the Secretary of State for Transport what information for potential operators he has published about the Transport Act 1985.

Mr. David Mitchell: The Department has published a series of leaflets containing information on various aspects of the Transport Act 1985 and several of these have been for potential bus operators. In addition I am about to publish a further leaflet and booklet with details of how to start in the bus industry. Copies of all these publications can be obtained from traffic area offices or the Department of Transport, 2 Marsham street, London SW1. I have sent copies to all hon. Members. It is important to make widely known the opportunities provided by the Act to enter an industry which has been over-regulated for far too long.

Drink-Driving

22. **Mr. Nicholas Brown** asked the Secretary of State for Transport if he will make a statement on the operation of the Transport Act 1981 as it relates to drunken driving.

Mr. Peter Bottomley: The main aim of the provisions was to improve the effectiveness of the law on drinking

and driving by providing or introduction of evidential breathalysers. Various loopholes which allowed suspects to avoid prosecution on legal technicalities were closed. The Act extended police powers to require a roadside breath test to those who had been driving or had been in charge of a vehicle. Those measures came into force in May 1983. A substantial period of monitoring will be needed before firm conclusions are drawn as to their impact.

28. **Mr. Peter Bruinvels** asked the Secretary of State for Transport what further steps he is taking to discourage drinking and driving; and if he will make a statement.

Mr. Peter Bottomley: I refer my hon. Friend to the reply I gave earlier today to the hon. Member for Easington (Mr. Dormand).

Ilminster Bypass

23. **Mr. Ashdown** asked the Secretary of State for Transport when work on the Ilminster bypass will start.

Mr. Peter Bottomley: Work should start later this year and I will announce the exact date as soon as possible.

Bypasses

24. **Mr. Gregory** asked the Secretary of State for Transport how many miles of bypass roads have been constructed since 1979; and if he will make a statement.

Mr. Peter Bottomley: Since 1 April 1979, the Department has constructed 56 trunk road bypasses and relief roads totalling 205 miles. Another 162 such schemes are in the trunk road forward programme which will amount to a further 600 miles. I do not have the corresponding figures for bypasses and relief roads constructed on those roads for which local highway authorities are responsible.

30. **Mr. Freud** asked the Secretary of State for Transport if he will consider the appointment of an officer to deal with social and industrial consequences for bypassed communities of the construction of bypasses.

Mr. Peter Bottomley: No. I am advised by my right hon. Friend the Secretary of State for the Environment that traders are able, before a new road opens, to apply to their local planning authority for consent to erect advertisements alongside that road in advance of the actual road opening. The local planning authority is required to determine such applications within two months of receipt. Any appeal to my right hon. Friend against the refusal of a local planning authority to grant a consent or failure to give a decision within the specified period is dealt with expeditiously.

Port State Control Inspections

25. **Sir David Price** asked the Secretary of State for Transport how many port state control inspections were made last year; and how this compares with other European countries.

Mr. Moore: The number of port state control inspections undertaken in the United Kingdom in 1985 was 2,559. The figures for the region covered by the 14 European signatories to the memorandum of understanding on port state control was 10,044. The memorandum incorporates a target inspection rate of 25 per cent. of foreign ships calling at a country's ports. The United Kingdom's inspection rate was 34 per cent. in 1985, representing a major contribution to the deterrence of substandard ships from operating in the region.

British Rail (Chairman)

26. **Mr. Steen** asked the Secretary of State for Transport what he discussed when he met the chairman of British Rail on 26 June.

Mr. David Mitchell: We discussed a wide range of matters of current interest.

Channel Tunnel

27. **Mr. Wolfson** asked the Secretary of State for Transport what effect the proposed Channel tunnel will have on tourism in Kent.

Mr. David Mitchell: The preliminary assessment report of the Kent impact study, which has just been published, suggests that tourism is one of the industries whose prospects will be significantly improved by the Channel tunnel.

Mr. Teddy Taylor asked the Secretary of State for Transport what recent discussions he has had with the promoters of the Channel tunnel about the financing of the scheme; and if he will make a statement.

Mr. David Mitchell: We are in regular contact with the promoters of the scheme about various matters; the Government welcome the progress which is being made, although financial arrangements are of course entirely a matter for the promoter.

Mr. Tony Banks asked the Secretary of State for Transport what discussions have been held between his Department and British Rail on the provision of on-train custom and immigration checks on Channel tunnel trains.

Mr. David Mitchell: The Department has discussed this question with British Rail from time to time. I recognise the importance of this issue for BR's plans to operate through trains, particularly those with destinations beyond London.

North Lancashire

31. **Mr. Pike** asked the Secretary of State for Transport if he will visit north Lancashire to examine the transport infrastructure there.

Mr. Moore: I have no plans at the present time to visit north Lancashire, but my hon. Friend the Parliamentary Under-Secretary of State who has responsibility for roads and traffic has accepted an invitation by Lancashire county council to visit the county at a date to be arranged.

Air Links (South Africa)

32. **Mr. Cohen** asked the Secretary of State for Transport what representations he has received about air links between the United Kingdom and South Africa.

Mr. Michael Spicer: None.

Radioactive Waste and Plutonium

33. **Mr. Alex Carlile** asked the Secretary of State for Transport what plans he has to implement the

Environment Committee's recommendation about transport of spent fuel, high-level radioactive waste and plutonium.

Mr. Moore: The Government are considering the Committee's recommendations and will respond in due course.

Docklands Light Railway

34. **Mr. Spearing** asked the Secretary of State for Transport if he has received notice from the London Docklands Development Corporation concerning proposals for an eastern extension to the docklands light railway.

Mr. David Mitchell: My right hon. Friend has received no proposals for an eastern extension to the docklands light railway from the LDDC, but it is now discussing with my officials the form such proposals might take.

Perry Oaks Sewage Works

Mr. Shersby asked the Secretary of State for Transport what progress he can report on the study carried out on behalf of the British Airports Authority and the Thames water authority into the options for releasing the site of the Perry Oaks sewage works to Heathrow airport.

Mr. Moore: A report on options for releasing the Perry Oaks site to Heathrow airport, commissioned jointly by the British Airports Authority and the Thames water authority, has just been completed. Copies of the report are today being placed in the Library. The report shows the technical feasibility of releasing the Perry Oaks site but recommends further technical trials to determine the optimum method. It would, of course, be for the BAA and TWA to negotiate a transfer of the site. The Government regard the removal of the existing sewage works and the release of the site to the airport as highly desirable.

Motor Cycle Noise Limits

Mr. Speed asked the Secretary of State for Transport if he has received any representations about the European Community Commission's proposals to tighten motor cycle noise limits; and if he will make a statement.

Mr. Peter Bottomley: The Motorcycle Action Group is conducting a campaign against the Commission proposals for stricter noise limits on new motor cycles.

It is wrong to suggest that proposals for new noise limits will mean the end of the air-cooled engine. I know of no proposals from either the Commission or any member state of the European Community which would have that effect. No evidence has been produced to substantiate the claim that the proposals being discussed at Brussels threaten the viability of British or European manufacturers.

I recognise that there are difficulties in in-use enforcement of the noise regulations. The law now requires that replacement silencers for the latest machines must be marked to show their compliance with the law.

The current noise regulations recognise that different noise limits should apply to different types of vehicle. Substantial reductions will be achieved for cars and lorries during the next few years. It is essential that we make similar progress on motor cycles. Noisy motor cycles are extremely unpopular with the general public. It is in the interests of motor cyclists that they should have available to them well designed machines which keep noise to a minimum while preserving all the traditional advantages of motor cycling. All those concerned with motor cycling should in their own interests be pressing manufacturers to do this.

Transatlantic Air Fares (Compensation)

Mr. Higgins asked the Secretary of State for Transport what information he has as to when the arrangements for issuing coupons compensating passengers who flew between the United Kingdom and the United States of America between 1 March 1982 and 31 March 1984 for the excessive fares charged to them by British Airways, TWA and Pan Am will become operative.

Mr. Moore: The case to which the right hon. Member refers was settled without any admission of liability by the defendants and without the court finding that any wrong had been done or that excessive fares and been charged. The administration of the settlement is a matter for the US courts; but I understand from British Airways that it is likely to take at least another two months to complete the procedure for the issue of the coupons.

M1 (Road Signs)

Mr. Harrison asked the Secretary of State for Transport on what date the advance warning sign prior to junction 41 northbound on the M1 motorway between Wakefield and Leeds was damaged; and on what date it will be repaired.

Mr. Moore: The direction sign was damaged by a storm on 11 February 1986. A new sign face has been ordered and will be erected within two to three months.

North Sea (Offshore Supplies)

Mr. Bruce asked the Secretary of State for Transport what representations he has received from British offshore supply boat operatives about British companies, share of the North sea market.

Mr. Moore: I have received a number of representations about the situation faced by the United Kingdom offshore support vessel fleet in the North sea; my noble Friend the Minister for shipping met a deputation from the British Offshore Support Vessels Association on 7 July for further discussions.

Passenger Traffic (Railways)

Mr. Dalyell asked the Secretary of State for Transport whether, in the light of the financial success of the recently opened Edinburgh-Bathgate passenger line, he will discuss with the chairman of British Rail the feasibility of the reopening of more lines to passenger traffic.

Mr. David Mitchell: It is for the board to identify opportunities of this kind.

Ports Transparency Directive

Sir David Price asked the Secretary of State for Transport what progress is being made in the implementation of the Ports Transparency Directive (No. 80/723/EEC); and when he expects the consultant's report is to be completed.

Mr. Moore: With effect from 1 January this year, member states became subject to a requirement to make available to the Commission on request information on financial relations between public authorities and public undertakings in the ports sector. However, I do not consider this directive goes far enough and we have been urging the Commission to move towards the publication of transport accounts by all port undertakings in the Community. The Commission has not in my knowledge engaged any consultants on this subject.

Weighbridges (Commercial Vehicles)

Mr. Ward asked the Secretary of State for Transport whether he has any plans to require that all commerical vehicles entering the United Kingdom by sea pass over a weighbridge before travelling on the public roads; and if he will make a statement.

Mr. Moore: I am keen to ensure that as many foreign lorries as possible are weighed at the ports and we intend to provide axle weighbridges at all the ferry ports, with driver self-weigh facilities where conditions permit. However, it would not be possible, without adding unacceptably to congestion, delay and enforcement costs, to require all incoming vehicles to be weighed.

Motorway Safety

Mr. Galley asked the Secretary of State for Transport what safety improvements he anticipates will result from the national motorways safety campaign being mounted by the police from 17 to 27 July.

Mr. Peter Bottomley: I congratulate the police on this useful and positive initiative. The campaign focuses on three themes—keeping a safe distance, driving at a safe speed, and good lane discipline. More drivers need to be aware of the importance of these aspects of safe motorway driving. British motorways are amongst the safest roads in the world. There are around 40 per cent. fewer deaths per vehicle mile than French or West German motorways, or interstate highways in the USA. We must continue to do all we can to encourage improved driving standards.

Channel Tunnel

Mr. Tony Banks asked the Secretary of State for Transport if he will set up a consultative committee to consider the environmental impact of the proposed Channel tunnel terminal at Waterloo; and if he will make a statement.

Mr. David Mitchell: British Rail are consulting local authorities and community groups about the likely effects of their proposed terminal. I am considering with BR whether anything further might usefully be done to assist consultations about the effects of the project in London.

Mr. Tony Banks asked the Secretary of State for Transport if he will order a public inquiry to be held on the implications of the siting of a Channel tunnel terminal at Waterloo.

Mr. David Mitchell: No. British Rail's Waterloo terminal for international services is provided for in the Channel Tunnel Bill and will be considered in the Select Committee like the other works in the Bill.

London Regional Transport

Mr. Tony Banks asked the Secretary of State for Transport when the annual report of London Regional Transport will be published.

Mr. David Mitchell: I understand that London Regional Transport proposes to publish its annual report for 1985-86 shortly.

Lorry Ban (London)

Mr. Tony Banks asked the Secretary of State for Transport what information he has as to the extent to which the London lorry ban is being enforced in different London boroughs, and as to the attitude of individual boroughs towards it; and if he will make a statement.

Mr. Peter Bottomley: That is for the boroughs.

Bus Lanes

Mr. Tony Banks asked the Secretary of State for Transport how many applications have been received from London boroughs to install bus lanes on designated roads; how many have been refused; and if he will make a statement.

Mr. Peter Bottomley: None. An application to make permanent a bus lane previously installed under an experimental traffic order has been approved.

Parachuting

Mr. Parry asked the Secretary of Transport (1) if he will introduce legislation to license schools which train pupils for lessons in parachute drops; and if he will make a statement;

(2) if he has any plans to introduce legislation to require a minimum number of lessons from a qualified instructor before pupils can take part in sky jumps; and if he will make a statement;

(3) how many people have been *(a)* killed and *(b)* injured as a result of parachuting accidents in each of the last three years; and if he will make a statement.

Mr. Michael Spicer: I understand from the Civil Aviation Authority that each year about 250,000 civilian parachute drops take place in the UK and that in the last three years the numbers of people *(a)* killed and *(b)* injured in such drops has been as follows:—

	1983	*1984*	*1985*
(a) killed	1	4	2
(b) seriously injured	1	40	21
minor injuries (including ground training)	187	232	229

The Civil Aviation Authority has statutory responsibility for the regulation of parachuting, under article 41 of the Air Navigation Order 1985. No club or school may operate without the authority's written permission. Operations and training must comply with the safety procedures laid down by the CAA, and with the guidance given by the British Parachute Association, both of which are set out in the clubs' operations manuals. The BPA is responsible for the day-to-day control of the sport, and sets basic training requirements for all parachutists. It also advises the CAA on procedures and in deciding whether

clubs may operate. These arrangements have worked well for a long time and I do not believe that further legislation is necessary.

Parachuting is generally a safe sport; but, however good the regulation, it must by its nature always contain an element of danger. Individuals should take account of this in deciding whether to take part.

Members' Correspondence

Mr. Chope asked the Secretary of State for Transport how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Moore: The number of letters from hon. Members to my Department still awaiting a substantive reply after one month is 54. After two months the figure is 33, after three months 10, and after four months 20. The total figure of 90 awaiting reply represents 1·5 per cent. of approximately 6,000 letters received by my Department from hon. Members during the last four months. The 90 letters concern matters on which further work has to be done before a substantive reply can be given.

South Africa

Mr. Chope asked the Secretary of State for Transport (1) if he will publish figures showing the percentage of the volume and value of seaborne trade between ports in the Republic of South Africa and Southampton in each of the last five years which emanated from the front-line states;

(2) if he will publish figures showing the volume and value of seaborne trade between the Republic of South Africa and Southampton for 1985 and so far in 1986.

Mr. Moore: Information on seaborne trade with South Africa through Southampton, up to 1985 was given in the answer by the then Secretary of State on 24 March at col. 362. I regret that 1986 data are not yet available.

The foreign port through which trade passes is not available from customs statistics. However, the volume and value of trade through Southampton with the 'front-line states'—Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe—regardless of foreign port, is given below.

United Kingdom Seaborne trade with the front-line states through Southampton 1981-85

	Imports		*Exports*	
	Tonnes '000s	*Value £ million*	*Tonnes '000s*	*Value £ million*
1981	42	24	7	17
1982	43	52	15	42
1983	51	62	15	42
1984	32	49	13	34
1985*	39	54	11	22

* Provisional

Bus Network (Hampshire)

Mr. Chope asked the Secretary of State for Transport whether he has any information about savings effected in Hampshire as a result of the Transport Act and the effect this has had on the bus network; and if he will make a statement.

Mr. David Mitchell: I understand that Hampshire county council does not expect to complete the tendering procedures for subsidised bus services until August. The county council's policy is to seek to maintain services at broadly their present level.

Rail Passengers

Mr. Greenway asked the Secretary of State for Transport how many passengers were carried by British Rail in 1965, 1975 and 1985; and if he will make a statement.

Mr. David Mitchell: The number of passenger journeys made was as follows:

	Number millions
1965	865
1975	730
1985	794

Because more passengers are able to buy through tickets, which are convenient and popular, fewer tickets are now needed for many journeys. A better indicator of passenger usage is passenger kilometres, which have remained constant at about 30 billion a year since the early 1960s.

Air Services (Brussels and the North)

Mrs. Peacock asked the Secretary of State for Transport if he will give consideration to encouraging the improvement of direct air services between Brussels and north of England airports.

Mr. Michael Spicer [*pursuant to the reply*, 11 July 1986]: The Government remain committed to encouraging the increased use of regional airports. Our liberal air services arrangements with Belgium allow duly authorised airlines of both countries to serve any point in the United Kingdom from any point in Belgium, and vice versa, and to provide whatever level of capacity they consider suitable.

SOCIAL SERVICES

War Pensions

Mr. Kirkwood asked the Secretary of State for Social Services (1) whether he is satisfied with the present clearance rate of cases at the war pensions office at Norcross;

(2) what is the average time of clearance of individual cases dealt with by the war pensions office at Norcross for the past five years for which figures are available.

Mr. Major: Claims for war pensions are complex and can involve looking back over a period of 40 years or more. Service and medical records have to be obtained and medical examinations may have to be arranged. Even straightforward claims can thus take several weeks. During 1984, retirements, ill-health and promotions among the medical staff at Norcross caused delays. Although still not entirely satisfactory, the position has gradually improved since then and the average clearance time during the quarter ended 31 March 1986 was 22.6 weeks.

The following table shows the average time for clearance of war pensions claims at Norcross in the last quarter of the past five years.

Quarter ended	Time in weeks
31 December 1981	17·0
31 December 1982	16·5
31 December 1983	16·7
31 December 1984	34·3
31 December 1985	24·7

Age Allowances

Mr. Kirkwood asked the Secretary of State for Social Services if he will introduce legislation to enable age allowances paid to war widows to be increased and to enable age allowances to be awarded to pensioners whose disablements are assessed at below 40 per cent.

Mr. Major: Age allowances paid to war widows will be increased on 28 July in line with price increases. We have no plans to award age allowances to war disablement pensioners whose disablement is assessed at below 40 per cent.

War Pensioners and Widows

Mr. Kirkwood asked the Secretary of State for Social Services whether he has any plans to relax conditions to enable regular visitations of severely disabled war pensioners and elderly widows to increase.

Mr. Major: Arrangements for regular visiting by the war pensioners' welfare service are at present being reviewed, in consultation with representatives of war pensioners and war widows. The central advisory committee on war pensions will be consulted before any changes are made. Any war pensioner or war widow who needs help may contact the war pensioners' welfare service at any time.

Mr. Kirkwood asked the Secretary of State for Social Services what would be the cost of increasing the £4 disregard applied to war pensioners who claim supplementary pension to the level of £15.

Mr. Major: The available data are not sufficiently accurate to enable a precise figure to be quoted, but the best estimte that can be made is that the cost of increasing the £4 war pensions disregard to £15 would be of the order of £4 million a year. This figure takes acount of the additional claims to supplementary benefit that would result from such a change, but does not allow for the cost of making an equivalent change to the housing benefit scheme.

Mr. Kirkwood asked the Secretary of State for Social Services whether he has any plans to increase the rate of pension to war widows and women aged 60 years and under in receipt of unemployability supplement or invalidity benefit; if he will estimate the cost of such a change; and if he will make a statement.

Mr. Major: The rates will be increased on 28 July in line with price increases. The cost of the increase in war widows pensions is £2 million in a full year. The cost of the increase in invalidity benefit and unemployability supplement for women aged 60 and under is £3·5 million in a full year.

Heart Disease

Mr. Lawrence asked the Secretary of State for Social Services by which means, and at what cost, his Department helps with research into heart disease.

Mr. Whitney: The Department gives research grants for projects relating to heart disease which are of particular relevance to service provision in the National Health Service. Support is being provided by the Department during the current financial year 1986-87 to five such projects, details of which are listed. The total amount of that support during the current year is expected to be over £100,000 and the overall cost to the Department of the five projects in question is some £635,000.

The main Government agency for the promotion of medical research in this country is the Medical Research Council, which receives its grant-in-aid from the Department of Education and Science.

We look to the MRC to meet our needs for biomedical research. Priorities have in the recent past included work relating to heart disease and have included, for example, the links between smoking and coronary heart disease, management of mild to moderate hypertension, more recently in the elderly, but also in adults as a whole, and studies of coronary arterial bypass operations.

A. *Projects which DHSS is supporting during the current financial year.*

1. University of Kent: "Disease prevention and health promotion in primary care: coronary heart disease prevention". Support agreed for 1986-87: £12,500 total agreed support: £302,500.
2. Polytechnic of the South Bank, London: "Simulation planning model in cardiology" support agreed for 1986-87: £3,400. Total agreed support: £36,600.
3. London university "DHSS Hypertension Care Computer Project" (being funded jointly with Scottish Home and Health Department and Health Promotion Research Trust). DHSS support agreed for 1986-87: £27,000. Total agreed DHSS support: £103,000.
4. Nottingham university "Nottingham Heart Attack Register" Support agreed for 1986-87: £43,000. Total agreed support: £124,600.
5. London university "British Regional Heart Study". Support agreed for 1986-87: £16,500. Total agreed support: £68,600.

B. *Work which DHSS has supported in the recent past*

1. Brunel university and Cambridge university: "Costs and Benefits of the Cardiac Transplantation Programmes at Harefield and Papworth Hospitals". Started October 1981, completed February 1985. Total cost: £185,000.
2. Oxford university: Medical Research Council multi-centre trial of aspirin to prevent major stroke after ischaemic heart attack. (DHSS contribution of £40,500 covering the period January 1983—December 1985).

Rate and Rent Rebates and Allowances (Lambeth)

Mr. John Fraser asked the Secretary of State for Social Services what payments were made by his Department to Lambeth council for rate rebates, rent allowances and rent rebates in 1985-86; and what are his latest estimates of the amounts to be paid in the year 1986-87.

Mr. Major: Payments on account made by the Department to Lambeth borough council for benefits granted under the housing benefit scheme in 1985-86 and estimated payments to be made in the year 1986-87 are:

£ million

	1985-86	*1986-87*
Rent rebates	17·5	18
Rent allowances	12	12·5
Rate rebates	18	18

These figures are based on the council's estimated expenditure and are subject to revision following submission of a final claim by the authority.

Lone Parents (Benefits)

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will publish figures showing expenditure specifically for lone parents on one parent benefit, supplementary benefit and housing benefit in 1960, 1970, 1980 and at the latest date for which figures are available, at current and at constant prices.

Mr. Major: The available information on benefits paid to lone parents is as follows:

Great Britain

£ million

	1960-61	*1970-71*	*1980-81*	*1985-86*
Expenditure in cash terms				
One-parent benefit	—	—	61	134
Supplementary benefit*	20	90	640	1,200
Housing benefit†	—	—	50	500
Expenditure at 1985-86 prices‡				
One-parent benefit	—	—	85	134
Supplementary benefit*	120	450	890	1,200
Housing benefit†	—	—	60	500

* National assistance in 1960-61.

† Local authority rebate schemes in 1980-81. Information for earlier years is not available.

‡ Converted to constant prices using the retail price index.

Family Incomes

Sir Brandon Rhys Williams asked the Secretary of State for Social Services (1) if he will update his reply to the hon. Member for Kensington, *Official Report*, 25 July 1985, column *752-3*, showing the estimated numbers of working families at different levels of income, using the same income bands as before;

(2) if he will update his reply to the hon. Member for Kensington, *Official Report*, 25 July 1985, column *753-5*, showing estimated numbers of out of work but working age families with gross income, including state benefits, in the same income bands as before;

Mr. Major: I shall reply to my hon. Friend as soon as possible.

NHS (Competitive Tendering)

Mr. Forth asked the Secretary of State for Social Services (1) if he will give the National Health Service domestic service contracts won by the in-house work force in the competitive tendering programme which have exceeded the tender prices;

(2) if he will detail the scrutiny procedures required of regional health authorities to report cases where the National Health Service domestic service contracts won by the in-house work force have exceeded the tender price in the competitive tendering programme.

Mr. Whitney: Our guidance stipulates that if the in-house organisation is awarded the work, the health authority should make sure that its procedures ensure that:

1. The tender price becomes the budget.
2. The budget cost is not exceeded.
3. Regular monthly reports are made to the district health authority on the financial position and the standard of performance.
4. If it becomes clear that the costs cannot be brought back within the budget the district health authority should put the service out to tender again.

Regional health authorities are expected to monitor the performance by districts in their competitive tendering programmes but do not have to report individual cases in which the budget is exceeded to the Department.

Far East Prisoners of War

Mr. Woodall asked the Secretary of State for Social Services what steps are taken to publicise the facilities available to surviving prisoners of war of the Japanese regarding degenerative and psychological illnesses and parasite infestation arising from the circumstances of their captivity; what investigations have been commissioned by his Department into the incidence of such conditions amongst these people; and if he will make a statement on the levels revealed.

Mr. Major: The Department provides facilities for former far east prisoners of war to be medically investigated so that any residual illness resulting from their imprisonment can be identified and treated. These arrangements have been brought to the attention of hospital medical and administrative staff and general practitioners. Information will also be included in a new leaflet on war pensions to be published shortly. Any individual former FEPOW who is known to the Department through the war pensions scheme is encouraged to undergo an investigation. The National Federation of Far East Prisoners of War Clubs and Associations also publicises the facilities to its members and on occasions through the media. We are considering other means of making the arrangements more widely known.

The Department has commissioned one study of the health of former FEPOWs. The report, entitled "A study of the Post-Captivity Health of Ex-Prisoners of War of the Japanese", was produced in February 1985 and a copy is being placed in the Library. In the absence of a similar study of morbidity in the British male population valid comparisons are not possible. With that proviso, the report concludes that the level of degenerative conditions among ex-FEPOWs did not appear to be significantly different from that in the general population. There appeared to be a higher incidence of psychiatric manifestations. Only one type of parasitic infestation, strongyloidiasis, was identified. This is a worm infestation which can be effectively treated.

Cervical Cancer

Mr. Aspinwall asked the Secretary of State for Social Services what provision there is within the South Western regional health authority for cervical cancer screening; and if he will make a statement.

Mr. Hayhoe: All health authorities are required to give priority to improving cervical cancer screening programmes, including the implementation of computerised call and recall systems no later than 1987-88. The South-Western regional health authority has reported that nine of its eleven district health authorities have implemented computerised call and recall systems; the remaining two district health authorities have firm plans to do so during 1987.

My hon. Friend may wish to write to the chairman of the South-Western regional health authority who may be able to provide details of local activity.

Mr. Aspinwall asked the Secretary of State for Social Services how many women have died from cervical cancer in the Bristol and Weston district health authority in each year from 1981-1985.

Mr. Hayhoe: The information is given in the table.

Number of deaths with underlying cause of malignant neoplasm of cervix uteri (ICD(9) 180) to women usually resident in Bristol and Weston health area—1981-1985*

Area of usual residence	*Year*	*Number of deaths*
Bristol and Weston Health District	1981	6
Bristol and Weston District Health Authority	1982	11
	1983	10
	1984	14
	1985	16

* International Classification of Diseases 9th revision

Mr. Deakins asked the Secretary of State for Social Services what was the number of deaths from cervical cancer in Brighton and Leicester, respectively, in each year from 1979.

Mr. Hayhoe: The information is given in the table.

Number of deaths with underlying cause of malignant neoplasm of cervix uteri (ICD(9) 180) to women usually resident in the County Districts of Brighton and Leicester—1979-1985*

	Area of usual residence	
Year	*Brighton CD*	*Leicester CD*
1979	8	11
1980	3	22
1981	7	14
1982	13	11
1983	4	9
1984	7	11
1985	4	14

* International Classification of Diseases 9th revision

Mr. Deakins asked the Secretary of State for Social Services what steps are being taken to ensure that women in *(a)* Leicester and *(b)* Brighton have a call and recall system for cervical cancer available to them through the National Health Service.

Mr. Hayhoe: All health authorities have been required to make arrangements with family practitioner committees to implement computerised call and recall systems no later than April 1988. In order to find out how this is progressing in Leicester and Brighton I suggest the hon. Member contacts the chairmen of the Leicestershire and Brighton health authorities respectively.

Supplementary Benefit

Mr. Leighton asked the Secretary of State for Social Services how many people were receiving supplementary benefit from local offices of his Department in the London borough of Newham in 1979 and at the latest available date.

Mr. Major: The London borough of Newham is covered by three of the Department's offices, Canning town, Plaistow and Woodgrange Park, but their boundaries are not conterminous. The total number of people receiving supplementary benefit from these offices on 15 May 1979 and 6 May 1986 was:

	Number
1979	17,234
1986	33,592

Source: 100 per cent. count of cases in action.

Mr. Winnick asked the Secretary of State for Social Services how many people of working age are receiving supplementary benefit in *(a)* the west midlands area, *(b)* the black country area of the west midlands and *(c)* the borough of Walsall; how many in each case have been in receipt of supplementary benefit for 12 months or more; and what were the comparable figures for May 1979 and the percentage increase in each category.

Mr. Major: The black country area of the west midlands is covered by the Department's offices at Dudley north and south, Smethwick, Walsall, east and west, West Bromwich and Wolverhampton north and south.

The borough of Walsall is covered by the two Walsall offices.

The numbers of people of working age receiving supplementary benefit in *(a)* the west midlands area, *(b)* the black country area of the west midlands and *(c)* the borough of Walsall at 6 May 1986, the latest available date, and in May 1979, and the percentage increases were

	1979	**1986*	*Percentage Increase*
West Midlands	126,331	367,410	190·8
Black Country	26,623	94,726	255·8
Walsall	6,381	20,743	225·1

Information about the length of time people were in receipt of supplementary benefit in May 1979 and May 1986 is not available.

* West midlands region was merged with part of East midland and East Anglia region in 1982 to form the present midland region. But for the sake of consistency, the table shows, for 1986, the total figures for those offices which were formerly part of west midland region.

Source: 100 per cent. count of cases in action.

Mr. Gordon Brown asked the Secretary of State for Social Services how many persons were in receipt of *(a)* supplementary benefit and *(b)* supplementary pension in (i) Scotland and (ii) the United Kingdom at the latest date for which figures are available.

Mr. Major: The table shows the number of people receiving *(a)* supplementary allowance and *(b)* supplementary pension in Scotland and the United Kingdom on 6 May 1986.

	Scotland	*United Kingdom**
Supplementary allowance†	380,625	3,558,836
Supplementary pension	148,209	1,710,624

* Includes people receiving supplementary benefit and supplementary pension in Northern Ireland on 6 May 1986.

† All people below pension age who were receiving supplementary benefit on 6 May 1986.

Mr. Craigen asked the Secretary of State for Social Services what was the number of people claiming supplementary benefit in the Glasgow, Maryhil constituency in 1979 and 1985; what percentage change that represents; and if he will give the percentage change in staff handling supplementary benefit and in total staff at local offices of his Department in the same period.

Mr. Dixon asked the Secretary of State for Social Services (1) what was the number of people who claimed supplementary benefit in the Jarrow constituency in *(a)* 1979 and *(b)* 1985; and what percentage change this represents;

(2) what was the percentage change in staff handling supplementary benefit between 1979 and 1985.

Dr. Bray asked the Secretary of State for Social Services how many people claimed supplementary benefit in Motherwell and Wishaw constituency in *(a)* 1979 and *(b)* 1985; what percentage change that represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at his Department's local offices for the same period.

Mr. Canavan asked the Secretary of State for Social Services how many people claimed supplementary benefit in Falkirk, West constituency in *(a)* 1979 and *(b)* 1985; what percentage change that represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at the local offices of his Department for the same period.

Mr. O'Brien asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Normanton constituency in *(a)* 1979 and *(b)* 1985; what percentage change that represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at his Department's local offices for the same period.

Mr. Dormand asked the Secretary of State for Social Services how many people claimed supplementary benefit in Easington constituency in 1979 and 1985, respectively; what percentage change that represents; and what was the percentage change in *(a)* staff employed on supplementary benefit and *(b)* all staff employed at his Department's local offices, Peterlee and Seaham, for the same period.

Dr. Marek asked the Secretary of State for Social Services (1) how many staff were employed at the local Wrexham office of his Department in *(a)* 1979 and *(b)* 1985; how many of the staff were involved in handling supplementary benefit; and how many of these staff were involved in handling supplementary benefit for the Wrexham constituency area;

(2) how many people claimed supplementary benefit in the Wrexham constituency area in *(a)* 1979 and *(b)* 1985; and what percentage change this represents.

Mr. Patchett asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Barnsley, East constituency in *(a)* 1979 and *(b)* 1985; what percentage change that represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at the local office of his Department over the same period.

Dr. Cunningham asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Copeland constituency in *(a)* June 1979 and *(b)* June 1985; what percentage change this represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at the local office of his Department over the same period.

Mr. Evans asked the Secretary of State for Social Services (1) how many people claimed supplementary benefit in the St. Helens, North constituency in *(a)* 1979 and *(b)* 1985; and what percentage change this represents;

(2) what was the percentage change in *(a)* staff handling supplementary benefit and *(b)* all staff at local offices of his Department in the St. Helens, North constituency between 1979 and 1985.

Mr. Dewar asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Glasgow, Garscadden constituency in *(a)* 1979 and *(b)* 1985; what percentage change in the number of claimants occurred between 1979 and 1985; and what was the percentage change in the number of staff (i) handling supplementary benefit claims and (ii) the total number of staff at local offices of his Department serving the constituency over the same period.

Mr. Ron Davies asked the Secretary of State for Social Services (1) how many people claimed supplementary benefit in Caerphilly constituency in *(a)* 1979 and *(b)* 1985; and what percentage change that represents;

(2) what was the percentage change in *(a)* staff handling supplementary benefit and *(b)* all staff at his Department's local offices in the Caerphilly constituency between (i) 1979 and (ii) 1985.

Mr. Major: I shall let the hon. Members have replies as soon as possible.

Pharmaceuticals

Mr. Grylls asked the Secretary of State for Social Services what are the implications of the current manning levels of the medicines inspectorate for the process of certifying, for foreign regulatory authorities, the quality of British pharmaceutical exports and for his Department's discharge of its obligations under the World Health Organisation certification scheme for pharmaceuticals moving in international commerce.

Mr. Hayhoe: The United Kingdom Licensing Authority recognises that the British pharmaceutical industry relies on the prompt issue of export certificates, in accordance with the World Health Organisation scheme. Current manning levels of the medicines inspectorate have so far caused no delays in the issue of such export certificates.

Occupational Therapists

Mr. Dobson asked the Secretary of State for Social Services what assessment has been made by his Department of the impact of community care policies on the demand for occupational therapists.

Mr. Whitney: The greater use of community care has implications for the deployment of occupational therapists. The precise demand depends on the level, nature and organisation of National Health Service and local authority occupational therapy services in a particular locality. We are examining the organisational issues and the relationship between the two services to ensure that trained occupational therapists are used in the most effective manner.

Mr. Dobson asked the Secretary of State for Social Services what is his policy in relation to the number of occupational therapists to be trained each year in the future.

Mr. Whitney: We are making 10 additional bursaries available to students entering training in September this

year and with the help of contributions from the North-East, South-East and South-West Thames regional health authorities we hope that a new school at Christ Church college, Canterbury will open in September 1987. Officials are also exploring with interested regions the feasibility of establishing a second new school within the next two to three years.

Meanwhile we are urging health authorities to ensure that practising therapists are deployed as effectively as possible, to persuade qualified staff who for whatever reason, have taken a break in service to return to active practice, and to consider the possibility of establishing appropriate conversion courses for mature and experienced helpers.

Mr. Dobson asked the Secretary of State for Social Services what information is available to his Department on the latest number of vacancies for occupational therapists in *(a)* health authorities and *(b)* local authorities.

Mr. Whitney: Information on numbers of vacancies for occupational therapists is not collected centrally either for health or local authorities. The results of a sample survey of health authorities last year, however, suggested that nationally, about 19 per cent. of funded posts for occupational therapists were unfilled after three months.

Mr. Dobson asked the Secretary of State for Social Services if he will give for each year since 1975 *(a)* the cost of training occupational therapists, *(b)* the number of training places available in occupational therapy schools and *(c)* the number of occupational therapists completing their training.

Mr. Whitney: The information is as follows:

Occupational therapists: England and Wales

Financial year	*Centrally funded training costs £000s*	*Annual intake**	*Therapists completing training*
1975-76	†	448	321
1976-77	†	484	359
1977-78	606	520	333
1978-79	1,660	534	449
1979-80	3,011	561	398
1980-81	4,103	582	432
1981-82	4,548	603	461
1982-83	4,381	653	475
1983-84	4,526	641	509
1984-85	4,975	636	500
1985-86	5,182	646	589

* This figure includes students funded by Health and Local Authorities and privately, the cost of whose training is not known and therefore not available centrally.
† Figures not available.

AIDS

Mr. Dobson asked the Secretary of State for Social Services whether additional funds are to be made available through joint finance to enable local authorities to provide social work services to sufferers from acquired immune deficiency syndrome; and if he will make a statement.

Mr. Hayhoe: The allocation of joint finance funds is a matter for local decision by joint consultative committees which comprise representatives of health authorities, local authorities, voluntary bodies and family practitioner committees. Proposals for joint finance funding are decided according to local priorities and it is open to JCCs to consider the special needs of sufferers from acquired immune deficiency syndrome in making their decisions.

Mr. Nicholas Winterton asked the Secretary of State for Social Services (1) whether any Government funds are currently available for research projects to study the possible transmission of the acquired immune deficiency syndrome virus by insects;

(2) whether he is aware of any current or proposed research projects to study the possible transmission of the acquired immune deficiency syndrome virus by insects.

Mr. Hayhoe: I understand that exploratory work is being undertaken at the London School of Hygiene and Tropical Medicine to see whether mosquito cells will support the replication of the AIDS virus but my Department is not supporting any research projects in this field nor, I understand, is the Medical Research Council, which receives grant-in-aid from the Science Vote of the Department of Education and Science and is responsible for co-ordinating research on AIDS in the United Kingdom.

Mr. Dobson asked the Secretary of State for Social Services what advice has been given to local authorities about the provision of social work services to acquired immune deficiency syndrome sufferers.

Mr. Hayhoe: Information about the acquired immune deficiency syndrome and advice on the infection control measures to be adopted by staff providing services to people with the AIDS-related infection will be issued to local authorities in the near future.

NHS (Resources)

Mr. Dobson asked the Secretary of State for Social Services if he will give for each year from 1975 to 1995 the estimated growth in National Health Service resources demanded by demographic change in *(a)* inner London, *(b)* Greater London, *(c)* each of the four Thames health regions and *(d)* the four Thames regions together.

Mr. Hayhoe: I regret that the information sought by the hon. Member is either not available centrally or could be obtained only at disproportionate cost.

Ambulance Services

Mr. Dobson asked the Secretary of State for Social Services what is his policy in relation to the scope for privatisation of the ambulance services; and if his Department has any proposals to this end.

Mr. Whitney The Department has no plans for the privatisation of the ambulance service.

Pneumoconiosis Panels

Mr. Dobson asked the Secretary of State for Social Services what has been the total cost of the pneumoconiosis panels in each year since 1975; and what has been the average cost per hearing in each year since 1975.

Mr. Newton The following table shows the total cost of the medical boarding centres (respiratory diseases), formerly known as pneumoconiosis medical panels, since the 1978-79 financial year, which is the earliest year from which figures are available.

Year	Cost £ million
1978-79	0·602
1979-80	0·815
1980-81	1·584
1981-82	1·853
1982-83	1·934
1983-84	1·955
*1984-85	1·861
*1985-86	2·035

*provisional figures

In addition to their medical boarding function, medical boarding centres (respiratory diseases) have a number of responsibilities under the industrial injuries scheme. Information about the costs of boarding alone could be obtained only at disproportionate cost.

Mr. Dobson asked the Secretary of State for Social Services if he will give his Department's latest estimate of the total number of people who may be eligible for compensation from the pneumoconiosis panels.

Mr. Newton Medical boarding centres (respiratory diseases), formerly known as pneumoconiosis medical panels, handle claims for industrial chest diseases arising in a wide range of occupations. Information about the total number of people who may be eligible for benefit is not available.

Mr. Dobson asked the Secretary of State for Social Services if he will give for each year since 1975 the number of applicants to the pneumoconiosis panels, the number of awards, the number of appeals and the number of successful appeals; and if he will state the award in the case of each successful appeal.

Mr. Newton: *(a)* The following table shows the number of cases referred to medical boarding centres (respiratory diseases), formerly the pneumoconiosis medical panels, and the number of awards made for each year from 1975 to 1984. The figures are the latest available.

Year	Cases referred	Awards
1975	19,040	1,209
1976	14,532	1,248
1977	13,408	1,018
1978	11,837	898
1979	10,822	978
1980	10,305	997
1981	10,212	974
1982	10,112	1,121
1983	10,427	1,107
1984	6,565	994

(b) A right of appeal against a diagnosis decision for industrial chest diseases was not introduced until January 1977. The following table shows the number of appeals made since these rights were introduced and the number of successful appeals. The figures are the latest available.

Year	Appeals heard	Disease diagnosed
1977 } 1978 }	195	36
1979	140	30
1980	210	36
1981	219	51
1982	209	46
1983	320	47
1984	287	57
1985	274	62

(c) Information about individual awards by Medical Appeal Tribunals is not available and could be obtained only at disproportionate cost.

Mr. Dobson asked the Secretary of State for Social Services when the pneumoconiosis panels were set up; on whose recommendations and on what grounds; to whom they are responsible; if he will list their present membership; and who determines their membership and on what grounds.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

NHS (Expenditure)

Mr. Dobson asked the Secretary of State for Social Services if he will give the estimated National Health Service expenditure per head for the latest year for which figures are available on *(a)* those aged under one year, *(b)* those aged under four years, *(c)* those aged 65 to 74 years, *(d)* those aged 75 years and over, *(e)* those aged 65 years and over and *(f)* the whole population.

Mr. Hayhoe: I regret that separate estimates of health service expenditure on children aged under one year are not available. Estimates of gross current expenditure per head of population on the hospital and community health services and the family practitioner services for 1983-84, the latest year for which these estimates are available, are given in the table for the other broad age groups.

Estimated gross current expenditure per head (England) 1983-84

Age group	Hospital and community health services £	Family practitioner services £
0 to 4 years	160	60
65 to 74 years	370	85
75 years and over	875	135
65 years and over	580	105
All age groups	185	65

Hospital Building Schemes

Mr. Dobson asked the Secretary of State for Social Services which of the completed hospital building schemes listed in the answer of 30 June, *Official Report*, columns *418-20* are not at present in full use or have not been in full use for any period since their completion; and if he will give details of all periods of less than full use.

Mr. Whitney: Two beds in the intensive therapy unit at Glenfield hospital, Leicester have not yet been brought into service because they are not needed until phase 2 of the new hospital is built. Otherwise, all completed schemes in the earlier list are in full use apart from those in which the initial commissioning work has not yet finished. Information about earlier periods is not available and could be obtained only at disproportionate cost.

Registered Homes Tribunals

Mr. Dobson asked the Secretary of State for Social Services from what source hearings of the registered homes tribunals are funded.

Mr. Whitney: The expenses of these tribunals are met from the Department of Health and Social Security's class XII vote 4—Administration and Miscellaneous Services.

Adolescents (Drinking Habits)

Mr. Spencer asked the Secretary of State for Social Services when he expects to receive the report on the drinking habits of adolescents.

Mr. Whitney: The Department has commissioned the Office of Population Censuses and Surveys to undertake this study and I expect the report to be published by the end of the year.

National Voluntary Agency on Alcohol Misuse

Mr. Spencer asked the Secretary of State for Social Services what grant aid is paid to the National Voluntary Agency on Alcohol Misuse by his Department; and if he will make a statement.

Mr. Whitney: I am pleased to say that I have recently agreed that a grant of £500,000 per annum will be paid to Alcohol Concern, the National voluntary agency on Alcohol Misuse, for the three years commencing with the 1986-87 financial year. This includes £160,000 a year to set up new local councils on alcohol.

Psychosurgical Operations

Mr. Procter asked the Secretary of State for Social Services (1) in what way the consent of a person aged under 15 years of age is obtained when a psychosurgical operation takes place under section 57 of the Mental Health Act 1983; and if he will make a statement;

(2) how many psychosurgical operations have taken place under the provisions of section 57 of the Mental Health Act 1983; in how many cases where the patient's consent has been obtained a second opinion consent has been withheld; how many of these patients were under 15 years of age; and if he will make a statement.

Mr. Whitney: Ten psychosurgical operations took place under section 57 of the Mental Health Act 1983 in 1984 and 21 in 1985. Figures are not available centrally for the period from the date of commencement of the Act—30 September 1983—to 31 December 1983, or for 1986. Second opinion consent was withheld in a further seven cases, and no operations have been carried out on children under 15 years of age. Section 57 of the Mental Health Act 1983 requires that such operations can be performed only with the informed consent of the patient and the agreement of a second opinion doctor appointed for the purpose. Before agreeing to an operation, the second opinion doctor has to be satisfied that the patient's consent is valid and has to consult two other persons professionally concerned with the patient's medical treatment. The appointment of medical practitioners for the purposes of the consent to treatment provisions of the Act is carried out on behalf of my right hon. Friend the Secretary of State by the Mental Health Act Commission, which monitors the operation of those provisions. I refer my hon. Friend to para 11.7 of the Commission's first biennial report [House of Commons Paper 586, published 22 October 1985], a copy of which is in the Library.

Mr. Proctor asked the Secretary of State for Social Services how many psychosurgical operations took place in each of the last 10 years; how many took place on children under 15 years of age; and if he will make a statement.

Mr. Whitney: The number of such operations performed in National Health Service hospitals in England between 1979 and 1985 is given in the table. Information for earlier years is not available centrally. Information on the ages of people undergoing such operations is not available for the years 1979 and 1980, but none of the operations performed from 1981 to 1985 were on children under 15 years of age.

Year	*Number*
1979	66
1980	62
1981	58
1982	38
1983	37
1984	10
1985	21

Disabled Persons (Services, Consultation and Representation) Act 1986

Mr. Tom Clarke asked the Secretary of State for Social Services when he proposes to make commencement orders to bring into force the various provisions of the Disabled Persons (Services, Consultation and Representation) Act 1986; if he proposes to issue a circular to local authorities regarding his intentions in this respect; if he will issue a document summarising for the benefit of the public the provisions of the Act, with particular reference to the new rights for the disabled created by this Act; and if he will make a statement.

Mr. Newton: I regret that I cannot at present add to what I said about the timing of implementation of the various provisions during the course of the House's consideration of amendments from another place on 4 July 1986. As I then indicated we hope, subject to consulting with local authority associations, to bring certain provisions into efffect by April 1987. Those discussions will also cover the question of what guidance might be appropriate and we will at the same time consider what steps might be appropriate to publicise the relevant provisions as they come into effect.

Single Payments

Mr. Gordon Brown Secretary of State for Social Services if he will list by area offices the numbers claiming single payments on 2 July in Scotland.

Mr. Major: On 2 July a special count was made of the number of people whose single payment claims were being processed in local offices in Scotland. The information then obtained is set out in the following table:

Number of people whose single payment claims were being processed

Office	*Number*
Aberdeen North	377
Aberdeen South	261
Airdrie	2,749
Arbroath	128
Ayr	3,962
Bellshill	2,468
Bathgate	2,642

Office	Number
Campbeltown	26
Clydebank	1,594
Coatbridge	2,650
Cowdenbeath	288
Cumbernauld	2,375
Dumbarton	547
Dumfries	254
Dundee East	568
Dundee West	850
Dunfermline	609
East Kilbride	1,885
Edinburgh (City)	1,807
Edinburgh (East)	3,089
Edinburgh (North)	2,395
Edinburgh (South)	2,376
Edinburgh (West)	2,536
Elgin	145
Falkirk	552
Fort William	82
Galashiels	185
Glasgow (Anniesland)	1,302
Glasgow (Bridgeton)	435
Glasgow (City)	931
Glasgow (Craigton)	1,018
Glasgow (Cranstonhill)	101
Glasgow (Dalmarnock)	549
Glasgow (Laurieston)	2,951
Glasgow (Maryhill)	427
Glasgow (Parkhead)	922
Glasgow (Partick)	1,563
Glasgow (Provan)	5,822
Glasgow (Rutherglen)	5,477
Glasgow (South Side)	3,733
Glasgow (Springburn)	931
Greenock	850
Hamilton	1,133
Iverness	499
Irvine	4,068
Johnstone	776
Kilmarnock	2,161
Kirkcaldy	1,091
Lerwick	9
Leven	311
Motherwell	4,009
Oban	73
Paisley	4,196
Perth	265
Peterhead	258
Port Glasgow	1,590
Stirling	810
Stornoway	73
Stranraer	48
Wick	66
Total	85,848

Mr. Terry Davis asked the Secretary of State for Social Services whether he intends to make any changes in the supplementary benefit single payments regulations with effect from 28 July.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Low Income Families

Mr. Gordon Brown asked the Secretary of State for Social Services whether he will now publish the 1983 low income families table.

Mr. Major: I refer the hon. Member to my reply to my hon. Friend the Member for Kensington on 8 July at column *157*.

Basildon Local Office

Mr. Proctor asked the Secretary of State for Social Services when the windows in his Department's office in Basildon were last cleaned; why they are not cleaned more regularly; and if he will make a statement.

Mr. Major: The windows of Basildon integrated local office are cleaned internally monthly. A solution to the long-standing problem of external cleaning is under consideration by the Department.

Labour Statistics (Liverpool)

Mr. Field asked the Secretary of State for Social Services why, in answer to the hon. Member for Birkenhead on 15 May, *Official Report*, column *527*, the total number of unemployed claimants in the city of Liverpool in November 1985 was given as 32,100 when figures published by the Department of Employment for the same date gave a total of 56,421.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Local Office Staffs

Mr. Dixon asked the Secretary of State for Social Services how many staff were employed in local offices of his Department in *(a)* 1979 and *(b)* 1985.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Members' Correspondence

Mr. Chope asked the Secretary of State for Social Services how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Fowler: Ministers in my Department replied to some 35,000 letters in 1985, an increase of about 50 per cent. on the previous year. In many cases, these letters require inquiries to be made with health authorities of local social security offices which can often cause delays.

The figures requested are 885, 365, 250 and 126 respectively.

In some cases direct approaches to DHSS local offices, or the chairman of the local district health authority would be the quickest way of proceeding.

Benefits

Mr. Clay asked the Secretary of State for Social Services what would be the cost of increasing the single person's rate of each of the following benefits by £7·35: (i) invalid care allowance, (ii) invalidity pension, (iii) severe disablement allowance, (iv) statutory sick pay and (v) unemployment benefit.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Allowances

Mr. Clay asked the Secretary of State for Social Services what would be the cost of increasing *(a)* severe

disablement allowance and *(b)* invalid care allowance to the same level as the invalidity pension for (i) the single person's rate and (ii) the adult and child dependant's rates.

Mr. Newton: At the benefit rates which take effect from 28 July the additional cost in a full year would be as follows:

	£ million
Severe disablement allowance	
(i) Single person's rate	200
(ii) Adult and child dependant's rate	2
Invalid care allowance	
(i) Single person's rate	65
(ii) Adult and child dependant's rate	about 0·5

Mr. Clay asked the Secretary of State for Social Services what would be the cost of paying the severe disablement allowance to all those who would qualify under the rules that applied to the non-contributory invalidity pension but including married and cohabiting women; and what would be this cost if the severe disablement allowance were increased by £7·35 for the single person's rate.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Unemployment Benefit

Mr. Clay asked the Secretary of State for Social Services what would be the cost of extending the payment of unemployment benefit for a further (i) one year, (ii) two years, (iii) three years and (iv) as long as unemployment lasted; and what would be the cost if the single person's rate of unemployment benefit were increased by £7·35.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Mr. Kaufman asked the Secretary of State for Social Services when he intends to reply to the letter to him dated 16 June from the right hon. Member for Manchester, Gorton, with regard to Mrs. Irene Smith of 14 Parkfield Avenue, Davyhulme, Manchester.

Mr. Fowler: I have replied to the right hon. Member.

School Meals

Mr. Ron Davies asked the Secretary of State for Social Services (1) if he will estimate the number of *(a)* families and *(b)* children who will be affected by the Government's proposed changes in eligibility for school meals under section 70 of the Social Security Bill;

(2) if he will estimate the savings which will accrue to both central Government and local government in manpower and cash, respectively, as a result of the Government's proposed changes in eligibility for school meals under section 70 of the Social Security Bill;

(3) how many *(a)* families and *(b)* children he estimates will be affected by the Government's proposed changes in eligibility for school lunches contained in clause 70 of the Social Security Bill in (i) Wales and (ii) mid-Glamorgan.

(4) if he will estimate the savings in manpower and cash which will accrue from the Government's proposed changes in eligibility for school lunches contained in clause 70 of the Social Security Bill for *(a)* central Government and *(b)* local government in Wales.

Mr. Newton: I shall let the hon. Member have replies as soon as possible.

Board and Lodging

Mr. Neale asked the Secretary of State for Social Services (1) what information he has as to how many non-British European Economic Community citizens claimed board and lodging allowances during the months of June on the pruported grounds that they were looking for employment; and if he will make a statement;

(2) what steps he is taking to prevent non-British EEC citizens from coming to the United Kingdom for the purpose of claiming board and lodging benefits; and if he will make a statement;

(3) what records are kept by his Department of the numbers, country of origin and sums paid to non-British EEC citizens in board and lodging allowances on the basis of claims purported to be related to the search for jobs; and if he will make a statement.

Mr. Newton: I shall let my hon. Friend have a reply as soon as possible.

Elderly Persons

Mr. Meacher asked the Secretary of State for Social Services if, pursuant to his reply of 2 May, *Official Report*, columns *517-8*, he will provide such information as is available on local authority and health authority services for those aged over 65 years in such form as is available.

Mr. Whitney [*pursuant to his reply*, 30 June 1986, c. *435*]: A list of documents held in the Library, from which relevant information for England can be drawn, is as follows. Figures for Scotland and Wales are a matter for my right hon. Friends, the Secretaries of State for Scotland and Wales.

Social Services Committee

Reports on Public Expenditure on the Social Services (1979/80—1984/85).

Department of Health and Social Security

Health Service Costing Returns (1979/80—1984/85)*.
Forms SH3: Regional and National Summaries (1979—1984)*.
Tables giving numbers of Health Visitors, District Nurses and Chiropodists (1979—1984)†.
Personal Social Services—Local Authority Statistics for England:
"Meals Services" (1978/79, 1979/80).
"Domiciliary Services — Meals, Aids and Adaptations (1980/81—1982/83).
"Adult Training Centres for the Mentally Handicapped and Day Centres for the Mentally Ill, the Elderly and the Younger Physically Handicapped".
(As at 31 March 1979—1983).
"Staff of Local Authority Social Services Departments".
(As at 30 September 1979—1984).
"The Statistics of Residential Accommodation for the Elderly and for Younger Physically Handicapped People".
(As at 31 March 1981, 1983, 1984).

Office of Population Censuses and Surveys

Population and Vital Statistics. Local and Health Authority summary (1979—1984)‡.
Hospital In-patient Enquiry Main Tables (1979—1983)*.

Chartered Institute of Public Finance and Accountancy. Statistical Information Service

Personal Social Services—Actuals (1978/79—1984/85).

* These publications, contain analyses by regional health authority. Corresponding analyses by district health authority could only be provided at disproportionate cost.
† These tables contain analyses by district health authority for 1984 but only by regional authority for earlier years. Analyses by district health authority for all years could be provided only at disproportionate cost.
‡ Separate figures for the 65 and over age group are given only in the 1984 volume.

Departmental Experts

Mrs. Renée Short asked the Secretary of State for Social Services how many independent experts have resigned from committees of his Department since March; and what reasons each has given for resignation.

Mr. Whitney [*pursuant to his reply*, 8 July 1986, c. *155*]: The number of independent experts who have resigned from committees sponsored by the Department during the period 1 March 1986—10 July 1986 is 19. The reasons for resignation and the numbers involved are as follows:

Reasons given for resignation	*Number involved*
Personal and health	7
More time needed for other commitments	5
Gone to live abroad	2
Ceased to satisfy the conditions of appointment	2
Conflict of interest	1
No reason given	2

Aspirin (Children)

Mr. Ashley asked the Secretary of State for Social Services whether the Committee on Safety of Medicines at any time suggested to him or his officials that the age below which aspirin should not be given because of the risk of Reye's syndrome should be 16 years.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: The Committee on Safety of Medicines carefully considered various age limits, including one of 16 years, before deciding on 29 May 1986 in the light of the provisional findings of the risk factor study of the British Reye's Syndrome Surveillance Scheme to recommend that aspirin should not be given to children under 12 except on medical advice.

Drugs (Safety)

Mr. Ashley asked the Secretary of State for Social Services if he will classify the drugs whose safety has been discussed by the Committee on Safety of Medicines in the last year according to whether the number of prescriptions issued annually for the drug was *(a)* over 5 million, *(b)* over 2 million, *(c)* over 1 million, *(d)* over half a million and *(e)* under half a million.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: Between July 1985 and June 1986 the Committee on Safety of Medicines gave advice to the licensing authority on safety, quality and efficacy in relation to 110 applications for product licences and clinical trial certificates; none of these products had previously been generally available. During this period the Committee also kept under review the safety of all medicinal products which were being marketed or undergoing clinical trials. In particular it examined and discussed the safety of 14 specific drug substances, classified by the number of prescriptions dispensed during 1984 (the latest year for which information is available), as follows:

(a) none
(b) one
(c) one
(d) one
(e) seven

Figures for the remaining four substances are not available.

Prescribing figures are for NHS prescriptions dispensed by retail pharmacists in Great Britain. The figures are derived from estimates made from samples of 1 in 200 prescriptions for England and Wales, and 1 in 100 prescriptions in Scotland.

Mr. Ashley asked the Secretary of State for Social Services, in the last five years, how many drugs have been discussed by the Committee on Safety of Medicines; in how many cases *(a)* the drug was voluntarily withdrawn by the manufacturer, *(b)* withdrawn by order of the committee, *(c)* had the usage changed on the advice or instructions of the committee and *(d)* no regulatory action taken at the time or subsequently.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: In the calendar years 1981 to 1985 the Committee on Safety of Medicines gave advice to the Licensing Authority on safety, quality and efficacy in respect of 809 applications for product licences and clinical trial certificates. The Committee also discussed the safety of some 80 drugs or groups of drugs (that is, drugs having the same active substance or in the same therapeutic class) which were already being marketed or were undergoing clinical trials. Following consideration by the Committee of these 80 drugs or groups of drugs, licences or certificates were revoked in eight cases by the licensing authority acting on the advice of the Committee; licences or certificates were voluntarily surrendered by the licence holders in 13 cases for reasons which did not necessarily relate to safety; and there were 27 cases for which licences or certificates were varied. No formal licensing action was advised or taken on the remaining 32 drugs or groups of drugs but the Committee drew the attention of the medical profession to particular aspects in about half these cases through its regular bulletin, "Current Problems", or in published articles.

Mr. Ashley asked the Secretary of State for Social Services how many drugs, whose safety is currently being assessed by the Committee on Safety of Medicines, have over one million prescriptions issued for them annually; and which are these drugs.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: The Committee on Safety of Medicines continuously monitors the safety of all drugs, and is at present actively assessing the safety of seven drugs which had over one million prescriptions in 1984, the latest year for which figures are available. The seven drugs fall into two categories; non-steroidal anti-flammatories, and anti-hypertensive agents. For reasons of confidentiality and taking account of section 118 of the Medicines Act 1968 it would not be appropriate for me to give further details. The CSM has already given general advice to doctors on

disablement allowance and *(b)* invalid care allowance to the same level as the invalidity pension for (i) the single person's rate and (ii) the adult and child dependant's rates.

Mr. Newton: At the benefit rates which take effect from 28 July the additional cost in a full year would be as follows:

	£ million
Severe disablement allowance	
(i) Single person's rate	200
(ii) Adult and child dependant's rate	2
Invalid care allowance	
(i) Single person's rate	65
(ii) Adult and child dependant's rate	about 0·5

Mr. Clay asked the Secretary of State for Social Services what would be the cost of paying the severe disablement allowance to all those who would qualify under the rules that applied to the non-contributory invalidity pension but including married and cohabiting women; and what would be this cost if the severe disablement allowance were increased by £7·35 for the single person's rate.

Mr. Newton: I shall let the hon. Member have a reply as soon as possible.

Unemployment Benefit

Mr. Clay asked the Secretary of State for Social Services what would be the cost of extending the payment of unemployment benefit for a further (i) one year, (ii) two years, (iii) three years and (iv) as long as unemployment lasted; and what would be the cost if the single person's rate of unemployment benefit were increased by £7·35.

Mr. Major: I shall let the hon. Member have a reply as soon as possible.

Mr. Kaufman asked the Secretary of State for Social Services when he intends to reply to the letter to him dated 16 June from the right hon. Member for Manchester, Gorton, with regard to Mrs. Irene Smith of 14 Parkfield Avenue, Davyhulme, Manchester.

Mr. Fowler: I have replied to the right hon. Member.

School Meals

Mr. Ron Davies asked the Secretary of State for Social Services (1) if he will estimate the number of *(a)* families and *(b)* children who will be affected by the Government's proposed changes in eligibility for school meals under section 70 of the Social Security Bill;

(2) if he will estimate the savings which will accrue to both central Government and local government in manpower and cash, respectively, as a result of the Government's proposed changes in eligibility for school meals under section 70 of the Social Security Bill;

(3) how many *(a)* families and *(b)* children he estimates will be affected by the Government's proposed changes in eligibility for school lunches contained in clause 70 of the Social Security Bill in (i) Wales and (ii) mid-Glamorgan.

(4) if he will estimate the savings in manpower and cash which will accrue from the Government's proposed changes in eligibility for school lunches contained in clause 70 of the Social Security Bill for *(a)* central Government and *(b)* local government in Wales.

Mr. Newton: I shall let the hon. Member have replies as soon as possible.

Board and Lodging

Mr. Neale asked the Secretary of State for Social Services (1) what information he has as to how many non-British European Economic Community citizens claimed board and lodging allowances during the months of June on the pruported grounds that they were looking for employment; and if he will make a statement;

(2) what steps he is taking to prevent non-British EEC citizens from coming to the United Kingdom for the purpose of claiming board and lodging benefits; and if he will make a statement;

(3) what records are kept by his Department of the numbers, country of origin and sums paid to non-British EEC citizens in board and lodging allowances on the basis of claims purported to be related to the search for jobs; and if he will make a statement.

Mr. Newton: I shall let my hon. Friend have a reply as soon as possible.

Elderly Persons

Mr. Meacher asked the Secretary of State for Social Services if, pursuant to his reply of 2 May, *Official Report*, columns *517-8*, he will provide such information as is available on local authority and health authority services for those aged over 65 years in such form as is available.

Mr. Whitney [*pursuant to his reply*, 30 June 1986, c. *435*]: A list of documents held in the Library, from which relevant information for England can be drawn, is as follows. Figures for Scotland and Wales are a matter for my right hon. Friends, the Secretaries of State for Scotland and Wales.

Social Services Committee

Reports on Public Expenditure on the Social Services (1979/80—1984/85).

Department of Health and Social Security

Health Service Costing Returns (1979/80—1984/85)*.

Forms SH3: Regional and National Summaries (1979—1984)*.

Tables giving numbers of Health Visitors, District Nurses and Chiropodists (1979—1984)†.

Personal Social Services—Local Authority Statistics for England:

"Meals Services" (1978/79, 1979/80).

"Domiciliary Services — Meals, Aids and Adaptations (1980/81—1982/83).

"Adult Training Centres for the Mentally Handicapped and Day Centres for the Mentally Ill, the Elderly and the Younger Physically Handicapped".
(As at 31 March 1979—1983).

"Staff of Local Authority Social Services Departments".
(As at 30 September 1979—1984).

"The Statistics of Residential Accommodation for the Elderly and for Younger Physically Handicapped People".
(As at 31 March 1981, 1983, 1984).

Office of Population Censuses and Surveys

Population and Vital Statistics. Local and Health Authority summary (1979—1984)‡.

Hospital In-patient Enquiry Main Tables (1979—1983)*.

Chartered Institute of Public Finance and Accountancy. Statistical Information Service

Personal Social Services—Actuals (1978/79—1984/85).

* These publications, contain analyses by regional health authority. Corresponding analyses by district health authority could only be provided at disproportionate cost.
† These tables contain analyses by district health authority for 1984 but only by regional authority for earlier years. Analyses by district health authority for all years could be provided only at disproportionate cost.
‡ Separate figures for the 65 and over age group are given only in the 1984 volume.

Departmental Experts

Mrs. Renée Short asked the Secretary of State for Social Services how many independent experts have resigned from committees of his Department since March; and what reasons each has given for resignation.

Mr. Whitney [*pursuant to his reply*, 8 July 1986, c. *155*]: The number of independent experts who have resigned from committees sponsored by the Department during the period 1 March 1986—10 July 1986 is 19. The reasons for resignation and the numbers involved are as follows:

Reasons given for resignation	*Number involved*
Personal and health	7
More time needed for other commitments	5
Gone to live abroad	2
Ceased to satisfy the conditions of appointment	2
Conflict of interest	1
No reason given	2

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some possible effects of non-steroidal anti-flammatory drugs in its bulletin "Current Problems" and in published articles "CSM Updates" in the *British Medical Journal*. The CSM will decide whether to recommend any further action when it has completed its examination of all the scientific evidence. Prescribing figures are for NHS prescriptions dispensed by retail pharmacists in Great Britain. The figures are derived from estimates made from samples of 1 in 200 prescriptions for England and Wales, and 1 in 100 prescriptions in Scotland.

Mr. Ashley asked the Secretary of State for Social Services if he will list the five drugs for which the monthly number of yellow card adverse reaction cards has increased most in the last six months; if he will give the latest figures for the monthly number of reports and the percentage increase.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: I regret that this information cannot be provided without disproportionate expense. Cumulative numbers and the nature and the severity of adverse reaction reports, considered in relation to changes in drug usage and the indications for the drug, have more meaning in assessing the safety of medicines than merely the number of yellow cards received for a medicine in a particular month, or differences between monthly figures.

Mr. Ashley asked the Secretary of State for Social Services what procedures are adopted to ensure the integrity and independence of the Committee on Safety of Medicines when the safety of a drug is being discussed and members of the committee have themselves or through their departments received money from the company manufacturing the drug.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: Members of the Committee on Safety of Medicines are required to inform the head of medicines division of my Department of any relevant financial interest, including any consultancies in the pharmaceutical industry. Members are also required to declare at meetings any interests which they may have, whether direct or indirect, in a product under consideration, or in the company concerned. Where they have a direct interest they understand that they must take no part in the discussion except where the chairman considers such a contribution would be justified. Such declarations are entered in the minutes of the meeting.

I have no reason to believe that members of the Committee—for whose work I am most grateful—have not maintained the highest level of integrity, objectivity and professional expertise.

Mr. Ashley asked the Secretary of State for Social Services when the Committee on Safety of Medicines scrutinises the safety of a drug, which individuals, organisations and institutions are *(a)* informed and *(b)* requested to give their views or provide evidence; and, in particular, what information is given to the manufacturing company and what information is sought from it.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: Before advising the licensing authority on an application for a product licence or clinical trail certificate, the Committee on Safety of Medicines considers the safety, quality and efficacy of the medicinal product in the light of all the scientific evidence, including the full documentation that the applicant is required to provide. When the Committee considers the safety of products which are already marketed or undergoing clinical trials it will take account of any company reports of adverse reactions, which the licence holder is required to make. The licence holder may also be asked for further evidence, information or analysis. In addition, in particular circumstances the European Community's Committee on Proprietary Medicinal Products, other drug regulatory agencies, professional organisations and other bodies and individuals may be informed in confidence that the Committee is considering a product and asked for evidence or opinion.

Mr. Ashley asked the Secretary of State for Social Services if he will request his officials to discuss with their counterparts in the United States Food and Drug Administration the advantages and disadvantages of their activities being governed by the Freedom of Information Act; if he will request them to prepare a report on their conclusions; and if he will place the report in the Library.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: From occasional informal discussions with their counterparts in the United States Food and Drug Administration, officials from medicines division in my Department maintain a broad awareness of many of the advantages and disadvantages of the United States regulatory scheme including the effects of the United States Freedom of Information Act but I do not consider a report to be necessary at this time.

Mr. Ashley asked the Secretary of State for Social Services if he will initiate legislation to exempt the committee proceedings of the Committee on Safety of Medicines from the Official Secrets Act.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: No; nor have I any plans to alter the provisions of the Medicines Act 1968, section 118, which makes it an offence for any person to disclose to any other person any information obtained by or furnished to him in pursuance of the Act, unless the disclosure was made in the performance of his duty.

Mr. Ashley asked the Secretary of State for Social Services on how many occasions his Department has discussed with the Committee on Safety of Medicines the question of secrecy about the proceedings of the committee; and what were the conclusions.

Mr. Hayhoe [*pursuant to his reply*, 10 July 1986]: None. Members of the Committee on Safety of Medicines are aware from the time of their appointment of the requirement of section 118 of the Medicines Act 1968, and that they should respect the confidentiality of committee papers and proceedings.

DEFENCE

Expenditure Comparisons

Mr. Greenway asked the Secretary of State for Defence what information he has as to the percentage of gross national product spent on defence by Russia and Warsaw pact countries, in comparable terms to that spent by the North Atlantic Treaty Organisation and other Western countries; and if he will make a statement.

Mr. Stanley: No reliable defence expenditure figures are published by Warsaw Pact countries. As stated in annex A to volume I of the "Statement on the Defence

Estimates 1984" (Cmnd. 9227) in the essay "Soviet Defence Expenditure" our studies then concluded that Soviet defence spending was some five times higher than the published figure and constituted 14 to 16 per cent. of GNP. In our subsequent comments on Soviet defence expenditure in paragraphs 12-13 of annex A to volume I of the "Statement on the Defence Estimates 1986" (Cmnd. 9763) our conclusion is that in current prices outlays are now well over six times the official defence budget and that the higher growth rate of the Soviet defence budget which has taken place since 1983 is likely to be sustained at least to the end of the decade.

Helicopters (Search and Rescue)

Mr. Best asked the Secretary of State for Defence if he will state, by type and service, the number of military helicopters dedicated to search and rescue and where these are located; what information he has as to the number and type of civilian helicopters used for search and rescue; if he has plans to increase the use of the latter at the expense of the former; and if he will make a statement.

Mr. Freeman: Service helicopters are maintained at 12 locations in the United Kingdom to meet military requirements for search and rescue, and are made available for civil SAR tasks. RAF helicopters are deployed in pairs at nine stations and provide 24-hour cover:

Sea King Mk 3
RAF Lossiemouth
RAF Boulmer
RAF Coltishall
RAF Brawdy

Wessex Mk 2
RAF Leuchars
RAF Leconfield
RAF Manston
RAF Chivenor
RAF Valley

RN helicopters, drawn from operational pools of aircraft, provide SAR cover at three stations:

Sea King Mk 5 (24 hour cover)
RNAS Culdrose
RNAS Prestwick

Wessex Mk 5 (daytime cover)
RNAS Culdrose
RNAS Lee-on-Solent

On behalf of the Department of Transport, Her Majesty's Coastguard administers a civil Sikorsky S61N helicopter, which is contracted to provide a full SAR capability at Sumburgh airport. Any plans for changes to the provision of civil helicopters are a matter for my right hon. Friend the Secretary of State for Transport.

Mr. Best asked the Secretary of State for Defence if he will state for the last 12 months for which figures are available (i) the cost of and (ii) the number of missions flown by military and rescue helicopters.

Mr. Freeman: In the period 1 April 1985 to 31 March 1986 military helicopters were called out by rescue co-ordination centres for search-and-rescue missions on 1,245 occasions. The vast majority of these flights were made by helicopters dedicated to SAR. The full costs of the military SAR helicopters were approximately £53 million in the financial year 1985-86.

Arrests (RAF Caerwent)

Mr. D. E. Thomas asked the Secretary of State for Defence how many persons were arrested by Ministry of Defence police at RAF Caerwent on 5 July.

Mr. Lee: Eight.

Mr. D.E. Thomas asked the Secretary of State for Defence whether the driver of the United States Air Force vehicles used to carry civilians to the police station at Caerwent on 5 July held a British driving licence.

Mr. Freeman: I assume that the question refers to the police station in Cromer, Norfolk. There is no record of United States Air Force vehicles visiting the station on 5 July.

F19 Fighters

Mr. D. E. Thomas asked the Secretary of State for Defence whether American F19 stealth fighters have operated from *(a)* RAF Mildenhall or *(b)* any other RAF base.

Mr. Stanley: The United States authorities have made no request to my Department to operate an aircraft of the designation referred to by the hon. Member from RAF Mildenhall or any other RAF base.

Artillery Shells

Mr. D. E. Thomas asked the Secretary of State for Defence when a decision will be made on the introduction of new 8 in nuclear artillery shells to the British Army on the Rhine.

Mr. Stanley: I cannot add to the reply I gave to the hon. Member for Sheffield, Central (Mr. Caborn) on 20 January, at columns 90-91, and to the latest communiqué of the NATO nuclear planning group dated 21 March 1986, a copy of which has been placed in the Library.

Mr. Kurt Waldheim

Mr. Janner asked the Secretary of State for Defence if he will give details of the military records he is examining in order to establish the fate of British prisoners of war interrogated by German Army Group E and the involvement of Kurt Waldheim therein.

Mr. Freeman: It would not be appropriate to make any statement until the research has been completed.

ROF Leeds

Mr. Fatchett asked the Secretary of State for Defence what discussions are taking place between his Department, Royal Ordnance plc and Vickers plc for the purchase of ROF Leeds; and if he will make a statement.

Mr. Lee: I refer the hon. Member to my reply to the hon. Member for Elmet (Mr. Batiste) on Friday 11 July.

NATO (Nuclear Planning Group)

Mr. D. E. Thomas asked the Secretary of State for Defence (1) what is the date of the next meeting of the North Atlantic Treaty Organisation's nuclear planning group;

(2) in which constituency the next meeting of the North Atlantic Treaty Organisation's nuclear planning group in the United Kingdom will be held.

Mr. Brooke: The European Economic Community financial mechanism is working as agreed at Fontainebleau. Over the period January to July the United Kingdom benefited from VAT abatements at the rate of 117 mecu (£75 million) a month (based on a total abatement provision for 1986 of 1,400 mecus (£900 million)). The European Court ruled, in its judgment annulling the Parliament's adoption of the 1986 budget, that all budgetary acts before the date of the judgment should remain valid. The Budget Council of 7-8 July established a new draft 1986 budget containing a total abatement provision of 1,900 mecu (£1,220 million) (that is incorporating the 500 mecu additional provision originally included in the Commission's proposed supplementary budget).

Lead-free Petrol

Mr. Greenway asked the Chancellor of the Exchequer what representations he has received regarding ways of promoting lead-free fuel through the tax system; and if he will make a statement.

Mr. Brooke: I have received a number of representations welcoming the Budget statement that we intend to create a duty differential in favour of unleaded petrol. Officials are now discussing with the oil companies how this can best be achieved in time for next year's Budget.

Profit-related Pay

Mr. Forman asked the Chancellor of the Exchequer when the Government's consultative document on profit-related pay will be made available to right hon. and hon. Members.

Mr. Lawson: A Green Paper entitled "Profit Related Pay: a Consultative Document" will be presented to Parliament tomorrow in the joint names of myself, the Secretary of State for Employment and the Secretary of State for Trade and Industry.

Trustee Savings Banks

Mr. Cockeram asked the Chancellor of the Exchequer when, in the light of the House of Lords judgment, he expects to name a vesting day for the Trustee Savings banks.

Mr. Lawson: Section 1(4) of the Trustee Savings Banks Act 1985 provides that the Treasury is to appoint the vesting day for the re-organisation of the TSB Group under that Act after consulting the TSB Central Board. The Treasury have now consulted central board and considered the letter dated 10 July from the chairman, Sir John Read. This exchange of letters between my hon. Friend the Economic Secretary to the Treasury and Sir John Read is as follows. The Treasury has today by order appointed 21 July as the vesting day for the purposes of the 1985 Act.

Sir John Read
Chairman
TSB Central Board
25 Milk Street
LONDON EC2V 8LU — 9 July 1986

Dear John,

The House of Lords unanimously dismissed on 3 July the appeals brought by Mr. Ross and Dr. Vincent, and upheld the cross-appeal by the Central Board and TSB England and Wales. The judgments confirm that TSB depositors are entitled solely to the repayment of their deposits with interest (where applicable) according to the terms of their accounts but that they have no rights in the assets of the banks, which was reflected in the White Paper which preceded the Trustee Savings Banks Act 1985.

Section 1(4) of the TSB Act 1985 provides that the Treasury is to appoint the vesting day for the re-organisation of the TSB Group under that Act after consulting the Central Board.

Now that the legal position has been clarified and in the light of the discussions which the Treasury and the Central Board have had about the implementation of the 1985 Act, the Treasury is considering whether it may now be appropriate to appoint a vesting day in the near future. I should therefore like formally to invite the Central board to let me have its views on this, as the 1985 Act requires, and to report on where matters stand regarding the Board's related undertakings and announced intentions.

Yours ever

Ian Stewart

10th July, 1986

I. Stewart, Esq.,
Economic Secretary,
H.M. Treasury,
Parliament Street,
London, SW1P 3AG.

Dear Ian,

Thank you for your letter of 9th July. The TSB Central Board, which as you know includes the chairmen of the TSBs, welcomes the House of Lords judgments. They clear the way for the re-organisation and flotation of the TSB Group, which will facilitate:—

the development of better services for all our customers;

the further growth of the Group as a major competitive force in the financial services sector;

and the establishment of a share ownership of over 1 million customers, staff and members of the public.

2. The TSB Act 1985 provides the key to these developments through the vesting of the Group's businesses in successor companies as the precursor of public flotation. From the vesting day the TSB Group's banking operations will be conducted on the same statutory footing as those of other banks.

3. Arrangements have been made to obtain with effect from 21st July 1986 the banking and other authorisations which TSB Scotland plc, TSB Northern Ireland plc and TSB Channel Islands Ltd will require, and to continue the Banking Act recognition of Central Trustee Savings Bank Ltd which will on vesting day become TSB England & Wales plc.

4. Under the 1985 Act the vesting day is to be appointed by the Treasury after consulting the TSB Central Board. You have now asked formally for the Board's views. The Board's wish is that the Treasury should appoint 21st July 1986 as the vesting day. On that day the whole of the assets and liabilities of each of the four banks will be transferred to its successor banking company.

5. In your letter you ask where matters stand regarding the Board's undertakings and intentions related to the reorganisation and flotation, which are stated in my letters of 6th December 1984 (reproduced in the White Paper) and 16th May 1985 (reproduced in Hansard, 4th July 1985, cols 261-2WA).

6. In line with the Board's undertakings, I am pleased to

confirm that the four TSB charitable foundations have been established and before vesting day TSB Group plc will execute deeds of covenant in their favour to the aggregate annual value of 1 per cent. of the Group's profits, to become operative from the offer for sale of the Group's shares. The special shares in the banking companies in the UK conferring on the relevant foundation the right to appoint two of the respective bank's directors will be issued before the vesting day. At the time of flotation and in line with our undertakings, the foundations will receive free of consideration limited voting shares in TSB Group plc representing 5 per cent. of its issued share capital, divided in proportion to the accumulated reserves of each of the four banks and convertible into ordinary shares in the event that the covenants expire or are renewed on terms less favourable to the foundations. The individual foundations will continue the TSBs' traditional role in contributing to the life of the community by assisting local needs of many different kinds.

7. We remain firmly set on achieving, with the help of our financial advisers, our target of over one million shareholders. A substantial proportion of the shares remaining after the allocation of 5 per cent. to the four foundations will be reserved for staff and for those customers who had an account with one of the TSBs on 17th December 1984 and who have maintained such account until the time of the offer for sale. As regards the balance of shares we shall seek to attract as many small investors as possible.

8. The Group intends to maintain its strong traditions in personal banking while developing as a financial services group to the benefit of all our customers. The rights of TSB staff and pensioners will be preserved.

9. The head office of each of the four banks will remain in the country in which it is registered. Each bank will continue to function as an independently managed bank within the Group. The Group's own registered office and annual general meetings will be in Scotland.

10. In addition to the undertakings which the Board gave, I expressed in my letters of 6th December 1984 and 16th May 1985 the Board's intentions on a range of detailed matters, which are mainly points for the memoranda and articles of association of the various Group companies and the TSB foundations. These have been finalised and I am making available copies of all the proposed memoranda and articles, and the agreements between TSB Group plc and the banking companies on dividend policy and the maintenance of net worth, to be deposited in the Libraries of the Houses of Parliament.

11. Pending flotation, TSB Group plc and the banking companies will be controlled by the Central Board, and you have the Board's assurance that no changes will be made which depart from the undertakings stated in my letters of 6th December 1984 and 16th May 1985.

Yours sincerely,

John Read.

Productivity

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will bring up to date the table showing annual increases in productivity in the United States of America and the United Kingdom as given in the written reply, dated 29 November 1979, to the hon. Member for Great Grimsby, *Official Report*, columns *779-80*, and if he will include figures for the latest period of 12 months in each case.

Mr. Ian Stewart: The information requested can be obtained from the source quoted in the reply referred to in the hon. Member's question.

Gross Domestic Product

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will bring up to date the information on annual increases in gross domestic product given in the reply to the written question from the hon. Member for Great Grimsby on 16 November 1979, *Official Report*, columns *810-12;* and if he will include an additional column showing the United Kingdom figure, excluding oil and natural gas.

Mr. MacGregor: Up-to-date information on annual increases in gross domestic product can be found in the source publications quoted in the reply to the hon. Member's earlier question. The United Kingdom national accounts also include tables showing gross domestic product by type of industry.

Intermediate Goods (Output)

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will bring up to date the information on the output of intermediate goods, less oil, and so on, given in the written reply to the hon. Member for Great Grimsby on 14 July 1980, *Official Report*, column *413*.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

Money Supply

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will bring up to date the information on the increase in the real money supply in certain countries given in the written reply to the hon. Member for Great Grimsby dated 5 March 1985, *Official Report*, columns *450-52;* and if he will include comparable figures for 1964 to 1973.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

Manufacturing Investment

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will bring up to date the table published in the *Official Report* dated 31 July 1981, *Official Report*, columns *683-84*, in reply to a written question from the hon. Member for Great Grimsby concerning manufacturing investment per head in the United Kindom, the United States of America, Japan, France and Germany.

Mr. Ian Stewart: The table can be updated by reference to the latest ediction of OECD's "National Accounts".

Drugs

Mr. Tony Banks asked the Chancellor of the Exchequer what was the total amount of *(a)* cannabis, *(b)* heroin, *(c)* cocaine and *(d)* LSD, seized by customs officials for each of the past five years.

Mr. Brooke: The total amount of cannabis, heroin, cocaine and LSD seized by Customs officers for each of the past five years is shown in the table:

		1981	*1982*	*1983*	*1984*	**1985*
Cannabis:	kgs	24,188	16,425	19,335	26,256	20,403
Heroin:	kgs	88	183	213	313	340

		1981	1982	1983	1984	*1985
Cocaine:	kgs	13	12	73	35	79
LSD:	doses	1,013	17,540	5,226	25,943	16,678
	tablets	—	—	2,071	5,852	18,702

* provisional figures.

Customs and Excise

Mr. Tony Banks asked the Chancellor of the Exchequer how many Customs officers have been employed by the Government for each year since 1979.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

Mr. Terry Fields asked the Chancellor of the Exchequer how many Customs and Excise officers were in post *(a)* nationally and *(b)* in the port of Liverpool each year since 1979; how many Customs and Excise officers were in post (i) nationally and (ii) in the port of Liverpool employed solely on the detection of drugs importation; if he has plans to increase numbers of officers employed by Her Majesty's Customs and Excise; and if he will make a statement.

Mr. Brooke [*pursuant to his reply*, 26 June 1986, c. *317*]: The number of Customs and Excise officers in post nationally at 1 April for each year since 1979 is as follows:

Year	Number
1979	28,870
1980	27,273
1981	26,861
1982	26,256
1983	25,702
1984	25,309
1985	25,557
1986	25,395

The number of Customs and Excise officers in post in the Liverpool collection, which includes the port of Liverpool, at 1 April for each year since 1979 is as follows:

Year	Number
*1979	957
*1980	868
*1981	790
*1982	772
1983	1,182
1984	1,117
1985	1,104
1986	1,148

* The figures for years before 1983 are not strictly comparable with those for later years because of changes in the boundaries of the Liverpool collection.

The number of Customs and Excise preventive officers, whose main priority is drugs detection, in post nationally at 1 April for each year since 1979 is as follows:

Year	Number
1979	3,445
1980	3,214
1981	3,027
1982	2,890
1983	2,795
1984	2,721
1985	2,823
*1986	3,000

* Estimated.

In addition, the number of specialist drugs investigators is as follows:

	Number
1 October 1979	121
1 October 1980	133
1 October 1981	152
1 October 1982	183
1 October 1983	201
1 October 1984	212
1 April 1985	212
1 April 1986	262

For operational reasons it is not policy to disclose the numbers of officers employed on drugs detection in specific locations.

Customs staffing needs are kept under constant review and in the current year 350 additional Customs posts, mainly on the prevention of drugs smuggling, are being provided.

Value Added Tax

Mr. Sheerman asked the Chancellor of the Exchequer what would be the cost in lost revenue of raising value added tax exemption limits to *(a)* £25,000, *(b)* £30,000, *(c)* £35,000, *(d)* £40,000, *(e)* £50,000, *(f)* £55,000 and *(g)* £60,000.

Mr. Brooke: Any estimate of the cost depends crucially on the number of traders that would deregister if the VAT registration limit were raised. This cannot be predicted with any certainty and, in the circumstances, the best estimates of the revenue that would be lost if the limit were raised to £30,000 or £50,000 (the only levels for which data are available) are between £25 million and £75 million and between £100 million and £200 million per year respectively.

Income Tax

Mr. Clay asked the Chancellor of the Exchequer what would be the cost of each £100 increase in the basic personal allowance if the wife's earned income relief and the married man's allowance were both replaced by a single non-transferable tax allowance.

Mr. Norman Lamont: I shall let the hon. Member have a reply as soon as possible.

Chief Registrar of Friendly Societies

Mr. Dewar asked the Chancellor of the Exchequer when the Chief Registrar of Friendly Societies expects to reply to the representations from the Scottish Trustee Savings Bank Depositor's Association contained in its letter dated 15 April.

Mr. Ian Stewart: I shall let the hon. Member have a reply as soon as possible.

EC Budget

Mr. Deakins asked the Chancellor of the Exchequer if he will state the approximate sum, without adjustment, which would need to be paid by Her Majesty's Government in respect of own resources value added tax assessments levied at a rate of 1·4 per cent. of the base, together with the approximate percentage that sum constitutes of the likely income from value added tax in the United Kingdom during 1986.

Mr. Brooke [*pursuant to his reply*, 9 July 1986, c. *95*]: The Fontainebleu abatement system automatically ensures that our own VAT rate will be very much less than 1·4 per cent. even if the VAT rate in other member states is at that level. As a matter of arithmetic, however, and on the basis of the 1 per cent. VAT base agreed for 1986, a rate of 1·4 per cent. would imply a gross VAT contribution for the United Kingdom of 4,635 mecu (some £2,972 million at current exchange rates). £2,972 million represents about 14·4 per cent. of the estimated VAT yield in 1986-87.

Gay's the Word

Mr. Dobson asked the Chancellor of the Exchequer what was the total cost of Her Majesty's Customs and Excise action which led to the prosecution of the Gay's the Word bookshop.

Mr. Brooke [*pursuant to his reply*, 7 July 1986, c. *80*]: Information about costs is not kept in sufficient detail for Customs and Excise to be able to identify the costs attributable to the "Gay's the Word" action. To obtain them would require all the staff involved to estimate retrospectively the time spent on the case—in most cases intermittently over a period of more than two years. It would be subject to a considerable margin of error and could be obtained only at disproportionate cost.

Monetary Aggregates

Mr. Foulkes asked the Chancellor of the Exchequer if he will list the changes which have occurred since June 1979 in the definitions of the following monetary aggregates: *(a)* MO, *(b)* M1, *(c)* M2, *(d)* M3, *(e)* PSL1, *(f)* PSL2 and *(g)* Sterling M3.

Mr. Ian Stewart [*pursuant to his reply*, 7 July 1986, c. *80*]: The following changes in definition have been made to monetary aggregates:

1. The series which became MO related initially to levels of notes and coin in circulation with the public, banks' till money and banks' operational balances with the Bank of England at the end of each banking month and to changes between those dates; in 1984 it was redefined as, broadly, a series of averages of the levels outstanding on all the Wednesdays in each banking month and the differences between those levels.

2. There have been no changes in the definition of M1 since June 1979.

3. There have been no changes in the definition of M2 since it was introduced in 1982.

4. £M3 and M3 were redefined in 1984 to exclude public sector bank deposits.

5. There have been no changes in the composition of PSL1 since the relevant series were introduced in September 1979.

6. PSL2 was redefined last month to include non-bank private sector term shares and SAYE deposits with building societies and non-bank private sector deposits with banks with an original maturity of over two years.

The list relates to definitional changes only. It excludes changes in the practicalities of measuring the aggregates —for example those resulting from the redefinition of the monetary sector in 1981.

Green Pound

Mr. Austin Mitchell asked the Chancellor of the Exchequer if he will publish in the *Official Report* his esimate of the change in the value of the green pound since May 1979 and the effect this has had on the retail food prices index and on the overall retail prices index.

Mrs. Fenner: I have been asked to reply.

Devaluations of the green pound (representative rate) since May 1979 have, for different commodities, resulted in increases in support prices expressed in sterling which have varied between 14 and 21 per cent. Between May 1979 and June 1986 the retail prices index rose by 79 per cent. and the retail food price index by 57 per cent. Retail prices of food and other goods and services were affected by many factors: it is not possible to estimate reliably the extent to which green pound devaluations alone contributed to the recorded increases. However, since the green pound has a direct impact on only about one third of consumers' total expenditure on food, the impact is likely to have been modest: food has a weight in the all items retail prices index of 18 per cent.

Written Answers to Questions

Tuesday 15 July 1986

FOREIGN AND COMMONWEALTH AFFAIRS

Soviet Compensation

Mr. Hanley asked the Secretary of State for Foreign and Commonwealth Affairs what progress has been made in dealing with pre-1932 claims for Soviet compensation.

Mr. Eggar: The negotiations with the Soviet Union which began over 60 years ago about pre-1939 British financial and property claims and Soviet claims in respect of British involvement in the intervention in Russia from 1918 to 1921 have been brought to a successful conclusion. The Soviet Foreign Minister and my right hon. and learned Friend signed an agreement on the subject this morning. It sets the seal upon many attempts made by successive Administrations over the years to secure a settlement of these claims. Copies of the agreement have, earlier today, been laid and placed in the Library and Vote Office of the House.

The Agreement sets out in detail the provisions for a mutual waiver of claims by both Governments. It also provides that each Government shall have full title to the assets remaining in its territory under the terms of the agreement and be solely responsible for settling claims of its own nationals. Finally, it provides for the release to the Soviet Government of a sum of money amounting to £2·65 million in diplomatic and certain miscellaneous official bank accounts held in London. These were essentially embassy and diplomatic accounts which enjoy a special status under international law.

We understand that the remaining moneys in banks in the United Kingdom which will become available for distribution to British claimants under the terms of the agreement exceed £45 million. The Government have waived their entitlement to a share of this money in respect of their own claims and it will be distributed to the original private British claimants, both corporate and individual, and to their heirs and successors as well as to the British holders of bonds issued or guaranteed by the Russian Government prior to 7 November 1917 who acquired these bonds on or before Monday, 14 July 1986.

An Order-in-Council will be made and laid before Parliament in due course providing for the distribution of this fund. We intend the distribution to be as rapid as possible. We hope it may be completed in its entirety within three years. We have decided that, apart from British bond holders, the distribution will be limited to the original British claims. These original claims were registered over a period of more than 30 years.

A cut-off date of Monday 14 July has been set for British bond holders. This has been done in order to avoid speculation in the bonds or their transfer from foreign to British hands. The Stock Exchange therefore suspended all dealings in these Russian bonds at the start of its normal operations today. British bond holders who wish to share in this distribution will be required to make a formal statutory declaration that they had acquired the bonds on or before Monday, 14 July. We have it in mind, subject to the approval of the House, to set a closing date of 31 December 1986 for the presentation of bonds by British bond holders. We propose to allow other applicants a somewhat longer period in which to apply to share in the distribution but the closing date for such applications will not be later than the middle of 1987.

South Africa

Mr. Adley asked the Secretary of State for Foreign and Commonwealth Affairs pursuant to the recent meeting of European Economic Community Heads of Government, what steps are now being taken to consult countries outwith the European Economic Community on the co-ordination of economic measures to be taken against South Africa; if he will list those countries which he is consulting or intends to consult; and if he will make a statement;

(2) if he will indicate which of those countries consulted about measures against South Africa have refused to join European Economic Community countries in co-ordinated action.

Mrs. Chalker: In accordance with the decision by the European Council in The Hague on 27 June, consultations are proceeding with other industrialised countries on further measures which might be needed against South Africa. The details of these consultations are confidential.

Mr. Adley asked the Secretary of State for Foreign and Commonwealth Affairs if he will indicate, from information available to him, which countries have supplied any military weapons or equipment to South Africa in the last three years, notwithstanding the United Nations arms embargo.

Mrs. Chalker: We comply fully with the requirements of Security Council Resolution 418 (the UN Arms Embargo). It would not be proper for me to speculate whether other Governments are failing to do so. The UN Security Arms Embargo Committee is the forum for the investigation of alleged breaches.

Hong Kong

Mr. Adley asked the Secretary of State for Foreign and Commonwealth Affairs what representations he has received from Hong Kong about the Daya Bay power station project; and if he will make a statement.

Mr. Renton: We have received no representations. We have, however, been following very closely the expressions of concern in Hong Kong about the project. We recognise that the people of Hong Kong will wish to be reassured of the safety of the Daya Bay plant. There are a number of initiatives under way to ensure that they are kept informed about the safety measures to be adopted.

Spain

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on Her Majesty's Government's relations with the Government of Spain.

Mr. Eggar: Our relations with Spain are excellent.

CIVIL SERVICE

Disabled People

Mr. Boyes asked the Minister for the Civil Service if he will list in the *Official Report* Government Departments and the percentage and number of registered disabled employed by each at the latest available date.

Mr. Luce: The figures for registered disabled persons employed by Government Departments are collected each summer and published by the Cabinet Office in its annual publication "Independent". The 1986 figures are currently being assembled but the figures for 1 June 1985 were published in January in the 1986 issue of "Independent", of which there are copies in the Library of the House.

ENERGY

SEVERN BARRAGE

Mr. Stern asked the Secretary of State for Energy if he will place in the Library a full description of the advanced investigations and site exploration in connection with the Severn barrage announced on 9 July.

Mr. David Hunt: The programme of work to be undertaken on the Severn barrage will include the following areas:

Tidal Regime, Hydrodynamics and Energy Production
Geology, Geomorphology and Structure Foundation
Power Systems
Civil Engineering
Barrage Operating Costs
Regional Economics and Planning
Ecological—Environment

The details of this work programme are still being discussed by the parties involved. I shall place a copy of the finalised programme in the Libraries of both Houses when it is available.

North Sea Oil (Illegal Exports)

Mr. Stern asked the Secretary of State for Energy what sanctions are applicable against companies exporting North sea crude oil to countries excluded from such exports by the policy indicated in his answer of 9 July.

Mr. Buchanan-Smith: This is a matter to which we attach considerable importance and we do not expect companies to ignore our views. What we would do in the event of their doing so is a hypothetical question.

Mr. Stern asked the Secretary of State for Energy if, pursuant to his answer of 9 July, he will now list those countries to which exports of North sea crude oil are precluded by the policy indicated in that reply.

Mr. Buchanan-Smith: I refer my hon. Friend to my reply of 8 December 1983 to my hon. Friend the Member for Southend, East (Mr. Taylor), at column *222*.

Gaelic Language

Mr. Donald Stewart asked the Secretary of State for Energy if he will list the forms and leaflets published by his Department in a Gaelic or in Gaelic/English bilingual format.

Mr. Peter Walker: None.

Magnox Reactors

Mr. Ashdown asked the Secretary of State for Energy if he will make it his policy to ensure that all documents relating to the 20-year safety reviews of Magnox nuclear reactors will be published in full; and if he will make a statement.

Mr. Goodlad [*pursuant to his reply*, 9 June 1986, c. *52*]: No. It is essentially for the operators and the Nuclear Installations Inspectorate of the Health and Safety Executive to decide what is practicable. As I told the hon. Member in a written answer on 20 May, the inspectorate will in future publish its conclusions on each long-term safety review, following discussion of those conclusions with the licensee.

Offshore Production Licensing

Mr. Yeo asked the Secretary of State for Energy whether he has any proposals for further offshore production licensing.

Mr. Buchanan-Smith [*pursuant to his reply*, 22 April 1986, c. 118]: The arrangements for the tenth round of offshore petroleum production licensing have now been determined. A text describing the arrangements has been placed today in the Libraries of both Houses. The text, which will be published in the London, Edinburgh and Belfast *Gazettes* on Friday 25 July, includes a list and map showing the blocks for which applications will be invited. I expect that around 50 to 60 of the 127 blocks on offer will be licensed. All awards will be at the discretion of the Secretary of State.

A mix of blocks from different areas of the United Kingdom continental shelf will be on offer, distributed as follows:

Northern North Sea	24
Moray Firth	36
Central North Sea	23
Mid North Sea High	5
Southern North Sea	26
Rockall Trough	7
Faeroes Trough	6

The closing date for applications will be noon on tuesday 17 February 1987.

The selection of blocks for offer has followed extensive consultations with interested organisations, including fishing and environmental interests. In certain blocks, for example these close to the coast, there will be drilling restrictions or other special requirements to reflect the sensitivity of the areas for fishing, wildlife, defence or navigation.

I will also expect licensees considering development plans for any discoveries near the shore to carry out a study into the implications and impact of the proposed development, in consultation with all interested parties.

A key objective for the tenth round is to consolidate on the ninth round and encourage exploration in areas which merit more intensive examination. We need to maintain continuity on the United Kingdom continental shelf to increase knowledge of our oil and gas reserves and provide potential for developments in the 1990s to replace existing fields when they start declining. I believe that the United Kingdom continental shelf remains one of the most attractive areas in the world for hydrocarbons exploration.

Applicants for licences will be judged against the background of the continuing need for expeditious,

thorough and efficient exploration to identify oil and gas resources of the United Kingdom continental shelf, including deep water and other frontier areas.

The terms on which licences will be awarded will be on the same general lines as in ninth round, though rental charges will be indexed against movements in the price of oil.

SOCIAL SERVICES

NHS (Doctors)

Mr. Maxton asked the Secretary of State for Social Services how many doctors' posts have been lost in the National Health Service over the past year.

Mr. Hayhoe: I regret that the information requested is not collected centrally. However, sustained increases in medical manpower in the hospital and community health services are shown in the following table.

Hospital and community health services medical staff at 30 September: England Whole-time equivalent

	Number
1979	34,929
1984	38,201
1985	38,851

Health Personnel (Statistics)

Mr. Phillip Oppenheim asked the Secretary of State for Social Services what were the numbers of doctors, nurses, midwives, dentists, opticians and pharmacists in *(a)* Derbyshire and *(b)* Amber Valley in 1979, 1983 and the latest year for which figures are available.

Mr. Hayhoe: I regret that figures for Amber Valley are not available centrally. To obtain information to this level of detail my hon. Friend may wish to contact the chairman of the South Derbyshire district health authority.

I regret that information on the total numbers of doctors and dentists employed in Derbyshire is also not available centrally. The contracts of senior doctors and dentists (that is consultants and senior registrars) are normally held by regional health authorities, and therefore the district health authorities in which they are employed cannot normally be identified. Such information as is available, excluding these staff, is given in the table. Figures for 30 September 1984 are the latest currently available for all groups of staff, to the level of detail requested. Detailed figures for non-medical staff at 30 September 1985 will be available within the next few weeks.

NHS Staff[1] in Derbyshire[2] (WTE) Whole-Time Equivalent[3] 30 September

	1979	*1983*	*1984*	*1985*
Medical staff (excluding consultants and senior registrars)[4]	250	270	280	280
Dental staff (excluding consultants and senior registrars)[4]	20	20	20	20
Nursing staff[5]	4,980	5,460	5,520	[6]5,930
Midwifery staff[5]	300	310	310	
Hospital Opticians[8]	—	—	—	[7]N/A
Hospital Pharmacists	40	40	50	[7]N/A

Source: DHSS Annual Censuses of Medical and Non-Medical manpower.

[1] Does not include people working in the family practitioner service.
[2] Staff in health authorities covering the county of Derbyshire.
[3] All figures are independently rounded to the nearest 10.
[4] Includes locums, hospital practitioners and part-time medical/dental officers (clinical assistants).
[5] Includes agency staff. Figures not adjusted for reduction in nurses' working hours during 1980 (from 40 to 37½ hours per week).
[6] Provisional figure. Separate figures for nursing staff and midwifery staff are not yet available.
[7] Figures not yet available to this level of detail.
[8] There were around 130 WTE hospital opticians employed by the NHS in England at 30 September 1984, therefore not all district health authorities employ them. It is likely that persons in Derbyshire requiring optical consultations would be referred to the nearest available hospital optical department, or in the case of specialised problems, to Moorfields Eye hospital.

NHS (Services)

Mr. Richard Page asked the Secretary of State for Social Services what is the total amount of savings for the last year for which figures are available, achieved by the National Health Service through the contracting out of *(a)* domestic services, *(b)* catering, *(c)* laundry and *(d)* any other duties to private contractors; and what proportion of these services are now contracted out nationally.

Mr. Whitney: I regret that the information requested is not available in the form requested. However, my hon. Friend may wish to know that the position at 31 March 1986 was as follows:

	Number of Contracts Awarded In-House	*Estimated Annual Savings* £ million	*Number of Contracts Awarded to Contractors*	*Estimated Annual Savings* £ million
Domestic Services	294	21·0	121	19·5
Catering Services	159	5·7	8	0·9
Laundry Services	69	3·9	20	1·1
Total	522	30·6	149	21·5

Hypothermia

Mr. Corbyn asked the Secretary of State for Social Services if he will list the number of registered deaths by hypothermia per month from January 1980.

Mr. Whitney: The numbers of deaths with any mention of hypothermia on the death certificate, irrespective of whether it did or did not appear as the underlying cause of death, by month of registration for 1980 to the latest available complete month of 1986 for England and Wales, are shown in the table. The figures for 1986 are provisional.

Number of deaths with any mention of hypothermia by month of registration England and Wales—1980-86

Month	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*1986**
January	159	99	227	75	103	211	101
February	94	113	106	116	105	165	177
March	65	115	88	94	93	131	190
April	50	45	42	41	56	76	103
May	27	31	14	38	37	49	69
June	12	24	20	23	22	23	n/a
July	8	13	11	12	13	12	n/a
August	10	9	6	5	7	11	n/a
September	15	12	18	13	16	13	n/a
October	33	41	23	18	19	23	n/a
November	38	37	38	35	29	44	n/a
December	85	146	71	68	55	68	n/a
January-December	596	685	664	538	555	826	n/a

* Provisional.
n/a Not available.

Ambulance Service, Manchester

Mr. Andrew F. Bennett asked the Secretary of State for Social Services (1) what restrictions have been placed either on the hours which ambulancemen in Greater Manchester can work or on the number of ambulances which can be used, over the last 12 months;

(2) how many journeys ambulances make for each station in Greater Manchester in the first week in May for each of the last five years; and how many patients were not carried although requests were made by hospitals or doctors for their transport;

(3) how many ambulancemen were employed at each ambulance station in Greater Manchester on 1 May in the current year and for the last five years;

(4) how many patients in Greater Manchester were unable to keep appointments at hospitals with consultants due to lack of ambulances to take them to the hospitals for their appointments; and if he will break down the figures by day and week for the last six weeks for which figures are available.

Mr. Whitney: We do not hold such information centrally. The hon. Member may therefore wish to address his inquiries to the chairman of North-Western regional health authority, which is responsible for the management of the Greater Manchester metropolitan ambulance service.

Mortuary Staff (Tameside)

Mr. Andrew F. Bennett asked the Secretary of State for Social Services if he will carry out an inquiry as to why the number of attendants at the Tameside district general hospital mortuary has been reduced.

Mr. Whitney: No. The management of Tameside district general hospital is the responsibility of Tameside and Glossop health authority. The hon. Member may therefore wish to seek the information he requires from the chairman of that authority.

Housing Benefit

Mr. Raynsford asked the Secretary of State for Social Services what progress has been made by his Department in its consultations with representatives of local authorities on the detailed arrangements for the new housing benefit scheme; and when he expects to be able to publish firm proposals in respect of *(a)* certification and liaison between authorities and his Department, *(b)* service charges, *(c)* amenity charges, *(d)* recovery of overpayments, *(e)* net income assessments and *(f)* subsidies.

Mr. Major: Substantial progress has been made in discussion on future subsidy arrangements, and exploratory discussions are nearing completion on assessment of net income and liaison arrangements between local authorities and local social security offices.

Our firm proposals on liaison arrangements, service and amenity charges, recovery of overpayments and net income assessment will be set out in regulations. We will consult the local authority associations on these in the usual way, before laying the regulations in draft before Parliament early next year. Firm proposals on subsidy will be set out in an order early in 1988.

Medicines Inspectorate

Mr. Grylls asked the Secretary of State for Social Services what survey into the manpower needs of the medicines inspectorate was carried out in recent years; and what were the recommendations.

Mr. Hayhoe: An internal management report reviewing the function and effective use of medicines inspectorate resources has very recently been received and is under consideration by senior departmental officials.

The report emphasises the considerable contribution to improving standards of manufacturing practice in the pharmaceutical industry made by the medicines inspectorate and its high collective and individual professional

standing in the United Kingdom and overseas. The report does not recommend any change in the current staffing level but provides guidance on developing management measures for obtaining the best value for money from the work of the medicines inspectorate.

Glaucoma

Mr. Carter-Jones asked the Secretary of State for Social Services if he will take steps to ensure that all ophthalmic opticians include tests for glaucoma in each examination; if he will encourage and provide resources for the equipment for such tests; and if he will make a statement.

Mr. Hayhoe: The use of ophthalmoscopy for the detection of glaucoma is already part of the routine sight test carried out under the general ophthalmic service and will remain so. There is also a requirement in its National Health Service terms of service for GOS practitioners to inform the patient's doctor if any abnormality is detected in the course of the sight test.

Gaelic Language

Mr. Donald Stewart asked the Secretary of State for Social Services if he will list the leaflets and forms which his Department prints in Gaelic or in a bilingual English/Gaelic format.

Mr. Major: A version of the combined explanatory leaflet and claim form for supplementary benefit (SB1) is available in Gaelic.

Supplementary Benefit

Mr. Barry Jones asked the Secretary of State for Social Services how many people claimed supplementary benefit in Alyn and Deeside constituency in *(a)* 1979 and *(b)* 1985; what percentage change that represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at the local offices of his Department over the same period.

Mr. Millan asked the Secretary of State for Social Services (1) if he will give the figures for the number of claimants of supplementary benefit in the Govan constituency at the most recent date for which figures are available and comparable figures for 1979; and what percentage change the latest figures represent;

(2) what were the numbers of staff employed on supplementary benefit work in his Department's local offices in the south-west of Glasgow at the latest available date; and if he will give comparative figures for 1979.

Mr. Nellist asked the Secretary of State for Social Services how many people claimed supplementary benefit at the latest available date in 1986 and the comparable month in 1979 at each of the Coventry offices of his Department; what percentage change that represents; and what was the change in numbers and in percentage terms in the staff handling supplementary benefit and in all staff at those offices for the same period.

Mr. Bermingham asked the Secretary of State for Social Services how many people claimed supplementary benefit in the St. Helens, South constituency in *(a)* 1979, and *(b)* 1985; what percentage change this represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at the local offices of his Department for the same period.

Mr. Lambie asked the Secretary of State for Social Services how many people claimed supplementary benefit in Cunninghame, South constituency in *(a)* 1979 and *(b)* 1985; what percentage change this represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at the local offices of his Department for the same period.

Mr. Major: I shall let the right hon. and hon. Members have replies as soon as possible.

South-West Thames RHA

Mr. Macfarlane asked the Secretary of State for Social Services when he last met the chairman of the South-West Thames regional health authority; and if he will make a statement about the effect of the resources allocation working party in this region of London.

Mr. Hayhoe: My right hon. Friend meets all regional health authority chairmen at regular two-monthly intervals to discuss a wide range of topics. The last such meeting was held on 21 May.

The distribution of funds within South-West Thames is a matter for the region. Regions are expected to follow the resources allocation working party approach of improving equity of access to services, to plan their services and funding accordingly and to plan for a manageable pace of change. These aspects are taken into account in assessing and approving regions' strategic plans and progress is monitored through their short-term programmes.

Cervical Screening

Mr. Nellist asked the Secretary of State for Social Services what steps his Department has taken to integrate workplace cervical cancer screening with those operated by the National Health Service; and if he will make a statement.

Mr. Hayhoe: Some workplace cervical cancer screening is organised by health authorities either directly or using the mobile clinics of the Women's National Cancer Control Campaign. Other workplace screening is organised by individual employers. However, there is no requirement for employers to notify the Department or health authorities of these activities.

Mortality

Dr. Marek asked the Secretary of State for Social Services, pursuant to his reply of 1 May, *Official Report*, column *470*, if he has any information showing standardised mortality ratios of men aged 15 to 64 years according to social class based on occupations recorded in the 1981 census, and at death registration prior to and following the census, where occupations have been coded into social classes according to both the 1970 and 1980 classifications of occupations.

Mr. Whitney [*pursuant to his reply*, 10 July 1986, c. *270*]: No, not in this precise form, though a re-coding study of the occupations of a sample of those who died in 1979-80 has been made for the Office of Population Censuses and Surveys longitudinal study. Some conclusions from this will be published in the forthcoming decennial supplement on occupational mortality. A possible further re-coding study is under consideration.

Captain Balnave

Mr. Hancock asked the Secretary of State for Social Services when his Department will expedite the payment to Captain Balnave of 23 Malvern Road, Southsea, Portsmouth, awarded to him on appeal.

Mr. Major [*pursuant to his reply*, 9 July 1986, c. *171*]: Captain Balnave's appeal was successful in establishing entitlement to a war pension for an additional disablement. A medical board is being arranged to advise on the assessment of the level of disability so that payment can be made at the appropriate rate as quickly as possible.

EDUCATION AND SCIENCE

Expenditure

Mr. Austin Mitchell asked the Secretary of State for Education and Science, further to his answer of 13 May, *Official Report*, columns 433-34, whether he will publish in the *Official Report* an estimate of the numbers of *(a)* privately educated and *(b)* publicly educated pupils in each group, together with the UNESCO definitions used in compiling the figures.

Mr. Dunn: The available estimates are shown in the following table, covering 1st and 2nd levels. Pupils at private schools in France, USA and Japan include those in schools receiving public subsidies. The private sector figure for Germany has been derived by assuming that 4 per cent. of pupils attend private schools. The private sector figures for France, Japan and the USA were taken from national statistical publications of those countries. The public sector figure was derived by subtraction from the total figure supplied to UNESCO.

The International Standard Classification of Education Handbook defines level as follows:

Education preceding the first level (ISCED level category 0), where it is provided, usually begins at age three, four, or five (sometimes earlier) and lasts from one to three years.

Education at the first level (ISCED level category 1) usually begins, therefore, at age five, six, or seven, and lasts for about five or six years. Allied with these "primary" levels are such related programmes as literacy programmes for older people who are illiterate because of lack of earlier schooling, and programmes with a vocational emphasis for beginners or for those who have completed some primary schooling, although these programmes are not found in all countries.

Education at the second level, first stage (ISCED level category 2), begins at about age 11 or 12 and lasts for about three years. Allied with this core of lower secondary schooling is wide variety of out-of-school programmes for adults and young people most of them being vocational programmes that require as a minimum for entrance the equivalent of some five or six years of full-time schooling. These include programmes of training for jobs requiring relatively elementary skills, some apprenticeship programmes, and some simple medical auxiliary programmes.

Education at the second level, second stage (ISCED level category 3), begins at about age 14 or 15 and lasts for about three yers. Allied with this core of upper secondary school is a wide range of vocational programmes that require as a minimum for entrance the equivalent of some eight years of full-time schooling. These include programmes for semi-skilled and skilled jobs, some apprenticeship programmes, programmes in home economics, secretarial and other "office work" programmes, para-medical programmes, agricultural and similar programmes, and in some countries teacher training programmes.

Estimated numbers of publicly and privately educated pupils

Thousands

	Year	*1st level*[1]		*2nd level*[2]		*1st and 2nd levels*	
		Private	*Public*	*Private*	*Public*	*Private*	*Public*
France	1980	670	3,940	1,030	3,990	1,700	7,930
Japan	1982	60	11,770	1,440	8,600	1,500	20,370
United States of America[3]	1981	n.a.	n.a.	n.a.	n.a.	4,640	37,800
United Kingdom	1983	192	4,133	380	[4]5,187	572	[4]9,321
Federal Republic of Germany[5]	1982	n.a.	n.a.	n.a.	n.a.	350	8,400

n.a. = Not available.
[1] Equates broadly with primary (compulsory) education.
[2] Equates broadly with secondary school education and non-advanced further education.
[3] Includes special education.
[4] Includes full-time equivalent public sector non-advanced further education student numbers.
[5] Excludes some 1·8 million students in part-time vocational education.

Sources:
United Kingdom—Education Statistics for the United Kingdom—1985 edition.
Japan—Statistical Abstract of Education, Science and Culture, 1983 edition.
France—Répères et Références Statistiques, 1984 edition.
United States of America—Digest of Education Statistics 1983-84.
Germany—Selected National Education Systems—A description of six countries as an aid to international comparisons, DES.
General—UNESCO Statistical Yearbook, 1985.

Devon Schools (Visits)

Sir Peter Mills asked the Secretary of State for Education and Science if he will direct Devon county council, under section 68 of the Education Act 1944, to permit hon. Members to visit schools in their constituencies in Devon; and if he will make a statement.

Mr. Dunn: I understand that the chief executive of Devon county council has written to local Members of Parliament saying that they are welcome to visit Devon schools and that during the past 10 years the position concerning such visits has not changed.

Village Schools

Mr. Cox asked the Secretary of State for Education and Science how many village schools have closed in each education authority in the United Kingdom during each of the last five years.

Mr. Dunn: The numbers of rural school closures in England are as follows:

	Primary	*Secondary*	*Total*
1981	88	1	89
1982	75	1	76
1983	127	4	131
1984	100	3	103
1985	50	6	56

The numbers of closures by education authority could be provided only at disproportionate cost. The figures for Wales, Scotland and Northern Ireland are the responsibility of my right hon. Friends the Secretaries of State for Wales and for Northern Ireland, and my right hon. and learned Friend the Secretary of State for Scotland.

Mr. Tom Cox asked the Secretary of State for Education and Science if he will list the procedures that are followed before a village school can be closed; and if he will make a statement.

Mr. Dunn: A local education authority which intends to close a school must first publish its proposals in accordance with section 12 of the Education Act 1980. Guidance on procedures to be followed is contained in the Department's circulars 2/80, 2/81, 4/82 and administrative memorandum 4/84, copies of which are available in the Library.

Mathematics and Physics Graduates

Mr. Madel asked the Secretary of State for Education and Science if he will initiate discussions with employers' organisations with a view to them releasing mathematics and physics graduates from industry to teach these subjects in schools; and if he will make a statement.

Mr. Chris Patten: The Department published a consultative document on 9 July seeking the co-operation of all with an interest in improving the supply of teachers in these subjects. It lists examples of activities already supported by certain employers. My right hon. Friend the Secretary of State has personally sent copies of the document to the chairmen of some of our major companies inviting them to consider how they might be able to help in alleviating teacher shortages in mathematics, physics and technology. The secondment of industrial employees to schools is one of the possibilities to be discussed.

Welsh Plant Breeding Section

Mr. Geraint Howells asked the Secretary of State for Wales if he plans to make any financial cuts in the Welsh Plant Breeding Station, "Gogerddan' Aberystwyth in the next three years; and if he will make a statement.

Mr. Walden [*pursuant to his reply*, 9 July 1986, c. *178*]: The allocation of funds to the Welsh Plant Breeding Station is the responsibility of the Agricultural and Food Research Council. I understand that the budget for 1987-88 is currently under discussion; detailed plans for later years have yet to be formulated.

TRADE AND INDUSTRY

Cement (Imports)

Mr. Roy Hughes asked the Secretary of State for Trade and Industry what was the level of imports of cement into the United Kingdom each year for the past five years; and what were the countries of origin.

Mr. Pawsey asked the Secretary of State for Trade and Industry what was the tonnage of cement imports into the United Kingdom for each year since 1980, together with the countries of origin.

Mr. Alan Clark: The information is as follows:

United Kingdom imports of cement (COO) 1981 to 1985

Quantity thousand metric tonnes

	1981 Quantity	*1982 Quantity*	*1983 Quantity*	*1984 Quantity*	*1985 Quantity*
France	6·5	2·1	2·0	11·4	39·8
Belgium/Luxembourg	7·8	14·2	14·2	10·9	4·4
Netherlands	29·9	26·6	131·8	137·9	110·5
Federal Republic of Germany	13·7	48·6	114·3	114·2	72·5
Irish Republic	129·3	168·0	86·8	73·2	211·3
Spain	—	—	7·1	43·0	44·2
German Democratic Republic	0·0	18·0	54·9	50·0	62·3
Poland	0·1	0·1	15·8	56·0	56·6
Other countries	0·8	4·2	1·5	3·0	17·3
Total	188·1	281·8	428·5	499·6	618·9

Source: Country of origin data corresponding to SITC/R2 Sub-group 661·2 in the United Kingdom *Overseas Trade Statistics.*

Notes:

1. Figures for 1985 are provisional.
2. Due to rounding totals shown may not correspond exactly to the sum of the constituent items.
3. — = No trade.
   0·0 = Negligible trade.

Mr. Parry asked the Secretary of State for Trade and Industry if he will list in the *Official Report* the level of imports of cement into the United Kingdom in each of the past three yars.

Mr. Alan Clark [*pursuant to his reply*, 14 July 1986]: I refer the hon. Gentleman to the reply I gave to the hon. Member for Newport, East (Mr. Hughes) today.

South Africa (Computer Equipment)

Mr. Cabom asked the Secretary of State for Trade and Industry if he will give details of the controls introduced to enforce the ban on the sale and export of computer equipment capable of use by South African military forces, police or security forces, as agreed in the Commonwealth accord on southern Africa on 20 October 1985.

Mr. Alan Clark: The Export of Goods (Control) Order 1985, as amended, subjects most computers and associated equipment to export licensing for all destinations, including South Africa. A licence is not issued unless the end-use and end-user are satisfactory.

Krugerrands

Mr. Cabom asked the Secretary of State for Trade and Industry if he will introduce a ban on the sale of Krugerrands in the United Kingdom.

Mr. Alan Clark: No.

Citizens Band Radio

Mr. Nicholas Winterton asked the Secretary of State for Trade and Industry if he will give a breakdown for each region of the numbers of reports received by his Department of abuses of citizens band radio regulations, the number of such complaints which were investigated by his Department, the number of cases in which prosecutions were brought and the number of convictions which were achieved in each of the years since citizens radio was introduced.

Mr. Pattie: The Radio Investigation Service, which enforces the Wireless Telegraphy Acts, transferred from British Telecom to my Department in August 1984 and has since gone through a period of integration. Information on the number of complaints, investigations and prosecutions by RIS districts was not held centrally prior to 1 April 1986 and could now be provided only at disproportionate cost.

The number of persons prosecuted and convicted for offences related to citizens band radio for the years following the introduction of the FM CB service into the United Kingdom on 2 November 1981, was as follows:

	Persons prosecuted		*Persons convicted*	
	Use of AM CB equipment	*FM CB related offence*	*Use of AM CB equipment*	*FM CB related offence*
1982	2,310	25	2,274	25
1983	1,404	66	1,379	66
1984	949	221	940	220
1985	473	467	471	461

Allied-Lyons

Mr. Michael Cocks asked the Secretary of State for Trade and Industry if officials of his Department have been invited by the Monopolies and Mergers Commission to submit evidence in relation to the bid by Elders XL for Allied-Lyons.

Mr. Howard: Yes. It is the normal practice of the Monopolies and Mergers Commission to invite evidence from interested Departments. In this case written evidence was submitted on behalf of the Department.

Monopolies and Mergers Commission

Mr. Michael Cocks asked the Secretary of State for Trade and Industry if he will make it his policy, in considering recommendations from the Monopolies and Mergers Commission, to take into account the most recent information available to him on the activities of the companies involved.

Mr. Howard: In considering reports by the Monopolies and Mergers Commission my right hon. Friend takes into account all relevant factors, as does the commission.

Furniture (Flammability)

Mr. Alfred Morris asked the Secretary of State for Trade and Industry if he will now state what action he proposes to take on the flammability of upholstered furniture, and, in particular, the replacement of standard polyurethane foam in upholstery combinations where it poses an unacceptable safety hazard.

Mr. Howard [*pursuant to his reply*, 7 July 1986, c. *10*.]: I would refer the right hon. member to my reply to the hon. Member for Lewes (Mr. Rathbone) on 1 July. The option of reference to a code of practice on match ignitability will offer an advantage over the simple match test requirement, in that it will encourage furniture manufacturers to use safer fillings rather than concentrating on the selection and use of protective cover fabrics.

The proposed code of practice will permit the use of high resilience polyurethane foam (which has better characteristics in its behaviour in fire than does the standard product) in combination with certain covering materials. But some presently popular combinations including standard polyurethane foam filling will not meet the criteria and will therefore not be permitted by the code.

SOLICITOR-GENERAL FOR SCOTLAND

Dog Owners (Prosecution)

Mr. Kirkwood asked the Solicitor-General for Scotland what is his policy towards the prosecution of dog owners who allow their pets to foul public parks and highways.

The Solicitor-General for Scotland: No special policy exists. Reports of such offences are dealt with by the prosecution authorities in the same way as reports of other contraventions of the criminal law.

Court Proceedings (Gaelic)

Mr. Donald Stewart asked the Solicitor-General for Scotland if he will make it his policy to allow the use of the Gaelic language in Scottish court proceedings.

The Solicitor-General for Scotland: In an appeal heard in 1982 the High Court of Justiciary held that the language of the courts in Scotland is English. There are no plans to change that position at the present time. However, the right hon. Member will be aware there is a statutory requirement that one member of the Scottish Land Court should be a Gaelic speaker.

Gaelic Language

Mr. Donald Stewart asked the Solicitor-General for Scotland if he will list the forms and leaflets for use in Scottish courts which are published in Gaelic or in a Gaelic/English bilingual format.

The Solicitor-General for Scotland: I understand that there are no Gaelic/English forms in use in Scottish courts.

EMPLOYMENT

New Business (Derbyshire)

Mr. Phillip Oppenheim asked the Paymaster General (1) what are the latest figures available for the number of new businesses registered in Derbyshire since 1979;

(2) what has been the net change in the number of new businesses since 1979 and 1983.

Mr. Trippier: Around 11,600 new businesses registered for VAT in Derbyshire between the end of 1979 and the end of 1984. For the same period the net increase in the number of businesses registered was about 2,200, including a net increase in the order of 420 between the end of 1983 and the end of 1984.

Education and Training

Mr. Lofthouse asked the Paymaster General if he will make a statement on the future role of the Manpower Services Commission education and training.

Mr. Trippier: The White Paper "Working Together—Education and Training" published on 2 July outlines the future direction of relevant activities of the Manpower Services Commission and announces the new tasks which the Government wish it to undertake. In particular, the commission is asked to administer the national extension of the technical and vocational education initiative from autumn 1987 and to assist and support the National Council for Vocational Qualifications in creating a new framework of national vocational qualifications in England, Wales and Northern Ireland.

Industrial Tribunals

Mr. Janner asked the Paymaster General how many representations he has received *(a)* for and *(b)* against, the proposal to introduce a fee for applications to industrial tribunals.

Mr. Kenneth Clarke: Comments on the proposal to introduce a fee for applications to industrial tribunals have been asked for by 30 September. Up to 11 July the Department had received five letters broadly opposing the proposal and four broadly supporting it.

Mr. Janner: asked the Paymaster General how many applications to industrial tribunals were made in the last quarter for which figures are available in respect of claims for *(a)*unfair dismissal, *(b)* equal pay, *(c)* sex discrimination and *(d)* race discrimination.

Mr. Kenneth Clarke: The number of applications registered by the industrial tribunals for the quarter ending 30 June 1986 is as follows:

Jurisdiction	*England and Wales*	*Scotland*	*Total*
(a) Unfair dismissal	10,812	836	11,648
(b) Equal Pay	148	5	153
(c) Sex discrimination	155	21	176
(d) Race discrimination	165	2	167

GCHQ, Cheltenham

Mr. Dalyell asked the Paymaster General what representations he has had from the staff association representing workers at Government Communications Headquarters, Cheltenham, on the United Kingdom's obligations under International Labour Organisation convention.

Mr. Kenneth Clarke: None.

Long-term Unemployment

Mrs. Virginia Bottomley asked the Paymaster General what response he has had to the steps he has announced he is taking to assist the long-term unemployed.

Mr. Kenneth Clarke: The new restart programme, under which all long-term unemployed people will be invited for a jobcentre interview by the end of next March, has been widely welcomed, notably by the long-term unemployed themselves. In the period to 12 June, in those areas where the programme started early, 95 per cent. of those due to be interviewed in the period responded positively by attending for their interview.

We are also continuing to expand the community programme, which provides worthwhile job opportunities for over 300,000 long-term unemployed people.

The wide range of measures to assist the unemployed and others is described in our booklet "Action for Jobs", which has been widely distributed and well received.

Job Creation (Take-up)

Mr. Kirkwood asked the Paymaster General what is the take-up of *(a)* community programme places and *(b)* YTS places by (i) all local authorities and (ii) all health authorities, in the latest year for which figures are available.

Mr. Trippier: I regret that the information requested is not available. However, on 31 May 1986, the latest date for which statistics are available, there were 93,883 people taking part in local authority schemes under the community programme. For YTS on the same date, there were 30,737 young people in training on local authority schemes, for which contracts have been awarded since 1 April 1986.

Figures for health authorities are not available.

Construction Industry Training Board

Mr. Galley asked the Paymaster General whether he has any proposals for changing the levy arrangements operated by the construction industry training board.

Mr. Trippier: The primary responsibility for determining levy arrangements rests with the industry's own representatives on the board. I understand that its proposals for the 1986 levy will be forwarded to the Manpower Services Commission shortly. The House will have the opportunity to consider these later this year.

Gaelic Language

Mr. Donald Stewart asked the Paymaster General if he will list the forms, leaflets and pamphlets published by his Department in Gaelic or in Gaelic/English bilingual format.

Mr. Kenneth Clarke: The Department of Employment does not publish any forms, leaflets or pamphlets in Gaelic or in a Gaelic/English bilingual format. However, the Stornoway unemployment benefit office, which deals with proportionately the largest Gaelic-speaking community in Scotland, has two Gaelic-speaking members of staff who are able to deal with any claimant who wishes to have his claim dealt with in Gaelic.

Disabled Persons

Mr. Boyes asked the Paymaster General if he will list in the *Official Report* the names and addresses of companies prosecuted under the Disabled Persons (Employment) Acts 1944 and 1958 since 1956 and the outcomes of each prosecution.

Mr. Trippier: Six employers have been prosecuted under the Disabled Persons (Employment) Act 1944 since 1956. Of these, five were convicted and fined. The case against one employer was dismissed by the courts. The last prosecutions were in 1975. I do not think it would be helpful at this stage to publish the names and addresses of the companies who have been prosecuted.

Mr. Boyes asked the Paymaster General what is the latest information available on how many employers are subject to the disabled persons quota; of these, what percentage meet the quota; what percentage were issued with permits within the last 12 months and what percentages were issued with bulk permits; and what percentage were below their quotas but had not been issued with permits.

Mr. Trippier: The latest information available relates to 1 June 1985 and was given in a written answer to the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) on 18 March 1986 at column *181*. I shall write to the hon. Member as soon as the 1986 figures are available, probably by early August.

Retail Prices Index Advisory Committee

Mr. Neil Hamilton asked the Paymaster General if he will make a statement about the report of the Retail Prices Index Advisory Committee.

Mr. Kenneth Clarke: My right hon. and noble Friend and I have today presented the committee's report to the House and copies are available in the Library. The committee concluded unanimously that the retail prices index fully merits public acceptance and, with the changes it recommends, will continue to do so. These changes are in the main directed to improving the coverage and construction of the index and to clarifying the principles which govern its construction and use. My right hon. and noble Friend is accepting all the committee's recommendations.

TRANSPORT

British Rail (Rolling Stock)

Mr. Tony Banks asked the Secretary of State for Transport what is the average age of British Rail passenger rolling stock for which consent for replacement was given over the last five years; what was the oldest and youngest stock so replaced; and what are the corresponding data for stock for the London and south-eastern sector.

Mr. David Mitchell: The normal "design life" of passenger rolling stock ranges between 20 and 40 years, (the latter figure often involving a mid-life refurbishment.) Replacements in recent years have been influenced by the board's policy commitment to withdrawing vehicles containing asbestos by the end of 1987. Vehicles ranging in age from eight to 33 years are currently being replaced. Both these extremes relate to network south-east stock. I do not have the information needed to calculate a meaningful average.

Motorcyclists (Headlights)

Mr. Speed asked the Secretary of State for Transport what advice he is giving to motorcyclists on the use of headlights in daytime; and if he will make a statement.

Mr. Peter Bottomley: Our advice to riders is that wearing fluorescent clothing and—on larger machines—using dipped headlamps will make them more readily visible to other road users in daylight. This advice is included in the proposed revision of the Highway Code which has been laid before Parliament. Consultation indicated general support for advice on these lines and in particular the need to make clear that the use of dipped headlamps applies to larger machines only.

Railways (Dangerous Freight)

Mr. Robert Hughes asked the Secretary of State for Transport if he will list the regulations controlling safety standards for carriage of dangerous commodities on railways.

Mr. Moore: Dangerous goods are accepted by British Rail under the conditions contained in its list of dangerous goods and conditions of acceptance. Special instructions to staff on the handling and conveyance of all dangerous goods are contained in its "Working Manual for Rail Staff". The Railways Act 1921 (section 50) requires the owner or consignor of dangerous goods to comply with the rules laid down by the railway. The Railway Clauses Act 1845 (section 105) requires the consignor to give the railway a written indication of goods that are dangerous. Specific regulations for the conveyance of military explosives by rail are contained in SI No. 889 of 1977. The Ionising Radiations Regulations 1985 have a general appliation to the transport of radioactive substances; all materials in this category are carried in accordance with the Internatinal Atomic Energy Agency safety standards. For international traffic, the regulations concerning the international carriage of dangerous goods by rail are also relevant.

Gaelic Language

Mr. Donald Stewart asked the Secretary of State for Transport if he will list the leaflets, forms and pamphlets which are published by his Department in the Gaelic language or in a Gaelic/English bilingual format.

Mr. Moore: My Department issues no leaflets, forms or pamphlets in the Gaelic language or in a Gaelic/English bilingual format.

National Bus Company

Mr. Favell asked the Secretary of State for Transport what progress has been made in implementing the National Bus Company's disposal programme.

Mr. David Mitchell: My right hon. Friend has given approval for the sale of the National Bus Company's subsidiary National Holidays Ltd. to a subsidiary of the Pleasurama Group, Smiths Happiways Ltd.

This first successful sale marks the start of privatisation for the National Bus Company.

Smiths Happiways will continue to employ all the present management and employees of National Holidays, who will be given normal access to the firm's share option and purchase schemes.

The Smiths Happiways bid, which was recommended by the National Bus Company, was one of four offers received, including one from the management of National Holidays, which was substantially lower than the successful offer.

The National Bus Company is currently negotiating on the sale of several other subsidiaries, all of which include bids from management teams.

AGRICULTURE, FISHERIES AND FOOD

Sea Pollution (Liverpool Bay)

Mr. Alton asked the Minister of Agriculture, Fisheries and Food if he has any plans to raise the official environmental quality standard of 0·3 mg of mercury per kilo in fish caught in Liverpool bay; and if he will make a statement.

Mr. Gummer [*pursuant to his reply*, 14 July 1986]: No.

PRIME MINISTER

Macclesfield

Q17. **Mr. Nicholas Winterton** asked the Prime Minister whether she has any plans to pay an official visit to Macclesfield.

The Prime Minister: I have at present no plans to do so.

Dewsbury and Batley and Spen

Q109. **Mr. Whitfield** asked the Prime Minister if she has any plans to visit Dewsbury and Batley and Spen.

The Prime Minister: I have at present no plans to do so.

Official Papers

Q125. **Mr. Dalyell** asked the Prime Minister what criteria are used to determine which official papers relating to the conduct of Government business should be preserved and which should be shredded; and what role is played in this process by the Cabinet Office.

The Prime Minister: Every Department, including the Cabinet Office, has a departmental records officer whose duty it is to select departmental records for preservation in accordance with the principles set out by the Griff committee on Departmental Records (Cmnd. 9163 of 1952). If in doubt a departmental records officer may seek the advice of an inspecting officer of the Public Records Office.

South Africa

Mr. Caborn asked the Prime Minister if any loans were provided by Her Majesty's Government to the Government of South Africa during the years 1979 to 1985.

The Prime Minister: Her Majesty's Government provided no loans to the Government of South Africa during this period.

Mr. Caborn asked the Prime Minister if she has any plans to implement a ban on the promotion of tourism to South Africa.

The Prime Minister: This was one of the possible further measures in the Commonwealth Accord for consideration by Commonweath Heads of Government. We are not committed to any of these measures. But they may be discussed at the Commonwealth review meeting next month.

Select Committees

Mr. Mason asked the Prime Minister what were the main recommendations accepted by Her Majesty's Government from the reports of the 14 departmental Select Committees during *(a)* March 1983 and March 1984 and *(b)* March 1984 and March 1985.

The Prime Minister: The tables below show the main recommendations accepted by Her Majesty's Government from the reports of the departmental Select Committees published between *(a)* March 1983 and February 1984 and *(b)* March 1984 and February 1985. In addition, during this period there have been numerous lesser recommendations which have been accepted and suggestions or statements made in reports which the Government have noted.

Session, report and date	Main recommendations accepted
	(a) March 1983 to February 1984
AGRICULTURE COMMITTEE *Session 1982-83* First Report: Organisation and Financing of Agricultural Research and Development May 1983	There should be a Chief Scientist post at Deputy Secretary level. Chief Scientists should have access to the Minister. Food Research needs to be given a higher priority and must be properly funded. Government should support schemes to encourage universities to undertake outside work for CASE award scheme for joint sponsored research with industry. Institute Directors should be left with the maximum amount of freedom possible under the broad direction of objectives for the actual management and execution of research programmes.
DEFENCE COMMITTEE *Session 1982-83* Second Report: British Forces Hong Kong April 1983	A fundamental restructuring of British Forces Hong Kong should await outcome of diplomatic negotiations over Hong Kong's future. No changes in force deployments should be made which might cast doubt on the United Kingdom's commitment to securing a stable future for Hong Kong. Provisions made for the normal and reasonable use of air conditioning by Service families, rather than its restricted use under financial duress.
Third Report: The Future of the Falkland Islands June 1983	The use of capital expenditure to avoid recurrent expenditure and to limit the size of the garrison requires each infrastructure project to be subject to careful scrutiny to ensure that it makes a proper contribution to the defence of the Islands and is an economical use of resources. Each item of equipment needed by the forces planned to reinforce the Falklands Garrison be examined to establish whether it is appropriate to be stored in theatre. The condition of all aircraft involved in the air bridge between Ascension Island and Stanley be closely monitored to ensure that any developing faults can be corrected before more serious difficulties arise. The priority of different capital schemes should not be left to separate decision making processes in the Ministry of Defence, in the Overseas Development Administration and on the Island and that arguments about the allocation of cost should not impede essential progress on road building and other projects. With the building of a new jetty at Stanley under consideration, and the possibility of a jetty being built at Mare Harbour, if road communications between Stanley, the airfield and Mare Harbour are improved the Ministry of Defence and ODA should combine to ensure that expensive facilities are not duplicated unnecessarily. The Ministry of Defence and the ODA should quickly reach agreement on the location and scale of a permanent hospital for both the garrison and the local community. The RFAs should be provided with weapons and equipment for self defence. Similarly, attention should be given to providing passive and active defence for at least some of the merchant ships.
EMPLOYMENT COMMITTEE *Session 1983-84* First Report: Trade Union Legislation—Unions in the Government Communications Headquarters February 1984	The concessions offered by the unions as notifed to the Committee be thoroughly examined by the Government to satisfy themselves that they meet every requirement of national security.
ENERGY COMMITTEE *Session 1983-84* First Report: Electricity and Gas Prices February 1984	Consumers organisations must have access to the maximum relevant information to enable them to reach a considered judgment.
HOME AFFAIRS *Session 1982-83* First Report: Representation of the People Acts April 1983	The Home Office should take steps to collect information about the various ways in which EROs interpret their statutory duty, with a view to formulating a code of "best practice". The Home Office should redesign Form A.

Session, report and date	Main recommendations accepted
	The civil rights arising out of the status established by the British Nationality Act 1948 and the Ireland Act 1949 should not be disturbed and no group of citizens within the United Kingdom who at present enjoy the right to vote should be disfranchised.
	The Home Office should review the existing criteria for eligibility for absent voting facilities, and it should be permissible to apply for a postal vote due to absence "by reason of employment".
	Applications for postal votes should be entertained from holidaymakers.
	The level of the deposit should be increased to £1,000.
	A candidate should be given the option of employing an addressed or an unaddressed service for the delivery of election material.
Second Report: Ethnic and Racial Questions in the Census May 1983	The Manpower Services Commission should monitor the take-up of all its programmes by ethnic origin.
	The form of any ethnic questions should not compel people to define themselves solely by their own or their ancestors' immigrant origin. It should enable them to identify themselves in a way acceptable to them whilst at the same time meeting the need of users who need to measure disadvantage and discrimination.
	The Commission for Racial Equality should advise OPCS on planning and promotion of an ethnic question in the Census.
Third Report: British Nationality Fees May 1983	The Home Office should extend to all forces forthwith the procedure, which it has developed in consultation with the Metropolitan Police, which reduces delays, cuts police time and costs, yet maintains adequate standards.
	The use of "pro-formas" be extended to all police forces forthwith.
	Costing should be based upon an efficient whilst still effective operation.
SCOTTISH AFFAIRS *Session 1983-84* First Report: Dampness in Housing February 1984	Whole life costing for new building should become the norm with full consideration given to the maintenance and running cost implications of new building.
	A publicity and information campaign should be carried out to give householders a better understanding of the nature of the condensation problem.
	An ultimate objective must be the provision of well insulated homes equipped with heating systems which can provide a continuous low background heat throughout the house.
TRADE AND INDUSTRY COMMITTEE *Session 1983-84* First Report: The United Kingdom's trade with the ASEAN countries March 1983	Government should seek to devise Aid/Credit schemes not merely reactive but rather designed to match the aggressive approach of our competitors and give evidence of the United Kingdom's determination to win overseas business and thus assist the future development of South East Asia in particular but also other parts of the developing world.
Third Report: Machine Tools and Robotics May 1983	Government should encourage public sector investment in new plant and equipment.
	Government to encourage better links between educational establishments and industry as regards research work.
	Government to assist in promotion of joint ventures.
TRANSPORT COMMITTEE *Session 1982-83* Second Report: Serpell Committee Report on the Review of Railway Finances March and April 1983	A clear statement of Government policy towards the railways, including the specification of financial and operational targets, is urgently required, and must be made before the appointment of the new Chairman of the Railways Board.
Third Report: Transport Aspects of the 1983 Public Expenditure White Paper March and May 1983	The Government should carry over to the next year any underspend on the road construction programme.

(b) March 1984 to February 1985

AGRICULTURE COMMITTEE *Session 1984-85* First Report: The Implementation of Dairy Quotas November 1984	The Minister should investigate the United Kingdom's arrangements for those who are both milk wholesalers and producers with the aim of making them more flexible.

Session, report and date	*Main recommendations accepted*
Second Report: The Effect of Feedingstuff Prices on the United Kingdom Pig Industry and Poultry Industries July 1984	The Committee welcomed the idea of an Inter-Professional Body for poultry producers.
DEFENCE COMMITTEE *Session 1983-84* First Report: Statement on the Defence Estimates 1984 June 1984	Future Defence White Papers should include a fuller account of the objectives of defence policy and more information on equipment costs. In future White Papers the comparison of the balance of forces on the Central Front should include forces in the three Soviet Western Military Districts. Fuller coverage should be given to British nuclear and nuclear-capable systems. Statements should contain information on the likely availability of the United Kingdom's merchant fleet for defence purposes.
Second Report: The Physical Security of Military Installations in the United Kingdom July 1984	The Government's proposed Royal Ordnance Factory guard force should replace the Ministry of Defence Police at certain factories only — the Ministry of Defence Police will be retained at all factories for at least three years. A ROF security Directorate should oversee security with the ROFs. Appropriate improvements should be made in the physical security measures at the ROFS. The 1984 police surveys of the ROFs should provide a satisfactory initial basis for the security standards which the ROF security Directorate should set. The Government should consult fully with Parliament and others about its proposals for the ROF guard force. The principal recommendations made by the Metropolitan Police in respect of RSAF Enfield should be implemented. The arrangements for security exercises at military installations should be improved. The Government should make lasting improvements in the security of nuclear establishments. Where possible Ministry of Defence Police or RAF Police rather than Servicemen should be responsible for handling unathorised intruders at nuclear bases.
EDUCATION, SCIENCE AND THE ARTS COMMITTEE *Session 1984-85* First Report: The effects of Abolition of the GLC and Metropolitan Countries upon Support for the Arts April 1984.	The Government to make available additional central funding to provide for the needs of bodies in the GLC and MC areas.
EMPLOYMENT COMMITTEE *Session 1984-85* First Report: The Equal Opportunities Commission's Draft Code of Practice November 1984.	The Secretary of State should approve the draft code.
ENERGY COMMITTEE *Session 1983-84* Ninth Report: Energy Research, Development and Demonstration August 1984	The Committee recognised the considerable evidence of broad agreement with the thrust of its report, by the Government, as demonstrated by reviews of the UKAEA, ACORD, the creation of the Energy Efficiency Office and the enhanced budget for the Energy Efficiency Demonstration Projects Scheme.
Session 1984-85 Fourth Report: Winter Supplementary Estimate for BNOC December 1984	Departmental minutes notifying Parliament of contingent liabilities should be copied to the relevant departmental Select Committee.
ENVIRONMENT COMMITTEE *Session 1983-84* First Report: Green Belt and Land for Housing May 1984	*Draft circulars on Green Belts and Land for Housing*

Session, report and date	Main recommendations accepted
	Circulars should state unequivocally that Green Belts have a broad and positive planning role that of open spaces whose presumption against development can better shape urban areas particularly on a regional scale.
	The circular should contain a fourth objective, to assist urban regeneration.
	The circular should use the phrase "as far as can be seen ahead" to define the longevity of Green Belts.
	In drawing boundaries no account should be taken of the condition of land: this should be specified in the circular.
	The Government should make it clear that, once fixed, boundaries will not be moved to release Green Belt land which is or has become derelict.
	The need to give Green Belt status land between urban areas within conurbations should be explicitly set out in the circular.
	The draft circular should give greater emphasis to countryside enhancement which should become a factor within Green Belt development control.
	The Government should build the concept of countryside management into the draft circular, and consider if more can be done to promote such a service in Green Belt areas.
	National and local government should give full support to Groundwork-type initiatives in all Green Belts, including additional funding if evidence exists that such funding will generate considerable extra investment of private and voluntary sector resources.
	Development should only be allowed in the most exceptional circumstances, and never when land has been deliberately allowed to become derelict.
	The draft circular should emphasise that the best means of protecting valuable amenity land is to ensure an acceptable choice is elsewhere.
	The Government should investigate the problems of adducing title to property identified in evidence to the Committee and take action to remove this problem by statutorily guaranteeing absolute title if necessary.
	Government should monitor the operation of land availability studies and specify clearly in the circular how frequently they should be conducted.
	The Secretary of State should consider more active use of his reserve powers.
	The Government should assess why local authorities and developers are encountering difficulties in Urban Development Grant applications and take remedial action.
Second Report: Department of the Environment's Main Estimates 1984-85 June 1984	The Department should either seek a quicker or more certain path to viability for those on the British Board of Agreement or seek proper powers from Parliament to continue financial support beyond 1984-85.
	The possibility of providing a continuing grant to the Zoological Society as a learned body should be reconsidered and the necessary powers sought.
	There should be specific statutory authority for grants to voluntary bodies.
	The Department should continue its efforts to adjust payment of housing subsidy during the course of the year to prevent payment in advance of need.
Third Report: PSA Main Estimates 1984-85 June 1984	PSA should delegate to departments more operational and financial responsibility for the maintenance of their own buildings.
	PSA should seek a simpler and more comprehensive presentation of the information analysing the financial provision which accompanies the Supply Estimates.
	A proper assessment should be made of the relative costs of designing different types of scheme by different methods. PSA's staffing and design practices should be actively managed to minimise costs.
Fourth Report: Acid Rain July 1984	BRE should be commissioned to conduct detailed research into the effects of acid rain on different types of stone and concrete in a variety of environments.
	Suitable cases of acid rain damage should as a matter of course be referred to BRE, and PSA should use a selection of buildings in different materials to monitor any damage additional to natural weathering.
	A substantial research progrmme on the effect on buildings of low-level emissions should be initiated.

Session, report and date	*Main recommendations accepted*
	The Government should give urgent and immediate consideration to the cost benefit of preventing the avoidable erosion of both historic and modern buildings.
	The Forestry Commission, using its own and West German experts should conduct a survey on the same lines as that in Sweden.
	Detailed NOx and ozone monitoring should be undertaken and research into acid rain and trees should be carried out.
	The Government should commission research on the effects of acid rain on materials, and on means of protecting them, as a matter of urgency.
	Research on visibility degradation should be commissioned.
	The Government should commission research in this country on all aspects of risk to human health to which US, Swedish and German research has drawn attention, with a view to establishing whether similar risks exist in this country.
	A rural network of monitoring stations at different altitudes over the whole country should be set up.
	Greater impetus should be given to the perfection of PFBC technology for commercial use.
	The necessary resources should be devoted to FGD by the CEGB, not least in order to reduce its costs.
	Any programme to limit NOx and hydrocarbons emissions from motor vehicles should be based on lean-burn technology.
	Those industries reliant on high combustion temperatures, for example the cement and glass industries, should not have NOx controls put upon them.
	In any review of the desirability of combined heat and power/district heating, full account should also be taken of the pollution aspects highlighted by the Report.
	The Government should make a long-term commitment to air pollution research.
Session 1984-85 First Report: Operation and effectiveness of Part II of the Wildlife and Countryside Act January 1985	Conservation should be given a greatly increased priority in the training and work of ADAS staff, with increased formal guidance from MAFF on conservation objectives.
	A joint working party should be set up to review the Financial Guidelines and to consider the increased use of a system of standard payments.
	Consideration should be given to extending section 43 to include areas in addition to moor and heath.
	The criticisms made to the Committee, particularly about the performance of Internal Drainage Boards, should be taken into account in the revision of the DOE guidelines for water and drainage authorities.
	A provision, analagous to that which gives Water Authorities explicit duties towards nature conservation and the countryside should be extended to the Forestry Commission.
	DOE and MAFF should take action to break the deadlock in negotiations, if necessary by amending Sections 36 and 37 of the Act, so as to give the NCC or the Secretary of State adequate powers to enable the NCC to set up Marine Nature Reserves.
Second Report: British Board of Agrément— March 1985	Greater responsibility should be placed upon the building industry during the certification process for building materials, without diminishing the value and credibility of certificates issued by the Agrément Board.
FOREIGN AFFAIRS COMMITTEE *Session 1984-85*	
Fourth Report: FCO and ODA Supply Estimates 1984-85 July 1984	*Bilateral Loans and Grants* All outstanding commitments should be included in Table 1, even where no disbursement is expected in the relevant year.
	The Estimates should clearly indicate in Table 1 those loans whose terms have been changed.
	Dependent Territories (Vote 8 Subheads C1 to C6 and D1) Figures, including those for technical cooperation should be given for each dependent territory in the tables annexed to the aid vote.
First Report: The Abuse of Diplomatic Immunities and Privileges December 1984	The Government should strongly pursue a firmer policy towards application of the Convention.
	It is lawful to scan bags electronically and the Government should be prepared to do so.
	There is no reason why records should not be kept of the size or weight of diplomatic bags entering the country.

Session, report and date	Main recommendations accepted
	FCO should make clear to diplomats that should the criminal law be broken there is a very real possibility that they will be required to leave the country.
	The Government should use the power to limit the size of a mission in cases where there is cause for concern about the overall nature of the mission's activities.
	FCO should inform themselves about those arriving to take up posts as mission staff.
HOME AFFAIRS COMMITTEE	
Session 1983-84	
First Report: Remands in Custody May 1984	The Government should commit itself in principle to introduce statutory time limits on periods in custody before trial, and should embark on experiments to see what the limits might be.
Session 1984-85	
First Report: Compensation and Support for Victims of Crime December 1984	The Government should consider providing supplementary funds to allow victims support schemes to employ properly qualified co-ordinators on a permanent basis
	The review by the Treasury of allowances payable to witnesses and others should be completed as a matter of urgency and these allowances should be increased.
	A leaflet should be prepared describing as concisely as possible the available sources of compensation and such a leaflet, together with the CICB claim form if appropriate, should be supplied to the victim when the crime is first reported.
	There should be a gradual increase in staff of the Criminal Injuries Compensation Board over the next couple of years with a view to reducing the backlog of business.
	The CICB should undertake the responsibility of laying down the guidelines for the level of compensation orders in the courts, provided always the special circumstances of each individual case should continue to be taken into account by the court.
	The Home Office should explore with local authorities and gas and electricity boards the feasibility of entering into block insurance arrangements with their tenants and subscribers.
Second Report: Chinese Community in Britain January 1985	The Home Office should publicise the possibility of joint applications by Local Authorities for Section 11 funding.
	The Manpower Services Commission should take steps to publicise its services among the Chinese
	The Department of Health and Social Security should take steps to inform itself about the health needs of the Chinese and ways of dealing with them, and whenever appropriate issue guidance on the subject to health authorities.
SCOTTISH AFFAIRS COMMITTEE	
Session 1984-85	
First Report: The impact of Airport Privatisation on Scottish Lowland Airports Policy January 1985	No change should be made to the existing (Scottish Lowland Airports) policy in advance of privatisation.
	The BAA's Scottish airports should not be privatised separately from BAA's London airports.
SOCIAL SERVICES COMMITTEE	
Session 1983/84	
First Report: Griffiths NHS Management Inquiry Report March 1984	A debate in the House of Commons should take place on the Griffiths Report.
	The Chief Nursing Officer should be appointed to the National Health Service Supervisory Board.
	The National Health Service Training Authority to provide courses for management training for clinicians.
	Allow the greatest possible degree of flexibility to health authorities implementing the recommendations of the Griffiths report.
Second Report: Children in Care April 1984	A Review of the guidance on registration of childminders.
	Research should be commissioned into sexual abuse of children.
	Instigate a Research project on monitoring procedures.
	Establish a Working Party on Child Care Law.
	Review into revision of Boarding-out regulations.

Session, report and date	*Main recommendations accepted*
	Reports by the Social Services Inspectorate should be made available to Parliament and the Social Services Committee.
Third Report: Perinatal and Neonatal Mortality Report: Follow-up July 1984	This report reinforced a number of recommendations made in 1980. The majority of the recommendations were accepted by the Government.
Fourth Report: Public Expenditure on the Social Services July 1984	As a routine, the Department investigate the most striking results of their programme budget analysis. A thorough view of the justification for, and administration of, grants under subhead H1(1) of class XI Vote 1.
Session 1984-85 First Report: Compensation Payments to NHS Staff January 1985	Where the Department is uncertain of the number of cases likely to arise, they should include a token estimate in the original estimate. Regional control totals and details of early retirements over the past year should be published annually, and these should differentiate between those arising from competitive tendering and others.
Second Report: Community Care with Special Reference to the Adult Mentally Ill and Mentally Handicapped February 1985	The Minister must ensure that mental illness or mental handicap hospital provision is not reduced without demonstrably adequate alternative services being provided both for those discharged from hospital and those who would otherwise seek admission. Nobody should be discharged from hospital without a practical individual case plan jointly devised by all concerned with mechanism for monitoring its implementation or its modification in the light of changing conditions. Future DHSS and local community care policy documents should have greater regard to those mentally disabled people living outside institutional care.
TRADE AND INDUSTRY COMMITTEE *Session 1983-84* First Report: The British Steel Corporation's Prospects April 1984	Government to study second sourcing implications of Phoenix II proposals Government to demand that other EEC nations fulfill the capacity reductions promised by them. Government to press European Commission to ensure that conditions distorting fair competition are ameliorated.
Second Report: The Growth in the Imbalance of Trade in Manufactured Goods between the United Kingdom and Existing and Prospective Members of the EEC June 1984	Government to bring pressure to bear to ensure that the terms of the Treaty of Rome are enforced. Government to ensure that EEC seeks reduction in high level of Spanish tariffs. Government to resist a long transitional regime for Spain motor products. Government to give attention to developing a simple and accessible mechanism of investment support for manufacturing industry, as part of current review.
Fourth Report: The Wealth of Waste December 1984	A Minister should be given overall co-ordinating responsibility across departments for recycling policy. The Government should encourage Waste Disposal Authorities to offer financial rebates to Collection Authorities to stimulate glass recycling through bottle banks. The Government should implement Sections 12-14 of Control of Pollution Act 1974 as soon as possible. The R&D Work at Warren Spring Laboratory should be enhanced and greater collaboration with industry encouraged.
First Report: The Operation of the Export Credits Guarantee Department January 1985	The formation of ECGD's non-statutory remit to operate at no net cost to public funds is both understandable and desirable. The Government demand that the terms of the GATT and the Treaty of Rome, as they affect the operations of national credit insurance agencies, are adhered to by all parties and member states. The Government call for greater transparency in the operations of ECGD's competitors, in order that aid and credit are clearly identifiable.
TRANSPORT COMMITTEE *Session 1983-84* First Report: Transport Aspects of the 1984 Public Expenditure White Paper May 1984	Tables showing capital expenditure at constant prices over the previous five years should be included in future Public Expenditure White Papers. The maintenance standards of trunk roads and local roads should not deteriorate, subject to overall public expenditure constraints.

Session, report and date	*Main recommendations accepted*
Second Report: The Organisation, Financing and Control of Airports in the United Kingdom July 1984	The Government should introduce legislation to reconstitute the airports in company form in preparation for privatisation. An Airports Holding Board should be constituted in company form. The individual airports would operate as semi-autonomous subsidiaries of the Board. There is a need for decentralisation with the BAA, with management at each airport being given greater independence. The retention of the Scottish reports as a single grouping. *Local Authority Airports* Once a Company had been created, the local authorities should be free to buy or sell their shares or to create more shares which could be sold into the private sector. They should be free to sell a majority interest. *CAA's Highlands and Islands Aerodromes* The Scottish Office should continue to provide financial support towards the running of these socially essential airports
Session 1984-85 First Report: Road Safety December 1984	Advertising campaigns publicising the dangers of drinking and driving backed up by strong police enforcement efforts, should be carried out not only at Christmas, but at other times of the year. The Department of Transport should introduce regulations which require all new cars to be fitted with rear seat belts. Priority should be given to research into ways of modifying the front of vehicles in order to mitigate the severity of injuries to pedestrians. The Department should continue to pursue the possibilities of publicity campaigns to reduce accidents to cyclists.
TREASURY AND CIVIL SERVICE SELECT COMMITTEE *Session 1983-84* Sixth Report: Estimates 1984-85: HM Treasury and HM Customs and Excise June 1984	Any change, which makes comparisons between the current and immediate past year difficult to make, should be fully explained in the Estimates.
Eighth Report: Acceptance of Outside Appointments By Crown Servants September 1984	The rules should be redrafted to show that Crown Servants at Grade 3 and above need to apply for approval to take up business appointments. Departments should review their arrangements for bringing the rules to the attention of those who are affected. Applications for approval should be submitted in writing using a standard form; applicants should have the right to an interview, and prospective employers should be informed when conditions are imposed. Offers of employment and approaches from outside employers should be reported to those in authority. The role of the Advisory Committee should be extended to include applications from officers of Grade 2 and above and such other cases as the Prime Minister refers to them. The Committee should review periodically a selection of decisions taken by departments; the hearings of the Committee should continue not to be in public; and the Government should add one senior back bench Member of the House of Commons to the Committee. The Government to publish statistical reports on the workings of the system.
Session 1984-85 First Report: The Government's Economic Policy: Autumn Statement December 1984	The Treasury include a departmental split for the current year's estimated outturn as an integral part of future Autumn Statements.
Second Report: The Structure and Form of Financial Documents presented to Parliament December 1984	The timescale of the expenditure plans should be extended from one to three years. All changes to the Public Expenditure White Paper should be made in 1986. The Treasury to detailed proposals.

Session, report and date	*Main recommendations accepted*
WELSH AFFAIRS COMMITTEE *Session 1983-84* First Report: The Impact of Regional Industrial Policy on Wales May 1984	The Report formed part of a general consultation exercise. The recommendations which were reflected in whole or in part in the final decisions were: The existing machinery for administrating RSA should be extended to take over the administration of the new RDG Scheme. Consideration should be given to increasing the cost per job limits applicable to the RSA Scheme. On prescribing rates of RDG, limits should not be set which are more restrictive than those prevailing in other countries with whom we are in competition, especially those within the European Community. In deciding how to measure statistical criteria for the Assisted Area Map, the Government should take into account the suggestions set out in the Annex to the Report.
Session 1984-85 First Report: Public Transport in Wales January 1985	The Government concluded that the objective of achieving greater local involvement in Welsh rail Services should be achieved by building on the links between British Rail and local authorities using existing powers.

PRIME MINISTER

Engagements

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

Mr. John Mark Taylor asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

Mr. Greenway asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

Mr. Tom Clarke asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

Mr. Maclennan asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

Mr. Yeo asked the Prime Minister if she will list her official engagements for Tuesday 15 July.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

ENVIRONMENT

Litter

Mr. Tom Cox asked the Secretary of State for the Environment if he will commission a schools litter campaign poster to be used in a national campaign.

Mrs. Rumbold: The Keep Britain Tidy Group, to which we give financial support, already includes local poster competitions in its environmental education programmes, which are widely used in schools throughout the country. This local approach is very effective. The winning poster entered by schools as part of the group's annual Beautiful Britain in Bloom competition subsequently has a wide distribution.

Mr. Tom Cox asked the Secretary of State for the Environment what discussions he has had with the local authorities as to the operation of the present Litter Act; and if he will make a statement.

Mrs. Rumbold: I have not had any recent discussions with local authorities as to the operation of the present Litter Act.

Mr. Tom Cox asked the Secretary of State for the Environment if he plans to introduce a national campaign on television and in the national press on the problems caused by litter.

Mrs. Rumbold: The Government have no plans for a national advertising campaign on litter as such. We already give financial support to the Keep Britain Tidy Group, which campaigns nationally against littering. In conjunction with the group we are currently sponsoring the production of a series of television fillers. Litter abatement projects will form part of a new environmental initiative announced by my hon. Friend the Minister for Environment, Countryside and Local Government on 14 July at column 683.

Fly Tipping

Mr. Tom Cox asked the Secretary of State for the Environment how many prosecutions there have been in England and Wales in each of the last three years for the fly tipping of rubbish.

Mrs. Rumbold: Prosecutions for the dumping of rubbish or surplus materials on land are usually made under the Refuse Disposal (Amenity) Act 1978 or, if the materials involved are controlled waste, under the Control of Pollution Act 1974.

The number of prosecutions in each of the last three years for which figures are available are as follows:

	1982	*1983*	*1984*
Refuse Disposal (Amenity) Act 1978	605	641	639
Control of Pollution Act 1974	52	104	85

Land (Thamesdown)

Mr. Coombs asked the Secretary of State for the Environment what information he has on the amounts of unused and underused land owned by public bodies within the borough of Thamesdown; and if he will list the sites.

Sir George Young: The information held by my Department is that contained in the land register for the borough of Thamesdown, established under part X of the Local Government, Planning and Land Act 1980, namely:

Site Address	*Owner*	*Hectares*
Gipsy Lane, Swindon	British Gas	1·34
Off Wootton Bassett Road, Swindon	British Rail	16·19
Rear of Dean Street, Swindon	British Rail	5·46
Towcester Road, Stratton St. Margaret	County Council	4·33
Ruskin Junior School Annexe, Stratton St. Margaret	County Council	1·62
Swindon Kingshill Site	County Council	9·63
Hughes Street, Swindon	County Council	9·51
Belmont Farm, Codrington, Near Wroughton	County Council	1·82
Dorcan School, Swindon	County Council	8·22
Haydon Wick	County Council	2·21
South of Church Street, Stratton St. Margaret	County Council	7·49
School/6-10 Turl Street/15-17 Oriel Street, Swindon	County Council	0·43
Rear of Beatrice Street, Swindon	County Council	1·86
Baker's Field, Lower Wanborough	County Council	1·47
Former Moredon Railway Line	County Council	15·38
Park Farm, Moredon, Swindon	County Council	1·32
Scarborough Road, Swindon	County Council	0·66
Kingsdown High School, Stratton St. Margaret	County Council	1·62
Adjoining Attlee Crescent, Stratton St. Margaret	County Council	1·38
Swindon Power Station, Moredon, Swindon	Electricity Board	6·88
Stratton St. Margaret, Swindon	Crown	0·72
Kembrey Street/Cricklade Road, Swindon	District Council	2·10
The Quarries, Westlecott Road, Swindon	District Council	1·25
South of the Centre of Highworth	District Council	44·52
Home Farm, Highworth	District Council	33·19
Kite Hill, Wanborough	District Council	4·86
Kite Hill, Wanborough	District Council	2·05
Farmland, Shaw, Swindon	District Council	92·68
Farmland, Shaw, Swindon	District Council	45·73
Brookside, Washpool, Swindon	District Council	0·75
Elm Grove, Shaw, Swindon	District Council	5·68

Site Address	Owner	Hectares
South West of Akers Way/South East of Purton Road, Swindon	District Council	41·68
Broome Farm, Swindon	District Council	40·47
Groundwell Farm, Cricklade Road, Swindon	District Council	70·82
Shaw Farm, Shaw, Swindon	District Council	27·92
Former Vehicle Depot, Edinburgh Street, Swindon	Crown	1·32
Mead Way/Stonehill Green, Westlea Down, Swindon	County Council	1·60
	TOTAL	516·14

Merseyside Development Corporation

Mr. Parry asked the Secretary of State for the Environment if he is satisfied with the working of the Merseyside Development Corporation; and if he will make a statement.

Mr. John Patten: I am very satisfied with the development corporation's progress.

In 1981 the Merseyside Development Corporation was charged with the regeneration of 350 hectares of derelict and polluted docklands. Its progress in dealing with the task has been spectacular. Already over 120 hectares have been reclaimed and provided with access and services for new users. Its most notable successes have been the international garden festival in 1984—now being further developed by the private sector; restoration of the Albert dock in partnership with the private sector and the restoration of water to the south docks; 120 houses are under construction at the Dingle, new factories have been created in Bootle, and Wapping warehouse is being refurbished for flats; all in partnership with the private sector or other agencies. Despite having to operate in a hostile economic climate MDC is succeeding in creating a climate of confidence in its area in which the private sector is prepared to invest.

Mr. Parry asked the Secretary of State for the Environment how many jobs have been created by the Merseyside Development Corporation at the latest available date.

Mr. John Patten: Between 1981 and March 1986, 1,320 new permanent jobs have been created in the MDC area. This is additional to the 1,800 jobs retained as a result of the MDC's activities.

In addition, an average of 660 construction workers are employed on MDC projects at any one time. This figure is expected to increase to about 1,400 over the next five years as new projects are begun.

Albert Dock Village, Liverpool

Mr. Parry asked the Secretary of State for the Environment how many jobs have been created in the Albert dock village, Liverpool, at the latest date.

Mr. John Patten: A total of 300 permanent jobs had been created at the Albert dock village by March 1986. In addition, between 350 and 400 people are employed on construction work at any one time. When the project is completed, in five year's time, it is expected to provide 1,500 permanent jobs.

Task Force (Merseyside)

Mr. Parry asked the Secretary of State for the Environment if he is satisfied with the working of the task force on Merseyside; and if he will make a statement.

Mr. Ridley: The Merseyside task force deals with a range of functions appropriate to a regional office of my Department, including housing matters, derelict land grant, the urban programme and the funding of the Merseyside Development Corporation. It is involved also with local authorities, the Housing Corporation and private companies in promoting special initiatives to tackle particular problems in the area. There is close collaboration at local level with the Department of Industry, MSC, and other Government Departments.

The task force makes an important contribution to the Government's policies aimed at securing the regeneration of the area.

Long-term Water Research Committee

Dr. Twinn asked the Secretary of State for the Environment whether he will publish the report of the long-term water research committee.

Mr. John Patten: Yes. I have published the report today and copies are being placed in the Library.

Historic Buildings and Monuments Commission

Mr. Hanley asked the Secretary of State for the Environment whether he has now received a full report from the Historic Buildings and Monuments Commission following the identification of weaknesses in some of its financial control procedures.

Mr. Tracey [*pursuant to the reply*, 25 March 1986, c. *426*]: This report has now been received and copies are available in the Library. In addition, I am also making available to the House copies of the report made by the commission's external auditors to which I also referred. These reports show that a detailed analysis has been made of the weaknesses and appropriate corrective action has been initiated.

WALES

Sheep (Restrictions)

Mr. Wigley asked the Secretary of State for Wales if he will state the procedure which should be followed by farmers in Wales who wish to claim compensation from the Government for losses incurred as a result of the ban on the movement of lambs in parts of Gwynedd and Clwyd.

Mr. Nicholas Edwards: In his statement to the House on 20 June my right hon. Friend the Minister of Agriculture, Fisheries and Food confirmed that the Government will, if necessary, be prepared to discuss cases of compensation for severe loss in particular circumstances to specific farmers. It is, however, too early to assess the extent of any losses or compensation.

Radioactivity

Mr. Best asked the Secretary of State for Wales what is the earliest date on which the three farms on Anglesey

which had the highest levels in sheep of radiocaesium could be excluded from the ban on sales; with what frequency he intends to monitor such farms; and if he will make a statement.

Mr. Wyn Roberts: Intensive monitoring of sheep is being concentrated on those areas where previous tests suggest there may be an early opportunity to remove restrictions. We cannot at this stage estimate when particular farms in Anglesey may be derestricted.

Further data relating to radiocaesium levels in lambs within the designated area of Clwyd and Gwynedd between 30 June and 8 July are being published today. Readings from lambs in some parts remain above the action level. A copy is being placed in the Library of the House. Monitoring is continuing and we shall announce further reductions in the area to which restrictions apply as soon as it is possible to do so.

Mr. Wigley asked the Secretary of State for Wales what was the first date on which notification was given to his Department that lambs had been identified in Cumbria with a level of radioactive caesium in excess of 1000 bequerels/kilogram.

Mr. Wyn Roberts: Routine monitoring of radiation levels in lambs by the Minstry of Agriculture, Fisheries and Food revealed such levels on 22 May. Our officials were told during the following week.

Leaflets and Forms

Mr. Donald Stewart asked the Secretary of State for Wales if he will list the leaflets, forms and pamphlets which his Department publishes in Welsh or a Welsh/English bilingual format.

Mr. Wyn Roberts: I shall write to the right hon. Gentleman and place a copy of my letter in the Library.

HOUSE OF COMMONS

Orders in Council (Northern Ireland)

Mr. J. Enoch Powell asked the Lord Privy Seal if he will he will publish a table showing, for the Session 1984-85, in respect of Orders in Council made under section 1(1) of the Northern Ireland Act the time spent on each *(a)* on the Floor of the House, *(b)* in Statutory Instruments Committee or *(c)* in the Northern Ireland Committee, indicating those orders which substantially applied to Northern Ireland legislation already in force in Great Britain or in England and Wales.

Mr. Biffen: The information requested in relation to Orders in Council made under paragraph 1(1) of schedule 1 to the Northern Ireland Act 1974 is as follows:

Title of Order in Council	*Time Spent (Hours Minutes)*			
	(a) Floor of House		*(b) Standing Committee*	*(c) Northern Ireland Committee*
Family Law (Misc Provisions) (NI) Order 1984	—	40	—	—
Road Traffic, Transport and Roads (NI Order 1984)	1	12	—	—
Appropriation (No. 3) (NI) Order 1984	3	32	—	—
Nature Conservation and Amenity Lands (NI) Order 1985*	1	27	—	—
Wildlife (NI) Order 1985*	1	19	—	—
Appropriation (NI) Order 1985	3	29	—	—
Road Traffic (Type Approval (NI) Order 1985	1	37	—	—
Foreign Limitation Periods (NI) Order 1985†	—	21	—	—
Water and Sewerage Services (Amendment) (NI) Order 1985	—	50	—	—
Appropriation (No. 2) (NI) Order 1985	2	28	—	—
Historic Churches (NI) Order 1985	1	44	—	—
Credit Unions (NI) Order 1985	—	36	—	—
Local Government (Miscellaneous Provisions (NI) Order 1985	1	16	—	—
Betting, Gaming Lotteries and Amusements (NI) Order 1985	1	18	—	—
Gas (NI) Order 1985	2	25	—	2 47
Nursing Homes and Nursing Agencies (NI) Order 1985	—	22	—	—

* Based on Great Britain Bills but significantly changed.
† Substantially similar to Great Britain Bills.

The following orders, made under paragraph 1(1) of schedule 1 to the Northern Ireland Act 1974, were subject to negative resolution. They flow from and are made for purposes corresponding to related Great Britain Acts.

Child Abduction (NI) Order 1985.

Friendly Societies (NI) Order 1985.

Sex Discrimination (Amendment) (NI) Order 1985.

Social Security (NI) Order 1985.

Milk (Cessation of Production) (NI) Order 1985..

Rent (Amendment) (NI) Order 1985.

Health and Social Security (NI) Order 1984 (Order made in 1983/84 session but prayed against in 1984/85 session: 16 minute debate in Standing Committee).

Select Committee Reports

Mr. Mason asked the Lord Privy Seal how many reports were published by the 14 departmental Select Committees during *(a)* March 1983 to March 1984 and *(b)* March 1984 to March 1985; and how many of the reports were debated in the House.

Mr. Biffen: The 14 departmental Select Committees published 28 reports in the year to 31 March 1984 and 71 reports in the year to 31 March 1985. Of these reports, 11 were debated on Estimates days and 14 were referred to on the Order Paper as relevant to a debate.

Travel Vouchers

Mr. Spencer asked the Lord Privy Seal if he will take steps to provide for the issue of travel vouchers for National Express coaches to hon. Members wishing to travel by long-distance coach rather than by British Rail to their constituencies; and if he will make a statement.

Mr. Biffen: Facilities are available for hon. Members to seek reimbursement from the Fees Office for the cost of travel by long-distance coaches between Westminster, their constituencies and their homes. Consideration will be given to the provision of travel vouchers for use on long-distance coaches if demand warrants it.

HOME DEPARTMENT

Prisoners (Statistics)

Mr. Tom Cox asked the Secretary of State for the Home Department what is the present number of *(a)* men and *(b)* women who are classed as category A prisoners as of 1 July.

Mr. Mellor: The present numbers (at 9 July 1986) are 323 adults (including one woman) and four young offenders (all males). A further 122 adults (including three women) are provisionally categorised A.

Mr. Tom Cox asked the Secretary of State for the Home Department what is the present number of *(a)* male and *(b)* female prisoners who are subject to the provisions of rule 43, as of 1 July.

Mr. Mellor: The table details the number of sentenced prisoners subject to the provisions of rule 43 as of 1 June 1986, this being the most recent set of data available. The information is based on returns from regional offices and individual establishments.

Prisoners subject to rule 43 on 1 June 1986

	Own protection	*Good order and discipline*
South East Region (Males)	253	46
South West Region (Males)	173	38
Midlands Region (Males)	129	19
North Region (Males)	347	27
Total Males	902	130
Total Females	12	11

Prison (Drugs)

Mr. Tom Cox asked the Secretary of State for the Home Department what discussions he has had with the Prison Officers Association on the increase of drugs smuggled into Her Majesty's prisons; and if he will make a statement.

Mr. Mellor: We attach much importance, as does the Prison Officers Association to keeping unauthorised drugs out of prison department establishments and we are determined that relevant counter-measures should be taken. Following the production of a report by the POA about the misuse of drugs, the director general of the Prison Service met representatives of the association in October 1984 and broad agreement was reached about a programme of action. The director general reported the outcome of the meeting to my right hon. and learned Friend the then Home Secretary who wrote to the general secretary in November 1984 setting out the steps which were being, or were to be, taken. There has been no meeting with the association since then specifically on this subject, although it has featured on the agenda of a number of other meetings with officials, including those of the prison department Whitley council. In July 1985, the prison department extended an invitation to the POA to have a further meeting about drugs. This was not taken up by the association but it remains open to the association to ask for a meeting.

Republic of Ireland (Extradition)

Mr. Andrew Bowden asked the Secretary of State for the Home Department what machinery exists to obtain the return from the Republic of Ireland to the United Kingdom of a suspect for questioning by police in relation to a serious criminal offence committed in the United Kingdom; and if he will make a statement.

Mr. Mellor: The procedure for the return of fugitives to and from the Republic of Ireland is governed by broadly reciprocal legislation under which warrants issued in one jurisdiction may be endorsed and executed in the other. The procedure covers the return of persons accused or convicted of indictable offences, or of offences punishable on summary conviction with six months' imprisonment or more for which there is a corresponding offence under the law of the requested country. Work is in progress under the auspices of the intergovernmental conference on a number of issues relating to this procedure.

Crime Clear-up Rates (Leicester and Brighton)

Mr. Deakins asked the Secretary of State for the Home Department what information he has about the respective clear-up rates for all offences in the police divisions covering Leicester and Brighton in each year since 1978.

Mr. Mellor: The information collected centrally relates only to police force areas, and is given in the following table.

Clear-up rate for notifiable offences recorded by the police*

	Leicestershire	*Sussex*
1978	57	56
1979	54	53
1980	54	50
1981	50	47
1982	46	45
1983	47	40
1984	44	38
1985	45	36

* Offences cleared up as a percentage of the total number of offences recorded by the police.

Fraud

Mr. Cohen asked the Secretary of State for the Home Department if he will make a statement on co-operation and co-ordination between the Metropolitan and City police company fraud department and the volunteer accounts panel of the Institute of Chartered Accountants in the investigation and detection of fraud cases.

Mr. Giles Shaw: Since October 1985 there have been five panels of volunteer accountants, each with a

nominated co-ordinator, to help the Metropolitan and City police company fraud department. This arrangement has helped to make investigation more effective.

Mr. Cohen asked the Secretary of State for the Home Department what information he has as to *(a)* the number of City and financial fraud cases in each year since 1979, *(b)* the total amounts involved and *(c)* the number of police man-hours devoted to their investigation.

Mr. Giles Shaw: Such information as is available is published on page 245 of the Fraud Trials Committee report.

Johnson Matthey Bank

Mr. Cohen asked the Secretary of State for the Home Department what has been the total cost to date of the inquiry by the fraud squad into the Johnson Matthey Bank affair.

Mr. Giles Shaw: I understand that 32 City of London and five metropolitan police officers have spent a substantial period on this operation. To the end of June 1986, the additional cost of equipment and police overtime involved in this inquiry was £124,000. This excludes the additional, cost of overtime incurred by the metropolitan police officers attached to the inquiry.

Strip Searches

Mr. Parry asked the Secretary of State for the Home Department if there are any plans to review the use of strip searches on women prisoners in England and Wales; and if he will make a statement.

Mr. Mellor: Strip searching is a routine security measure, of long standing, to which all prisoners—male and female (and including those on remand) — are subject. We have recently reviewed policy and practice in relation to prison department establishments in England and Wales and are satisfied that strip searching remains essential in the interests of security.

Gaelic Language

Mr. Donald Stewart asked the Secretary of State for the Home Department if his Department prints any forms or leaflets in Gaelic or in a Gaelic/English bilingual format.

Mr. Hurd: No. In general the responsibilities of the Home Office south of the border are exercised in Scotland by the Scottish Home and Health Department.

Mr. Donald Stewart asked the Secretary of State for the Home Department if he has made any arrangements to print information concerning the Data Protection Act in Gaelic.

Mr. Waddington: No.

Life Sentence Prisoners

Mr. Hancock asked the Secretary of State for the Home Department what is the latest figure for the proportion of the current total prison population who are serving life sentences.

Mr. Mellor: According to the records held centrally, which are approximate, 4·6 per cent. of the persons in prison department establishments in England and Wales on 31 May 1986 were serving life sentences, including custody for life and detention during Her Majesty's pleasure or for life under section 53 of the Children and Young Persons Act 1933.

Mr. Hancock asked the Secretary of State for the Home Department how many people who have been released, on licence, from a life sentence have subsequently been reimprisoned for murder or attempted murder in the last 10 years.

Mr. Mellor: Eight life sentence prisoners released on licence in the last 10 years, five of whom had been convicted of murder, have subsequently been re-imprisoned for offences of murder.

Mr. Hancock asked the Secretary of State for the Home Department how many people who have been sentenced to life imprisonment have been released on licence in each of the last five years.

Mr. Mellor: Information on the numbers of prisoners first released on life licence in the years 1973 to 1983 is published in "Reconviction and Recalls of Life Licensees", Home Office statistical bulletin issue No. 3/85. Sixty-eight persons were first released in 1984 and 66 in 1985 (excluding those who were deported on release).

Prisons

Mr. Bermingham asked the Secretary of State for the Home Department how many prisons are currently being *(a)* built, or *(b)* renovated.

Mr. Mellor: Five new establishments are being built. Ten more are at various stages of planning and design. Renovation continues all the time in every prison department establishment. About 100 existing establishments have major capital work either in hand or planned.

Mr. Bermingham asked the Secretary of State for the Home Department how many additional places will be created in those prisons currently being *(a)* built, or *(b)* renovated.

Mr. Mellor: About 2,900 additional places will be created in those prisons under construction. The 10 further projects in planning or design will when completed provide about 5,300 places.

About 4,000 places will ultimately be created in existing establishments as part of the ongoing renovation-modernisation programme although work on the particular place producing elements within that programme may not yet in every case have started.

Mr. Bermingham asked the Secretary of State for the Home Department how much money will have been spent on those prisons currently being *(a)* built, or *(b)* renovated by the time they are completed.

Mr. Mellor: The estimated cost of the five new prisons under construction is £118·5 million. The estimated cost of the 10 further projects now at various stages of planning and design is £329·2 million. The estimated cost of renovation, modernisation and redevelopment schemes in the major capital programme (ie schemes costing £30,000 or more) in progress is £450·8 million. Major capital schemes in the forward prison building programme that have not yet started are estimated to cost a further £601·4 million. It is not possible to provide a breakdown of costs in this way for minor capital and building maintenance

and repair work, but during this financial year the estimated cost of the former is £2·2 million and of the latter £26·8 million.

Mr. Bermingham asked the Secretary of State for the Home Department what number of prisons have been *(a)* built, or *(b)* renovated since 1979.

Mr. Mellor: Since 1979 five new prisons have been built by the Property Services Agency. Renovation in the form of maintenance and repair, and or refurbishment, modernisation or redevelopment work has taken place at every prison department establishment.

Mr. Bermingham asked the Secretary of State for the Home Department what number of additional places have been created through *(a)* the building and *(b)* the renovation of prisons since 1979.

Mr. Mellor: Since 1979 2,347 additional places have been created in new prisons built by the Property Services Agency and 769 net additional places have been created at existing prison establishments.

Mr. Bermingham asked the Secretary of State for the Home Department how much money has been spent on *(a)* the building and *(b)* the renovation of prisons since 1979.

Mr. Mellor: In the financial years 1979-80 to 1985-86 £114·2 million at current prices was spent on new prison building projects undertaken by the Property Services Agency and £399·5 million on renovation-modernisation schemes undertaken by the Home Office Directorate of Works.

Prisoners

Mr. Bermingham asked the Secretary of State for the Home Department what representations he has received regarding the categorisation and allocation of prisoners.

Mr. Mellor: We receive a small number of letters from hon. Members, boards of visitors, the POA and the public about categorisation and allocation in general or in relation to particular establishments and a somewhat larger number of letters or petitions by or on behalf of individual prisoners about their allocation.

Mr. Bermingham asked the Secretary of State for the Home Department what are the Government guidelines on visits to prisoners.

Mr. Mellor: The arrangements for visits to prisoners are set out in section A of prison standing order 5, as amended in November 1981 and March 1986. A copy of SO 5 and the amendments were placed in the Library of the House.

Mr. Bermingham asked the Secretary of State for the Home Department what representations he has received regarding removing Crown immunity from prisons.

Mr. Mellor: None, other than questions from hon. Members on 6 and 27 February and 28 April 1986 — columns *226-27, 661-62* and *301* respectively.

Prisoners' Letters (Censorship)

Mr. Bermingham asked the Secretary of State for the Home Department what representations he has received regarding the censorship of prisoners' letters.

Mr. Mellor: We regularly receive letters from hon. Members, and the Department receives petitions from prisoners and letters from their solicitors, about particular items of prisoners' correspondence or about the general arrangements for controlling such correspondence.

Prison Workshops

Mr. Bermingham asked the Secretary of State for the Home Department how many hours were worked in each prison's workshops in each year from 1980 to 1985; inclusive.

Mr. Mellor: The information requested is not readily available and I will be writing to the hon. Member.

DEFENCE

Western European Union

11. **Mr. Roy Hughes** asked the Secretary of State for Defence what new defence initiatives he is proposing within the ambit of the Western European Union.

Mr. Younger: A report on the work of the WEU was placed in the Library at the end of May. The United Kingdom has played a full part in the development of a programme of work for the WEU and, for example, supports the areas of study described in the communiqué of the meeting at ministerial level in Venice on 29-30 April. A copy of this communiqué is also in the Library.

Royal Wedding

15. **Mr. Canavan** asked the Secretary of State for Defence what units of the armed forces will be on duty for the wedding of His Royal Highness Prince Andrew; and for what purposes.

Mr. Stanley: The members of the armed forces on duty for the wedding of His Royal Highness Prince Andrew will be drawn from all three services and from a wide range of units which are as follows. Their duties will principally be ceremonial.

The list referred to is as follows:

Royal Navy
- Commander in Chief Naval Home Command
- Commander in Chief Fleet
- Commandant General Royal Marines
- Flag Officer Plymouth
- Flag Officer Scotland Northern Ireland
- Naval Air Command
- Flag Officer Portsmouth

Army
- Household Division
- Household Cavalry Regiment
- The King's Troop Royal Horse Artillery
- Royal Signals
- Coldstream Guards
- Scots Guards
- Irish Guards
- Welsh Guards
- Cheshire Regiment
- Royal Army Medical Corps
- Royal Military Police

Royal Air Force
- RAF Halton
- Central Band of the RAF

Royal Navy

19. **Mr. Nicholas Brown** asked the Secretary of State for Defence if he will make a statement on procurement of capital equipment for the Royal Navy.

Mr. Lee: As I said on 17 June 1986 *Official Report* column *890* it is our intention within the resources available to us, to modernise our surface and underwater fleets appropriate to the threat.

Racial Discrimination

20. **Mr. Dubs** asked the Secretary of State for Defence what representations he has received about alleged racial discrimination in the Army.

Mr. Freeman: Recently, my Department has received seven letters from hon. Members, Members of another place and members of the public. In addition a further seven letters from the public addressed to Her Majesty the Queen have been passed to the Department.

Chemical Weapons

21. **Mrs. Clwyd** asked the Secretary of State for Defence whether the force goal stating the requirement for modernisation of the United States proportional share of the North Atlantic Treaty Organisation chemical deterrent with binary munitions has been formally adopted by the North Atlantic Council.

Mr. Stanley: Since France left the integrated military structure, all Alliance force planning has been conducted by the Defence Planning Committee, which is therefore the competent body for the adoption of NATO force goals. The meeting of the Defence Planning Committee in Ministerial Session on 22 May concluded the process of adopting the NATO Force Goals 1987-1992, including the chemical weapons force goal addressed to the United States.

Strategic Defence Initiative

22. **Mr. Dalyell** asked the Secretary of State for Defence what consideration he has given to the papers presented to his officials at the meeting on 19 June in Edinburgh by Dr. Henry Thompson, Jane Hesketh, Professor Robin Milner and Dr. Philip Odor of the University of Edinburgh relating to the feasibility of the strategic defence intiative programme; and what conclusions he has reached.

Mr. Lee: Whilst officials were impressed by the technical content of the papers presented to them on 19 June it remains the Government's policy to support the United States SDI research programme as the means of discovering whether or not a strategic defence system is feasible; and to promote British participation in the research work.

Civil Defence

23. **Mr. Baldry** asked the Secretary of State for Defence if he will make a statement as to present recruitment into the Home Service Force.

Mr. Freeman: At 30 April 1986, the latest date for which figures are available, the strength of the Home Service Force was 3,133 against a current establishment of some 4,200. It is growing at a rate of about 60 per month towards the target of about 5,000 by 1990.

Gurkha Regiments

24. **Mr. Alton** asked the Secretary of State for Defence if he will make a statement on the future of the Gurkha regiments.

Mr. Stanley: I refer the hon. Member to paragraph 329 of the "Statement on the Defence Estimates 1986" (Cmnd. 9763-1).

Northern Ireland

25. **Mr. Michael McNair-Wilson** asked the Secretary of State for Defence if he will make a statement about the current deployment of security forces in Northern Ireland.

Mr. Stanley: Currently 10 regular battalions and nine battalions of the Ulster Defence Regiment are deployed in Northern Ireland in support of the Royal Ulster constabulary. Additional support is provided by other Army units and elements of the Royal Navy and Royal Air Force.

British Nuclear Test

26. **Mr. Strang** asked the Secretary of State for Defence if he will make a statement on the outcome of the recent test of a British nuclear weapon.

Mr. Stanley: I refer the hon. Member to the reply I gave to the hon. Member for St. Helens, North (Mr. Evans) earlier today.

Defence Contracts

27. **Mr. Evennett** asked the Secretary of State for Defence what steps he takes to ensure access to defence contracts for new businesses.

Mr. Lee: The MOD is constantly seeking ways to extend access to defence contracts for new businesses. Among the measures to this end which have been introduced recently, or are to be introduced in the near future, are the conclusion of an agreement with the CBI of a Code of Practice regarding competition at the sub-contract level and, shortly, the fortnightly open publication listing major invitations to tender and MOD Contracts. These, and many other measures, for example the booklet "Selling to the MOD", should all assist in opening up defence work to new businesses.

Ulster Defence Regiment

28. **Sir John Biggs-Davison** asked the Secretary of State for Defence whether he will make a statement about the future role of the Ulster Defence Regiment.

Mr. Stanley: The Ulster Defence Regiment makes an indispensable contribution to Army operations in support of the Royal Ulster Constabulary in Northern Ireland. There are no plans to change this role.

Advanced Early Warning System

29. **Mr. Favell** asked the Secretary of State for Defence what is his latest estimate of the cost of the proposed advanced early warning system.

Mr. Lee: As my hon. Friend knows, we are currently assessing bids from companies competing to meet the United Kingdom Airborne Early Warning requirement. Until our assessment is complete and a decision taken on the way forward, I am unable to say what the cost might be.

RAF (Aircraft Procurement)

30. **Mr. Robert Atkins** asked the Secretary of State for Defence if he will give further details of the effect of reduced real levels of future departmental spending upon the procurement of military aircraft for the Royal Air Force.

Mr. Lee: I have nothing to add to the statement made by my right hon. Friend the Secretary of State on 30 June 1986 at columns 713-14. As he then made clear, decisions will be taken in the normal way, as they arise.

Nimrod Programme

6. **Mr. Geraint Howells** asked the Secretary of State for Defence if he will make a statement on the latest position regarding the future of the Nimrod advanced early warning programme.

Mr. Younger: We have received commercial proposals from seven companies to meet the United Kingdom's need for an airborne early warning system: Airship Industries, Boeing Aerospace Co., GEC Avionics, Grumman International, Lockheed California Co., MEL and Pilatus Britten-Norman. In addition, we have had proposals from the United States Government to supply either of the systems in current United States military service through foreign military sales arrangements. These responses are now being assessed and I hope to make a decision in the autumn.

Small Ship Orders

31. **Mr. Foulkes** asked the Secretary of State for Defence what has been the result of his consideration of small ship orders which might be accelerated.

Mr. Lee: My right hon. Friend has carefully examined the possibility of bringing forward any small ship orders by MOD which would be suitable for bidding by Ailsa yard, but he has found none which could be offered before autumn 1987 at the earliest. A preliminary inquiry has been issued to shipbuilders who may wish to tender for up to four fleet minesweepers.

Willsworthy Shooting Range

32. **Mr. Steen** asked the Secretary of State for Defence what proposals he has for building works at the Willsworthy shooting range within the Dartmoor national park.

Mr. Freeman: We are considering the replacement of the buildings which presently constitute Willsworthy camp. If proposals emerge, we shall of course consult the Dartmoor national park committee.

Type 23 Frigates

33. **Mr. Duffy** asked the Secretary of State for Defence when he expects to announce the order of type 23 frigate 02.

Mr. Trotter asked the Secretary of State for Defence if pursuant to his answer of 17 June, *Official Report*, column 494, he is yet in a position to announce follow-on orders for type 23 frigates.

Mr. Lee: I refer the hon. Member and my learned Friend the answer given earlier today by my right hon. Friend the Secretary of State for Defence.

Arms Limitation

34. **Mr. Wallace** asked the Secretary of State for Defence what discussions he had with his United States counterpart during his recent visit to Washington in June on the effect of the strategic defence initiative programme on any discussions to limit arms stocks.

Mr. Lee: My right hon. Friend had a very useful discussion with Mr. Weinberger on a wide range of issues. The details are confidential, but I can inform the hon. Member that the Secretary of State reaffirmed our full support on SDI research, which the United States has made clear is in conformity with the ABM treaty. He also reaffirmed our support for the United States positions at the bilateral Geneva negotiations, and our hope that the latest Soviet proposals tabled at these negotiations may mean that the Soviet Union are prepared to enter serious negotiations.

Basic Training Aircraft

35. **Mr. Bill Walker** asked the Secretary of State for Defence if he will provide the latest estimate of when the new basic training aircraft will complete evaluation trials.

Mr. Lee: The main phase of the MOD evalution trials will be completed prior to delivery of the first aircraft to the RAF which we expect to be in the spring of 1987. Some further trials work will continue for a few months afterwards.

Trident Submarine

36. **Mr. Franks** asked the Secretary of State for Defence when he expects to be able to invite inquiries for the second Trident submarine contract; and if he will make a statement.

Mr. John Lee: We expect to invite inquiries shortly.

Formaldehyde (Gruinard Island)

37. **Mr. Kennedy** asked the Secretary of State for Defence what account his Department took of public safety considerations when awarding the contract for the road transportation of formaldehyde to be used in the decontamination of Gruinard island; and if he will make a statement.

Mr. Lee: In selecting a prime contractor for the task of decontaminating Gruinard island the Ministry of Defence took full account of safety considerations, including the proposed methods of handling formaldehyde. The Ministry was not, however, involved in the prime contractor's selection of a sub-contractor to transport the formaldehyde to Gruinard island.

Nuclear Deterrent

38. **Mr. Marlow** asked the Secretary of State for Defence what assessment he has made of the practicability of replacing the United Kingdom nuclear deterrent with a similar level of deterrence by conventional means.

Mr. Stanley: None. There is no practicable means of providing with conventional forces a level of deterrence similar to that provided by the United Kingdom's independent strategic nuclear deterrent.

Western Europe

39. **Mr. Meadowcroft** asked the Secretary of State for Defence what response he has given to the Gorbachev proposal to reduce the North Atlantic Treaty Organisation and Warsaw Pact troop strength in western Europe.

Mr. Younger: We have made clear that we welcome Eastern recognition of long-standing Western concerns about conventional disarmament. While there are a number of questionable elements in the Budapest statement of 11 June — such as the presumption that parity in conventional forces already exists in the whole of Europe — we shall be considering the Eastern ideas carefully, both nationally and in the NATO high level task force. Meanwhile, there is ample time for the Warsaw pact's words to be reflected in a practical and positive way in the negotiations in Vienna and Stockholm.

Drugs Misuse

Mr. Cohen asked the Secretary of State for Defence how many cases of alleged misuse of drugs have been investigated in (i) the Army, (ii) the Royal Navy and (iii) the Royal Air Force in each year since 1979 and in the current year to date; in how many cases in each year in each category any action has been taken against alleged offenders; and if he will make a statement.

Mr. Freeman: All three services pursue a vigorous and comprehensive programme of education and prevention in relation to drug abuse, supported by appropriate investigative, disciplinary, and administrative procedures where such measures fail. The message conveyed is that drug abuse cannot be tolerated in the Armed Forces and that prohibition will be vigorously enforced. The statistical information requested is as follows:

Royal Navy/Royal Marines

	Investigations by Special Investigations Squad	*Number of people Investigated*	*Individuals Convicted*
1979	32	65	50
1980	36	140	100
1981	54	116	100
1982	34	81	36
1983	29	74	61
1984	58	114	61
1985	49	104	*52
1986†	10	19	6

* (includes 2 RM).
† To date.

Army

	Cases Investigated by Royal Military Police	*Positive Investigations*	*Individuals Convicted*
1979	—	—	38
1980	—	—	39
1981	173	113	70
1982	147	102	69
1983	172	83	114
1984	208	133	149
1985	249	140	125
1986	†134	28	*31

* (Until end March).
† (Until 9 July).

Royal Air Force

	Cases Investigated	*Individuals Convicted*
1979	25	18
1980	33	14
1981	52	32
1982	33	17
1983	40	15
1984	97	143
1985	96	77
1986	63	*8

* until end June

Notes:

1. The Royal Navy's figures are not directly comparable to those of the other two Services because:
   a. they do not include convictions in civilian courts for which records are not readily available and
   b. the Royal Navy's policy is to try almost all drug cases whilst the other two Services have tended to deal with very minor cases administratively.

2. The RAF figure for 1984 reflects the fact that from the beginning of that year all minor offences have been subject to formal disciplinary action rather than being dealt with administratively as previously.

3. All Royal Navy and RAF figures from 1984 include convictions for monor drug-related offences charged respectively under Section 39 of the Naval Discipline Act or Section 69 of the Air Force Act. The Army does not produce a breakdown of offences charged under Section 69 of the Army Act which is used for a wide variety of misdemeanours and no Section 69 offences are therefore included in the Army's figures.

4. Each case investigated can involve more than one individual.

5. It is not known whether any Royal marines were convicted under the Army Act in 1979; figures for subsequent years include such convictions (three in 1983 and two in 1985).

6. Reliable statistics are not available in respect of investigations in the Army in 1979 and 1980. Positive investigations in the Army relate to cases which, following initial investigation, indicated there was a case to be answered.

7. Figures are not availble for the Royal Air Force in respect of the number of investigations which were acted upon.

8. The figure for individuals convicted in 1984 for the RN/RM differs from that previouly quoted in reply to a question from Lord Boston of Faversham on 14 October 1985 (Vol. 467 col. 464/6). The figure of 44 given on that occasion did not cover the whole calendar year period.

Ethnic Monitoring (Armed Forces)

Mr. Cohen asked the Secretary of State for Defence whether the Commission for Racial Equality code of practice is being taken into account in his review of the feasibility of ethnic monitoring in the armed forces; and if he will make a statement.

Mr. Freeman: Yes. I refer the hon. Member to the answer I gave the hon. Member for Newham, North-West (Mr. Banks) on 16 June 1986 at column *471*.

Payments Policy

Mr. Onslow asked the Secretary of State for Defence how he intends to apply his Department's interim payments policy as between large and small firms; and if he will make a statement.

Mr. Lee: My Department's intention in introducing a revised interim payments policy is to provide a greater incentive for contractors, both large and small, to complete their contracts in a timely and satisfactory manner. Nevertheless, the policy will be applied flexibly, and the interim payment arrangements on individual contracts will take into account a number of factors including, where appropriate, the particular interests of small firms.

RAF (Woolwich)

Mr. Cohen asked the Secretary of State for Defence, pursuant to the answer to the hon. Member for Leyton on 23 June, *Official Report*, column 25, if he will list the functions of the Royal Air Force units based at Woolwich.

Mr. Freeman: The air publications and forms store at Woolwich is charged with stocking and the dissemination throughout the Royal Air Force of related RAF publications; the RAF signals unit is responsible for the manufacture and servicing of telecommunications equipment for both aircraft and ground stations; and the RAF movement unit (London) acts as a freight distribution centre for deliveries of RAF priority freight throughout the South East of England.

SCOTLAND

Housing Study Courses

Mr. David Marshall asked the Secretary of State for Scotland what is his policy towards housing education in Scotland, in the light of the recommendations in the report of the transbinary town and country planning working group, a copy of which has been forwarded to him; how many postgraduate housing study courses there are in Scotland; and if he will make a statement.

Mr. Allan Stewart: There are three postgraduate housing courses at higher education institutions in Scotland, one of which is offered by Edinburgh College of Art in conjunction with Heriot-Watt university. I shall be considering the future of the course at Edinburgh College of Art in the context of decisions which have yet to be taken in the light of recommendations in the report to which the hon. Member refers.

Patients (Waiting Lists)

Mr. Maxton asked the Secretary of State for Scotland if there has been any change between 1984 and 1985 in the manner in which waiting lists of patients are calculated.

Mr. John MacKay: No.

Patients (Cross-boundary Inflow)

Mr. Maxton asked the Secretary of State for Scotland what was the net cross-boundary inflow of patients into each health board in Scotland in each year since 1978 in total and in each specialty.

Mr. John MacKay: I regret that figures for the cross-boundary flow of psychiatric and obstetric patients are not available in the form requested. Figures for the cross-boundary flow of patients by medical specialty could be provided only at disproportionate cost. The figures for non-psychiatric and non-obstetric patient discharges are as follows:

Health boards	*1978*	*1979*	*1980*	*1981*	*1982*	*1983*	*1984*
Argyll and Clyde	−9,665	−10,198	−11,448	−11,444	−10,255	−11,750	−12,923
Ayrshire and Arran	−4,773	−4,645	−4,710	−5,599	−4,955	−5,669	−5,993
Borders	−3,528	−4,203	−4,791	−5,001	−4,594	−5,218	−4,882
Dumfries and Galloway	−1,265	−1,241	−1,517	−1,632	−1,522	−1,819	−1,773
Fife	−7,586	−8,017	−8,366	−9,184	−8,627	−9,749	−9,657
Forth Valley	−2,167	−2,691	−3,042	−3,730	−3,341	−3,714	−4,004
Grampian	−399	−245	−312	+5	−295	−318	−302
Greater Glasgow	+29,532	+27,303	+31,290	+32,173	+28,766	+33,251	+36,190
Highland	+280	+207	+86	+113	+266	+96	+92
Lanarkshire	−12,341	−10,332	−12,086	−11,976	−10,654	−12,158	−13,016
Lothian	+9,026	+11,532	+12,253	+14,063	+13,077	+14,457	+13,753
Orkney	−586	−543	−560	−692	−623	−734	−811
Shetland	−500	−653	−831	−924	−939	−1,078	−1,220
Tayside	+4,847	+4,528	+5,031	+4,891	+4,762	+5,696	+5,882
Western Isles	−875	−802	−997	−1,063	−1,066	−1,293	−1,336

Notes:
Excludes patients resident outwith Scotland or whose health board or residence is unknown.
− signifies outflow.
+ signifies inflow.

Greater Glasgow Health Board

Mr. Maxton asked the Secretary of State for Scotland how many letters or cards he has now received concerning cuts in the Greater Glasgow health board's services; and if he will make a statement.

Mr. John MacKay: Over 21,000 representations have been received, nearly all of which are on preprinted postcards. There has been no reduction in the Greater Glasgow health board's financial allocation. Indeed, the board has received an appropriate share of the increased resources which the Government have made available to

the Health Service since 1979 and for the current year received an increase of 6·2 per cent. over its allocation last year. Greater Glasgow is now the best-funded board in Scotland. The measures currently being considered by the board to achieve economies in its budget stem from the need to reduce previous over commitments and to redistribute resources according to changing priorities and demands. It is for the board to decide what detailed measures to take in the light of its own priorities.

Dundee Dental Hospital

Mr. Wilson asked the Secretary of State for Scotland when he intends to provide a substantive reply to the letter of 11 February 1986 from the hon. Member for Dundee, East on the subject of charges for dental bridgework at Dundee dental hospital.

Mr. John MacKay: I have written today to the hon. Member on this matter and regret that it has taken some time to consider the issues involved.

Gaelic Language

Mr. Donald Stewart asked the Secretary of State for Scotland what has been the total amount of Government support for the Gaelic language in each financial year since 1974-75; what is the amount in 1985-86; what amount has been estimated for 1986-87; and, for each year, if he will divide the total amount into relevant expenditure headings.

Mr. Rifkind: The figures are as follows:

Central Government funding to Gaelic organisations 1974 to 1987

	1974-75 £	1975-76 £	1976-77 £	1977-78 £	1978-79 £	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £	1984-85 £	1985-86 £	Estimate 1986-87 £
National Voluntary Organisations	12,000	14,500	26,400	30,360	45,638	38,010	57,154	66,000	72,000	77,190	81,050	121,000	101,000
(Bilingual Education WIIC)	—	5,854	12,051	12,855	13,183	14,078	18,245	8,956	—	—	—	—	—
Stirling University Re-evaluation of the Western Isles Bilingual Project	—	—	—	—	—	—	—	—	—	7,987	30,803	31,327	—
Consultative Committee on the Curriculum Committee on Gaelic	—	—	—	—	—	—	1,180	5,470	5,240	5,440	3,320	4,400	1,470
Gaelic Books Council	10,000	12,500	22,000	18,117	23,896	36,486	29,127	43,517	45,856	49,350	50,000	52,000	58,250
Funded by SAC	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	44,000	125,000	n.a.
Direct Funding by HIDB	150	5,000	2,895	42,625	24,575	3,600	21,250	36,000	51,100	111,650	145,651	242,155	250,900
Specific Grant	—	—	—	—	—	—	—	—	—	—	—	—	250,000
Total	22,150	37,854	63,346	103,957	107,292	92,174	126,956	159,943	174,196	251,617	354,824	575,882	661,620

n.a. Figures not available.

Mr. Donald Stewart asked the Secretary of State for Scotland if he will list the leaflets and forms which his Department prints in Gaelic or in an English/Gaelic bilingual format.

Mr. Rifkind: I shall reply to the right hon. Member as soon as possible.

Mr. Donald Stewart asked the Secretary of State for Scotland if he will express Government financial support for the Gaelic language in each year since 1974-75 on a per capita Gaelic speaker basis.

Mr. Malcolm Rifkind: As a rough guide, and excluding Scottish Arts Council expenditure on arts bodies, for all years except 1984-85 and 1985-86 the figures are as follows:

Year	*Amount per Gaelic speaker £
1974-75	0·25
1975-76	0·43
1976-77	0·72
1977-78	1·18
1978-79	1·21
1979-80	1·04
1980-81	1·44
1981-82	1·94
1982-83	2·11
1983-84	3·05
1984-85	4·29
1985-86	6·97
1986-87	†8·00

* The census 1971 Scotland Gaelic report shows that 88,415 of the population can speak, read or write Gaelic. This figure has been used to calculate the amount per Gaelic speaker up to and including 1980-81. From 1981-82 the 1981 census figure of 82,620 Gaelic speakers was used.
† Estimate.

Mr. Donald Stewart asked the Secretary of State for Scotland how many civil servants employed within his Department are Gaelic-speaking; and what proportion of total staff this figure represents.

Mr. Rifkind: My Department does not maintain comprehensive records of Gaelic speaking staff.

Mr. Donald Stewart asked the Secretary of State for Scotland if he will make it his policy to provide forms for the 1991 census in Gaelic.

Mr. Rifkind: Census forms are prescribed by regulations made under the Census Act 1920, which requires the regulations to be laid before Parliament. There is no legislative provision for forms to be prescribed in Gaelic.

Mr. Donald Stewart asked the Secretary of State for Scotland if he has considered making it his policy to release press statements, where appropriate, in a bilingual Gaelic-English format.

Mr. Rifkind: The Scottish information office issues news releases in Gaelic when it is appropriate to do so. Three such texts were released last yeer on behalf of the Scottish Education Department, dealing with a speech by my predecessor at Sabhal Mor Ostaig in Skye, a report by

Her Majesty's Inspectorate on Stoneybridge primary school, South Uist, and my reaction to the document "Towards a National Policy for Gaelic" respectively. In each case, the information was also available in English.

Mr. Donald Stewart asked the Secretary of State for Scotland if he will indicate in which regions or other areas of Scotland it is possible for parents to register births, marriages and deaths in the Gaelic language.

Mr. Rifkind: Procedures for registering births, marriages and deaths in Scotland are governed by legislation which makes no provision for the use of Gaelic and all forms are printed solely in English. However, Gaelic names are recorded in the registers.

Information on the number of registrars able to speak Gaelic is not held centrally.

European Bureau for Lesser Spoken Languages

Mr. Donald Stewart asked the Secretary of State for Scotland if any permanent liaison has been established between his Department and the European Bureau for Lesser Spoken Languages; and if he will make a statement.

Mr. Rifkind: An official from the Scottish Education Department attends meetings of the Scottish and United Kingdom committees of the bureau.

The Scottish Committee covers the Gaelic, Scots and Shetlandic languages.

"Management Training for Leisure and Recreation in Scotland"

Dr. Godman asked the Secretary of State for Scotland when he intends to publish the report "Management Training for Leisure and Recreation in Scotland"; and if he will make a statement.

Mr. Allan Stewart: I hope the report will be available shortly.

Dounreay Reprocessing Plant (Inquiry)

Mr. Wallace asked the Secretary of State for Scotland what would be the estimated cost to his Department of holding a one-day session of the local public inquiry into the proposed reprocessing plant at Dounreay at Lerwick, Shetland.

Mr. Rifkind: The cost to the inquiry reporters unit of holding a one-day session at Lerwick of the inquiry into the proposed reprocessing plant is estimated at about £5,000.

Mr. Wallace asked the Secretary of State for Scotland what level of budget has been allocated to his Department's planning inquiry reporters unit for the local public inquiry into the proposed reprocessing plant at Dounreay; and what proportion has already been spent.

Mr. Rifkind: The unit's costs for the Dounreay inquiry have not been separately budgeted. They will be met from class XVI, vote 21 and contained in the Scottish Office central services budget. The sum already spent is £69,500.

NATIONAL FINANCE

Gaelic Language

Mr. Donald Stewart asked the Chancellor of the Exchequer how many of his Department's forms and leaflets are printed in Gaelic or in a bilingual Gaelic/English format.

Mr. Lawson: I shall let the right hon. Member have a reply as soon as possible.

EC Budget

Mr. Leighton asked the Chancellor of the Exchequer if, pursuant to his statement of 11 July on the exceeding of the budgetary discipline guidelines in the budget in the European Economic Community he will set out the guideline figures, the calculations used to produce it and the multiple by which it has been exceeded.

Mr. Brooke: I shall let the hon. Member have a reply as soon as possible.

Customs Officers

Mr. Tony Banks asked the Chancellor of the Exchequer how many Customs officers have been employed by the Government for each year since 1979.

Mr. Brooke [*pursuant to his reply*, 14 July 1986]: The number of Customs and Excise officers employed on customs duties at ports, airports and inland premises at 1 April for each year since 1979 is as follows:

	Number
1979	7,591
1980	7,231
1981	7,088
1982	6,861
1983	6,717
1984	6,552
1985	6,715

The comparable figure for 1986 is estimated to be 6,900. The figure provided for on 1 April 1987 is 7,250.

The numbers of preventive officers included in the above table are as follows:

	Number
1979	3,445
1980	3,214
1981	3,027
1982	2,890
1983	2,795
1984	2,721
1985	2,823

The comparable figure for 1986 is estimated to be 3,000. The figure provided for on 1 April 1987 is 3,300. In addition, there are currently 262 specialist drugs investigators.

Scottish Trustees Savings Bank

Mr. Dewar asked the Chancellor of the Exchequer when the Chief Registrar of Friendly Societies expects to reply to the representations from the Scottish Trustees Savings Bank Depositor's Association contained in its letter dated 15 April.

Mr. Ian Stewart [*pursuant to his reply*, 14 July 1986]: I understand that the Chief Registrar has replied to Mr. Ross.

NORTHERN IRELAND

Donaghadee Road, Ballyharry

Mr. John David Taylor asked the Secretary of State for Northern Ireland whether he has approved the design of a scheme to realign the Donaghadee road at Ballyharry, Newtownards; at what stage is the planning of this scheme; and if he will make a statement about the future programme.

Mr. Needham: A scheme for this road is presently being re-assessed and this review should be completed in the autumn.

Housing Executive

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he has any proposals to give the Northern Ireland Housing Executive powers to repurchase houses sold to sitting tenants; and if he will make a statement.

Mr. Needham: The Northern Ireland Housing Executive has powers under the Housing (Northern Ireland) Order 1981 to purchase houses in order to provide housing accommodation. Houses sold to sitting tenants could be re-purchased under these powers.

The Northern Ireland Housing Executive may also repurchase defective houses sold to sitting tenants under part II of the Draft Housing (Northern Ireland) Order 1986 approved by this House on 9 July.

Board and Lodging

Mr. Alton asked the Secretary of State for Northern Ireland how many people in Northern Ireland currently receive board and lodging allowance under supplementary benefit regulations; and what are the figures for the past five years.

Mr. Needham: The information is as follows:

	Numbers
December 1981	777
December 1982	1,033
December 1983	1,070
December 1984	1,481
April 1985	1,129
May 1986	2,122

Notes

1. The numbers for 1981-1984 were derived from the Annual Statistical Enquiry and are subject to sampling error; those for April 1985 and May 1986 represent actual counts.
2. The numbers include all categories of boarder claimants.

Mr. Alton asked the Secretary of State for Northern Ireland what is the average cost per week to the Exchequer of board and lodging allowance for bed and breakfast for a single person in Northern Ireland.

Mr. Needham: The estimated average cost is £35·33 per week.

Rented Accommodation (Subsidies)

Mr. Alton asked the Secretary of State for Northern Ireland what is the average cost per week of rent and any subsidy paid by the Exchequer to the Northern Ireland Housing Executive of a single person's accommodation rented from the Northern Ireland Housing Executive.

Mr. Needham: The smallest unit of accommodation now built by the Northern Ireland Housing Executive is designed for two persons, although it may be allocated to a single person. The average weekly rent charged for such one-bedroom accommodation built during 1985-86 is £13·59 while the average weekly economic rent would be £60·28.

Strip Searches (Women Prisoners)

Mr. Parry asked the Secretary of State for Northern Ireland if there are any plans to review the use of strip searches on women prisoners in the Province; and if he will make a statement.

Mr. Scott: Strip searches are a normal feature of prison security arrangements used in prisons throughout the United Kingdom. The procedures used in Northern Ireland are similar to those used for many years in comparable prisons in Great Britain. The need for and frequency of searches are kept under close review and I am satisfied that the level of searching women prisoners in Northern Ireland is the minimum consistent with security requirements.

Portadown (Incident)

Mr. Parry asked the Secretary of State for Northern Ireland if he will call for a report from the Chief Constable of the Royal Ulster Constabulary about incidents of disorder in Portadown on the weekend of 5 and 6 July; and if he will make a statement.

Mr. Scott: The Chief Constable of the Royal Ulster Constabulary kept my right hon. Friend fully informed of events in Portadown during the weekend of 5 and 6 July. The organisers of the Orange Lodge church parade in Portadown were served by the police with an Order under Article 4(1) of the Public Order (Northern Ireland) Order 1981 imposing a number of conditions. One of those conditions was that the march should remain local in character. When the police sought to prevent that condition being broken at the entrance to Obins street there was an altercation in which stones and other missiles including one petrol bomb were thrown at the police.

There was some further public disorder during the parade caused by hooligan elements from both sides of the community. The parade ended shortly before 3 pm and order was restored. Twenty seven members of the Royal Ulster Constabulary and three civilians were injured, one plastic baton round was fired by the police and 4 people were arrested. So far three people have been charged with disorderly behaviour and a number of other persons have been identified with a view to possible prosecutions.

This was a tragic waste of an opportunity for those who wish to march along so-called traditional routes in Portadown to demonstrate their willingness to co-operate with the police in the interests of public order and good relations in the community there.

Anglo-Irish Agreement

Mr. Mason asked the Secretary of State for Northern Ireland if he will list the 18 complaints, objections and

requests for clarification that have been called for by the Irish Government on the Anglo-Irish Agreement as a result of his press interview released on Friday 4 July; and if he will make a statement.

Mr. Tom King: I shall reply to the right hon. Member as soon as possible.

Written Answers to Questions

Wednesday 16 July 1986

WALES

Sheep (Sales Ban)

Mr. Best asked the Secretary of State for Wales what are the biological half-lives of caesium-134 and -137 which he has adopted for planning purposes in connection with the ban on lamb sales in North West Wales.

Mr. Nicholas Edwards: Activity from radioactive caesium can remain in the tissues of mature animals which have ingested it for a period of between 50 and 100 days although for young animals such as lamb the period is 20 to 30 days.

ATTORNEY-GENERAL

Legal Advice and Assistance

Mr. John Fraser asked the Attorney-General if he will provide a breakdown of the estimated provision for 1986-87 for net expenditure on legal advice and assistance of £94·4 million showing how that total is anticipated to be spent between the different classes of work covered by legal advice and assistance.

The Attorney-General: Of the £94·4 million, approximately £59 million is for legal advice and assistance—the Green Form scheme—£12 million is for assistance by way of representation—ABWOR—and the remainder for the 24-hour duty solicitor scheme. Within the £59 million for the green form scheme, if the pattern of previous years is followed, roughly 50 per cent. will relate to family matters, 25 per cent. to criminal matters, and 25 per cent. to other civil matters.

Elections (Civil Service)

Mr. Martin asked the Attorney-General what facilities were provided in the Land Registry during working time and on Government premises for the promotion of particular candidates and for the holding of ballots in the recent Civil and Public Services Association elections; on what criteria facilities were granted for particular meetings; and if he will make a statement.

The Attorney-General: The Land Registry provided accommodation and paid time off—up to half an hour — for members of the Civil and Public Services Association to attend balloting meetings and cast their votes in the recent elections. Such meetings are held at times which minimise disruption to business and the service to the public.

Within the facilities provided, it is for union representatives to supervise the balloting arrangements in accordance with the union's rules and therefore the Department is not in a position to say whether or not these procedures involve the promotion of particular candidates.

The facilities approved by the Land Registry are consistent with those applied to the rest of the Civil Service and within the terms of the Civil Service national facilities agreement governing trade union activities which reflects the statutory requirements.

OVERSEAS DEVELOPMENT

Falkland Islands Development Corporation

Mr. Merchant asked the Secretary of State for Foreign and Commonwealth Affairs what progress has been made by the Falkland Islands Development Corporation since its establishment; and if he will make a statement.

Mr. Raison: The Falkland Islands Development Corporation — FIDC — has now been fully operational for two years following the inaugural meeting in July 1984. Its second annual report to be published on 17 July 1986 reveals that it has been involved in a wide range of activities funded from its £4 million budget, provided by the Overseas Development Administration — ODA — ranging from small grants for local businesses to substantial commitments for projects such as a market garden, a wool mill, a dairy, tourism facilities and a shopping complex at the new Mount Pleasant airport.

In a short time, the FIDC has established itself as a major force for development in the Falklands. I shall be considering over the next few months what further contributions it would be appropriate to make towards the FIDC's budget, on the basis of the report expected shortly of a joint review of the FIDC's operations by the Falkland Islands Government and ODA representatives.

Aid

Mr. Fallon asked the Secretary of State for Foreign and Commonwealth Affairs how much aid Britain is giving in the current year to *(a)* Ghana, *(b)* Kenya, *(c)* Nigeria, *(d)* Tanzania and *(e)* Uganda.

Mr. Raison: Estimated bilateral aid expenditure in the financial year 1985-86 was:

(a) Ghana	£6 million.
(b) Kenya	£21 million.
(c) Nigeria	£3 million.
(d) Tanzania	£14 million.
(e) Uganda	£3 million.

It is not yet possible to say what the level of aid expenditure will be in the current financial year.

Mr. Fallon asked the Secretary of State for Foreign and Commonwealth Affairs whether he has any plans to reconsider the level of aid to *(a)* Ghana, *(b)* Kenya, *(c)* Nigeria, *(d)* Tanzania and *(e)* Uganda in the light of these countries boycotting the Commonwealth Games.

Mr. Raison: The level of our aid to individual countries is kept under regular review.

HOME DEPARTMENT

Drugs Offences

Mr. Aspinwall asked the Secretary of State for the Home Department if he will list the range of fines, prison sentences and suspended prison sentences imposed for drug offences in Avon for the last five years.

Mr. Mellor: The information requested for the years 1980 to 1984 is given in the following table; corresponding information for 1985 is not yet available.

Sentences imposed at Avon magistrates courts and Bristol Crown court for offences involving controlled drugs by type of sentence

*Number of convictions**

Type of sentence and amount	*1980*	*1981*	*1982*	*1983*	*1984*
Unsuspended sentences of imprisonment					
Up to and including 1 month	11	2	16	9	5
Over 1 month up to and including 3 months	14	4	11	14	4
Over 3 months up to and including 6 months	15	10	12	7	4
Over 6 months up to and including 12 months	6	9	7	—	8
Over 1 year up to and including 2 years	6	2	12	3	9
Over 2 years up to and including 5 years	14	14	9	6	12
Over 5 years up to and including 7 years	—	—	—	3	3
TOTAL	66	41	67	42	45
Suspended sentences of imprisonment					
Up to and including 1 month	3	2	13	4	7
Over 1 month up to and including 3 months	10	6	23	6	8
Over 3 months up to and including 6 months	9	10	11	4	5
Over 6 months up to and including 12 months	6	13	6	4	3
Over 1 year up to and including 2 years	1	3	7	—	11
TOTAL	29	34	60	18	34
Partly suspended sentences of imprisonment					
Up to and including 6 months	—	—	—	4	1
Over 6 months up to and including 12 months	—	—	9	4	1
Over 1 year up to and including 2 years	—	—	—	2	1
TOTAL	—	—	9	10	3
Fines					
Up to and including £50	126	148	140	106	71
Over £50 up to and including £100	128	115	123	95	71
Over £100 up to and including £150	10	6	9	9	5
Over £150 up to and including £200	1	5	7	4	3
Over £200 up to and including £500	2	5	3	1	2
TOTAL	268	279	282	215	152

* One conviction has been counted for each finding of guilt.

Mr. Aspinwall asked the Secretary of State for the Home Department how many convictions have been imposed by magistrates in Avon on people for being in the possession of drugs in the last five years.

Mr. Mellor: The information requested for the years 1980 to 1984 is given in the following table: corresponding information for 1985 is not yet available.

Convictions at Avon magistrates' courts for the offence of unlawful possession of a controlled drug

	*Number**
1980	203
1981	237
1982	267
1983	186
1984	155

* one conviction has been counted for each finding of guilt.

Custody

Mr. Kilroy-Silk asked the Secretary of State for the Home Department how many people left custody *(a)* after serving sentences and *(b)* after being held in custody before trial or sentence in the most recent convenient year.

Mr. Mellor: It is estimated from central records, which are approximate, that about 94,500 sentenced prisoners, including fine defaulters, were released from prison department establishments in England and Wales in 1985. The corresponding figure for discharges of remand prisoners is not available. However, the information published annually in "Prison Statistics, England and Wales" on receptions gives an approximate indication of the numbers discharged. Table 2.2 of the latest issue for 1984 — Cmnd. 9622 — shows about 29,500 persons — provisional figures — received on remand in 1984 who were not recorded as having subsequently been received under sentence.

Milton Keynes Prison

Mr. Kilroy-Silk asked the Secretary of State for the Home Department what categories of prisoner it is intended to accommodate at Milton Keynes prison.

Mr. Mellor: Milton Keynes will be a local prison taking the full range of prisoners held in such establishments.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department whether a unit for category A prisoners will be provided at Milton Keynes prison.

Mr. Mellor: There are at present no plans for providing a discrete unit solely for category A prisoners at Milton Keynes, but it is likely that some category A inmates will be accommodated at this prison.

Mr. Kilroy-Silk asked the Secretary of State for the Home Department whether a unit for disruptive prisoners of the kind recommended by the control review committee will be provided at Milton Keynes prison.

Mr. Mellor: The establishment of a unit of the kind recommended by the control review committee is one of the options being considered for this establishment which will not receive its first prisoners until 1992.

Fraud

Mr. Cohen asked the Secretary of State for the Home Department how many police officers are currently in post to deal with City and financial fraud; and how this number compares with the figures for each year since 1979.

Mr. Giles Shaw: The number of officers in the Metropolitan and City police company fraud department engaged in the investigation of company fraud is as follows:—

	Metropolitan Police Officers	*City Police Officers*	*Total*
1979	163	46	209
1980	163	46	209
1981	163	46	209
1982	153	46	199
1983	144	53	190
1984	147	53	200
1985	147	53	200
1986	147	53	200

The Metropolitan police manpower increases which my right hon. Friend announced on 20 May should enable the Commissioner to increase the strength of the squad in due course.

Police Helicopter (Newham)

Mr. Tony Banks asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to how many times during the past 12 months a Metropolitan Police helicopter has been used in Newham; what incidents were involved; and what arrests resulted from information received from the helicopter crew.

Mr. Giles Shaw: The Commissioner of Police of the Metropolis tells me that between 1 July 1985 and 30 June 1986 the Metropolitan police helicopters carried out 282 assignments in the London borough of Newham. Details could be provided only at disproportionate cost, but the assignments included assisting at scenes of crime and in the search for suspects, traffic management and searching for missing children. A total of 95 arrests resulted from the incidents in which the helicopters were used.

Commission for Racial Equality

Mr. Shersby asked the Secretary of State for the Home Department what was the total cost to the taxpayer of funding provided to the Commission for Racial Equality for the most recent 12-months period for which figures are available.

Mr. Waddington: In the financial year 1985-86 grant in aid totalling £9,447,322 was paid to the Commission for Racial Equality.

Police National Computer

Mr. Cohen asked the Secretary of State for the Home Department, pursuant to the answer of 4 July, concerning the number of accesses to the police national computer, if he will give comparable figures for the year to June 1985 on the same basis.

Mr. Giles Shaw: The total number of accesses in the year to June 1985 was as follows:

Index	*Number of Accesses*
1. Stolen and Suspect vehicles 2. Vehicle owners	18,774,836
3. Chassis/engine Numbers	886,740
4. Fingerprints	233,219
5. Fingerprints—Scenes of Crime	16,809
6. Criminal Names	1,346,806
7. Wanted/Missing Persons	1,455,335
8. Disqualified Drivers	635,772
9. Convictions	2,802
10. Major Investigations	50,851
There have also been the following joint accesses:	
To indices 6 and 7	1,157,537
To indices 6, 7 and 8	5,374,679
To indices 4 and 6	80,892

Police Forensic Science Services

Mr. Dalyell asked the Secretary of State for the Home Department if, pursuant to the answer of 26 June, *Official Report*, column *272*, he has yet reached any conclusions, following his study of the book "Error of Judgment" by Chris Mullin, about the implications for the efficiency of the police forensic science services of the evidence contained in that book about the preparation of the prosecution case in the trial relating to the Birmingham pub bombings; and if he will make a statement.

Mr. Hurd: As I mentioned in that reply, I am considering the material in Mr. Mullin's book in the context of my review of the case as a whole. Any wider implications which may emerge will be carefully considered.

Concessionary TV Licence Fee

Mr. Winnick asked the Secretary of State for the Home Department what representations he has received regarding the recommendations of the Peacock report regarding pensioners on supplementary benefit and the television licence fee.

Mr. Giles Shaw: Two early-day motions—Nos. 1059 and 1065—have been tabled calling for the implementation of the Peacock committee's recommendation that certain pensioners in receipt of supplementary pension be exempt from the licence fee. One hon. Member has written on behalf of a constituent who opposes the recommendation, and two letters have been received from members of the public, one in favour and one against the recommendation.

Confessions (Write-offs)

Mr. Tony Banks asked the Secretary of State for the Home Department, for each of the past five years, what was the number of write-offs obtained by Metropolitan police officers from confessions by prisoners serving sentences for other unrelated offences.

Mr. Giles Shaw: I will reply as soon as possible.

Prison Service (Court Duties)

Mr. Charles Wardle asked the Secretary of State for the Home Department what stage has been reached in the scrutiny led by the efficiency unit of the prison service's court duties.

Mr. Hurd: The Lord Chancellor and I have received the scrutiny team's report on court's escorts and we are considering its recommendations. Copies of the report have been placed in the Library.

Drug Abuse

Mr. Wheeler asked the Secretary of State for the Home Department if he will make a further statement on the progress that has been made in the fight against drugs since the ministerial group on drug abuse was set up two years ago.

Mr. Hurd: The ministerial group on misuse of drugs, chaired by my hon. Friend the Parliamentary Under-Secretary of State, was set up in July 1984 to supervise the Government's five-point strategy against drug misuse. Since then it has implemented and co-ordinated a wide range of initiatives designed to stifle the supply of and the demand for drugs. The results have been impressive: we have seen more international action, more seizures, more arrests, greater awareness among the general public, and particularly the young, of the dangers of drug misuse, better services for drug misusers, more effective co-operation among service providers at local level, and more community action. Vital new legislation, with all-party support, to confiscate the proceeds of convicted drug traffickers has recently been enacted and will come into effect as soon as possible. I am placing in the Vote Office and the Library a summary of our initiatives and achievements since the group was established. The group has overseen substantial achievements. I pay tribute to the work of its chairman and members, both ministerial and official.

The situation is of course still very serious. Too many people are still willing to take drugs; the quantity of hard drugs available remains far too great. Our attack on drug misuse will be sustained as long as may be necessary.

HOUSE OF COMMONS

Mass Lobby

Mr. Hayward asked the Lord Privy Seal what was the cost and the number of man hours of staff of the Palace of Westminster involved in preparation for, and control of, the mass lobby of the House of Commons which took place on Tuesday 8 July.

Mr. Biffen: Mass lobbies are an accepted and regular feature of parliamentary life at Westminster. The authorities of the House and supporting staff undertake the work involved in preparing for and controlling them as part of their normal duties. It is not therefore possible to quantify the costs in terms of man hours of the mass lobby which occurred on Tuesday 8 July.

Parliamentary Statistics

Mr. Peter Bruinvels asked the Lord Privy Seal if he will provide figures showing the number of *(a)* statements, *(b)* private notice questions and *(c)* applications under Standing Order No. 10 made in each of the past 10 Sessions and to date; if he will show for each Session the highest number of (i) statements, (ii) private notice questions and (iii) applications under Standing Order No. 10 in any one week; and if he will make a statement.

Mr. Biffen: The information requested in the first part of the question is as follows:

Session	*Private Notice Questions**	*Statements**	*Standing Order No. 10 applications*
1976-77	23	89	44
1977-78	19	93	34
1978-79	23	39	66
1979-80	40	139	83
1980-81	8	78	46
1981-82	9	106	61
1982-83	7	60	48
1983-84	48	132	84
1984-85	26	105	61
1985-86	32	80	60

* Excludes questions or statements about business of the House.

The other information requested is not readily available.

SCOTLAND

Leith Hospital

Mr. Ron Brown asked the Secretary of State for Scotland if he will make a statement about the future of Leith hospital.

Mr. John MacKay: As part of a wide-ranging review of services aimed at reducing inappropriately and under-used beds and increasing the provision for the elderly, Lothian health board has proposed to withdraw all services except for out-patients from Leith hospital and to provide a new 72-bed hospital mainly for geriatric patients at Leith. The board has sought my right hon. and learned Friend's approval to withdraw services from Leith Hospital and its proposal, along with the comments received during extensive public consultation, is being considered.

Prisons

Mr. McTaggart asked the Secretary of State for Scotland how many self-inflicted deaths there have been in Scottish prisons since 1979, showing, *(a)* their location, *(b)* the numbers under 21 years of age and *(c)* the numbers of remand prisoners.

Mr. John MacKay: There have been 32 self-inflicted deaths in penal establishments in Scotland since 1979.

(a) the locations are as follows:

1979(3)
Aberdeen Prison
Barlinnie Prison
Edinburgh Prison

1980(1)
Barlinnie Prison

1981(3)
Polmont Borstal Institution
Perth Prison
Edinburgh Prison

1982(3)
Glenochil Young Offenders Institution (2)
Dumfries Young Offenders Institution

1983(6)
Peterhead Prison
Longriggend Remand Institution
Barlinnie Prison (2)
Edinburgh Prison
Glenochil Young Offenders Institution

1984(5)
Barlinnie Prison (3)
Glenochil Detention Centre
Edinburgh Prison

1985(6)
Perth Prison
Barlinnie Prison (3)
Glenochil Detention Centre
Glenochil Young Offenders Institution

1986(5)
Perth Prison
Edinburgh Prison
Barlinnie Prison (2)
Cornton Vale Institution

(b) 11 were under 21 years of age (4 of whom were on remand);
12 were adult remand prisoners;
9 were adult convicted prisoners.

Mr. McTaggart asked the Secretary of State for Scotland when the report of the committee on alternative regimes in Scottish prisons, set up in 1981, will be published.

Mr. John McKay: The internal working party on alternative regimes was set up in 1983, but has not yet reported. There is no commitment to publication.

Mr. McTaggart asked the Secretary of State for Scotland what is the percentage of convicted prisoners currently engaged in *(a)* sewing mailbags, *(b)* other work, *(c)* full-time education and *(d)* no occupation.

Mr. John MacKay: The position at 31 March 1986, the latest date when figures are available, showed that 7 per cent. of convicted prisoners were engaged in manufacturing and repairing mailbags, 84 per cent. in other productive work, 1 per cent. on full-time education and 8 per cent. were not effectively employed. The 8 per cent. covers prisoners who were awaiting or under punishment, sick disabled or under assessment.

Mr. McTaggart asked the Secretary of State for Scotland what rules govern the regime for remand prisoners in Scotland.

Mr. John MacKay: The Prison (Scotland) Rules 1952 (S.I. 1952, No. 565), in particular rules 108 to 128 and rule 133.

Mr. McTaggart asked the Secretary of State for Scotland how many payphones in total are available to prisoners in Scottish prisons; in which prisons they are available; to which categories of prisoner they are available; and if he will ensure they are made available to remand prisoners throughout the Scottish system.

Mr. John MacKay: 32 payphones are available to prisoners in the following establishments:

	Number
Her Majesty's Prison Aberdeen	1
Her Majesty's Prison and Institution Cornton Vale	3
Her Majesty's Prison Dumfries	1
Her Majesty's Prison Dungavel	2
Her Majesty's Prison Edinburgh	7
Her Majesty's Prison Friarton	1
Her Majesty's Prison Greenock	2
Her Majesty's Prison Inverness	1
Her Majesty's Prison Low Moss	2
Her Majesty's Prison Penninghame	1
Her Majesty's Prison Perth	6
Her Majesty's Young Offenders Institution Castle Huntly	1
Her Majesty's Young Offenders Institution and Detention Centre Glenochil	2
Her Majesty's Young Offenders Institution Noranside	1
Her Majesty's Remand Institution Longriggend	1

Access to payphones in these establishments is available to sentenced prisoners in security categories B, C and D.

The question whether remand prisoners might be allowed access to payphones, and if so under what conditions, is under consideration.

Social Welfare Services

Mr. Kirkwood asked the Secretary of State for Scotland whether he will review the working of section 12 of the Social Work (Scotland) Act 1968 in the light of problems faced by claimants and social work departments as a result of disruption of Department of Health and Social Security services, as occurred in the strike in the Strathclyde Department of Health and Social Security region on the afternoon of Friday 20 June.

Mr. John MacKay: The co-operation of regional councils in Scotland in helping to ensure that emergency payments are made to persons when regular social security payments are prevented for any reason is very much appreciated by my right hon. Friend the Secretary of State for Social Services. As regards the recent problems in Strathclyde region to which the question refers, it is for him to decide what arrangements may be required in any particular circumstances to ensure that emergency payments can be made. Such arrangements do not depend on the making of payments by local authorities under the Social Work (Scotland) Act 1968. The question whether legislation on wider local authority powers needs to be clarified is under consideration.

Macaulay Institute and the Hill Farming Organisation

Mr. Pollock asked the Secretary of State for Scotland when he will make publicly available the report of the steering group on the amalgamation of the Macaulay Institute of Soil Research and the Hill Farming Organisation; and when he will announce his decision on the location of the new institute.

Mr. Rifkind: The steering group report is being made available to interested parties today, and I have arranged for copies to be placed in the Libraries of both Houses. I am grateful to the members of the steering group for their careful analysis of the various matters relevant to the establishment of the new institute, including their consideration of the question of its location. There are good arguments for supporting location either in Aberdeen or Edinburgh. I have decided that the interests of agricultural science in Scotland would be best served by locating the new institute in Aberdeen. Of the two sites in Aberdeen which have been appraised, Bucksburn offers greater advantages, and I am asking my officials to initiate action now towards the establishment of the new institute on that site.

EDUCATION AND SCIENCE

Science Budget

Mr. Key asked the Secretary of State for Education and Science what is the Government's response to the first report from the House of Commons Education, Science and Arts Committee, Session 1984-85 on the future of the science budget; and if he will make a statement.

Mr. Kenneth Baker: I have written today to the Chairman of the Committee with the Government's response. It is being published as a White Paper (Cmnd. 9849).

It is important to maintain a healthy and vigorous science base, for the efficiency, competitiveness and innovative capacity of the national economy and for the wider well-being of the United Kingdom. My Department's expenditure on the science base — some £19 yearly for every citizen of the United Kingdom—is only part of the total resources that the nation — Government and the private sector—devotes to research and development. The science community and others who spend the taxpayer's money have a duty to address not only their particular allocation and use of resources and how to get best value for them, but also larger questions. These are: what resources the nation should devote to science; its balance between pure, strategic and applied research; and the choice and selective pursuit of priorities in the national interest. With my Department the University Grants Committee and the universities, the research councils, and the Advisory Board for the Research Councils are considering these matters, setting priorities, developing selectivity, and undertaking redeployment, rationalisation and concentration to ensure greater value for money. This activity must continue. The private sector, where our investment nationally in civil R and D is lagging behind that of our competitors, must also recognise and play its proper part particularly in strategic and applied research and development, and in the identification of future exploitable areas of science. The Committee's report is a welcome stimulus and contribution to informed public discussion of these important matters.

Energy Efficiency Year

Dr. Twinn asked the Secretary of State for Education and Science what contribution his Department is making to Energy Efficiency Year; and if he will make a statement.

Mr. Dunn: The architects and building branch of the Department is involved in a number of projects which aim to promote energy efficiency in schools and colleges. Three more versions of the computer programme for calculating energy values under the energy requirements for new school buildings were issued in May. The calculation procedure is also demonstrated in the design guide which accompanies BS8207, the new energy head code of the British Standards Institution.

A DES broadsheet describing cost-effective examples of the use of heat pumps in rural schools is due to be published in a few weeks' time. A publication on energy conservation options in upgrading schools with coal-burning boilers is due later this year. A mobile recirculatory fume extraction cabinet which was developed by the Department's laboratories investigation unit is now marketed commercially; it recirculates filtered air back into the laboratory and thus saves energy.

Other current projects which have a bearing on energy efficiency include the monitoring of energy consumption in schools in a sample of 24 local education authorities; a study of ventilation in schools; and the preparation of guidance on the maintenance of heating plant. A research project is also planned on the application of passive solar energy designs to school buildings. As far as the Department itself is concerned, an official has been given energy management responsibility for the buildings occupied by the DES.

Schools (Expenditure)

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will list in the *Official Report* total Government expenditure on schools for the last year for which data are available, together with projections for the next three years at (i) outturn and (ii) real prices; and what proportion of this expenditure was or is expected to be, accounted for by teachers' salaries, including and excluding employers' contributions.

Mr. Dunn: I assume that the hon. Member is referring to public expenditure on schools and so the expenditure by both central Government and local authorities is given in the following table.

*Public expenditure on schools**

	Cash (£ million)			1986-87 real terms (£ million)†		
	1984-85	*1985-86*	*1986-87*	*1984-85*	*1985-86*	*1986-87*
Central Government‡	67	81	87	74	84	87
Local authorities						
—institutional recurrent expenditure	7,185	7,495	7,607	7,903	7,776	7,607
—other recurrent expenditure	836	854	717	919	886	717
—capital expenditure	253	292	217	278	303	217
—total expenditure	8,274	8,641	8,541	9,100	8,965	8,541
Total public expenditure	8,341	8,722	8,628	9,174	9,049	8,628
Teachers' salaries‖ as percentage of local authorities institutional recurrent expenditure	69	69	69	69	69	69

Notes

*There are no firm plans for 1987-88. The information is taken from the Government's expenditure White Paper (Cmnd. 9702) dated January 1986. The 1984-85 figures are based on the latest returns of outturn expenditure.

†The cash figures for 1984-85 and 1985-86 have been repriced to 1986-87 prices using the gross domestic product (market prices) deflator.

‡Mainly grants for building work at voluntary schools and fees at independent schools.

‖It is not possible to give figures exclusive of employers' contributions to national insurance and superannuation. However, it is estimated that in 1984-85 these elements represented about 15 per cent. of total salary cost.

Education Statistics

Mr. Aspinwall asked the Secretary of State for Education and Science (1) what information he has as to how many and what percentage of young people in Avon have entered higher education beyond A-level, indicating whether to university, polytechnic or to colleges of higher education, for the past five years;

(2) how many and what percentage of children in Avon have taken the general certificate of education O-level and certificate of secondary education examination, and with what subsequent examination results, for the past five years.

Mr. Dunn: Information for school leavers from maintained schools in Avon is given in the table.

Leavers from maintained schools in Avon

	1980-81		*1981-82*		*1982-83*		*1983-84*		*1984-85*	
	Number of leavers (000s)	*Percent of leavers*	*Number of leavers (000s)*	*Percent of leavers*	*Number of leavers (000s)*	*Percent of leavers*	*Number of leavers (000s)*	*Percent of leavers*	*Number of leavers (000s)*	*Percent of leavers*
Total leavers	13·19	100·0	13·50	100·0	13·16	100·0	13·23	100·0	12·88	100·0
Attempting A level	1·80	13·6	2·29	17·0	2·33	17·7	2·33	17·6	2·22	17·2
Attempting O level or CSE	12·07	91·5	12·61	93·4	12·28	93·3	12·40	93·7	12·28	95·3
CSE/GCE qualifications										
1 or more A level passes	1·56	11·8	1·98	14·7	2·02	15·3	2·03	15·3	1·93	15·0
No. A level passes but:										
4 or more O level or CSE higher graded results	1·67	12·7	2·03	15·0	1·96	14·9	2·07	15·6	1·83	14·2
5 or more O level or CSE graded results including 1-3 at higher grade	3·12	23·6	3·03	22·4	2·90	22·0	2·90	21·9	2·82	21·9
5 or more O level or CSE graded results all at lower grade	3·44	26·1	3·19	23·6	3·12	23·7	3·02	22·8	3·14	24·4
1-4 O level or CSE graded results (excluding 4 higher grades)	2·19	16·6	2·27	16·8	2·18	16·6	2·19	16·6	2·36	18·3
No graded results	1·21	9·2	0·99	7·3	0·98	7·4	1·02	7·7	0·80	6·2
Intended destination:										
Full-time Further or Higher Education										
University	0·48	3·6	0·63	4·7	0·51	3·9	0·59	4·5	0·38	3·0
Polytechnic										
Degree course	0·10	0·8	0·14	1·0	0·13	1·0	0·15	1·1	0·25	1·9
Other courses	0·09	0·7	0·21	1·6	0·16	1·2	0·24	1·8	0·13	1·0

	1980-81		1981-82		1982-83		1983-84		1984-85	
	Number of leavers (000s)	Percent of leavers	Number of leavers (000s)	Percent of leavers	Number of leavers (000s)	Percent of leavers	Number of leavers (000s)	Percent of leavers	Number of leavers (000s)	Percent of leavers
Other Further Education Establishment										
Degree course	0·05	0·4	0·06	0·4	0·01	0·1	0·04	0·3	—	—
Other courses	2·14	16·2	2·44	18·1	2·31	17·6	2·13	16·1	2·41	18·7
Total	2·86	21·7	3·48	25·8	3·13	23·8	3·14	23·7	3·16	24·5

Mr. Viggers asked the Secretary of State for Education and Science (1) what information he has as to how many teachers were employed, and pupils were enrolled in *(a)* secondary schools and *(b)* primary schools in the county of Hampshire in each of the last 10 years, and to the teacher-pupil ratio in each case for each year;

(2) what information he has as to the number of children who have taken *(a)* O-levels and *(b)* the CSE examination in each of the last 10 years, indicating, the subjects taken and passed, in each of the following areas *(a)* the borough of Gosport, *(b)* the borough of Fareham and *(c)* the county of Hampshire.

Mr. Dunn: I shall reply as soon as possible.

Mr. Viggers asked the Secretary of State for Education and Science what information he has as to how many students from Hampshire have been enrolled for *(a)* university and *(b)* other further education in each of the last 10 years.

Mr. Walden: The following table shows numbers of students normally resident in Hampshire attending universities anywhere in Great Britain and colleges anywhere in England. Data for universities and the public sector before 1976 and 1979 respectively are not readily available.

Hampshire students in full-time or sandwich higher education
Thousands

Academic year beginning	Great Britain universities (full time and sandwich only)	England—Public sector further and higher education full-time and sandwich	part-time
1976	5·6	—	—
1977	5·8	—	—
1978	6·1	—	—
1979	6·3	12·4	27·1
1980	6·6	13·1	29·6
1981	6·8	15·0	30·6
1982	6·9	17·1	28·9
1983	6·9	17·4	34·4
1984	6·9	18·7	29·3

Teaching Staff (Statistic)

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will list in the *Official Report* the full-time and full-time equivalent teaching staff employed in schools, non-advanced further education, advanced further education and universities for the last year for which figures are available, together with estimates for the next three years.

Mr. Chris Patten: The information available is set out in the tables. The first table covers institutions other than universities. It is not possible to make projections for 1987-88 and subsequent years, since levels of local authority current expenditure remain to be determined. The second table covers universities, and gives figures for the most recent year for which they are available. The Department does not make estimates of future levels of university teaching staff members.

Institutions other than Universities (England)
Teaching Staff Numbers ('000s at full-time equivalents)

	Academic Years *1985-86 Actual	†1986-87 Planned
Schoolteachers		
(i) Nursery, primary and secondary	403	394
(ii) Special	17	17
Lecturers		
(i) Maintained sector non-advanced further education (NAFE)	‡59·9	57·8
(ii) Maintained sector advanced further education (AFE)	‡25·4	23·3
(iii) Grant-aided sector	2·4	2·4

* Figures for the grant-aided sector are taken from returns made to the Department of Education and Science by colleges. All other figures are taken from form 618G (an annual return of the numbers of teaching staff employed by local authorities) for 1985-86.

† Figures for 1986-87 have been calculated from plans for student numbers and student: staff ratios contained in the 1986 public expenditure White Paper (Cmnd, 9702).

‡ The division of total lecturer numbers between maintained sector advanced and non-advanced further education relies on data from the annual monitoring survey of FE institutions. This will not be available for 1985-86 until Autumn 1986, and the figures shown are estimates.

Universities (Great Britain)
Academic Staff Numbers ('000s)

Academic Year	Actual 1984-85
(i) Full-time	
(a) wholly university financed	29·6
(b) other	12·9
(c) total	42·5
(ii) Part-time	
(a) teaching and research	2·4
(b) research only	0·8
(c) total	3·2

Notes: (a) Full-time equivalent figures for part-time staff are not available. *(b)* All figures are taken from returns made to the University Grants Committee by universities.

South African Observatory

Mr. Caborn asked the Secretary of State for Education and Science if he will make it his policy that South Africa should not have use of the Science and Engineering Research Council's equipment at the South African astronomical observatory.

Mr. Walden: No.

Mr. Caborn asked the Secretary of State for Education and Science if he will terminate all financial support by the Science and Engineering Research Council for astronomers to use the South African astronomical observatory.

Mr. Walden: No.

The interagency agreement by which SERC jointly funded the South African astronomical observatory with the South African Council for Scientific and Industrial Research has been suspended for five years from 1986. Unless the agreement is renewed there will be no guaranteed right of access by United Kingdom astronomers to SAAO, nor guaranteed funding for those who obtain observing time.

However individual United Kingdom astronomers are free to apply to the director SAAO for observing time. If they are successful they may apply to SERC for travel funds to use the SAAO. Such requests will be considered on their scientific merits in competition with other requests to use foreign telescopes.

South Africa (Commonwealth Accord)

Mr. Caborn asked the Secretary of State for Education and Science if he will give details of the measures which have been taken to discourage such cultural and scientific events as were agreed in the Commonwealth accord on southern Africa adopted on 20 October 1985.

Mr. Walden: The Government are committed to discouraging such events as were agreed in the Commonwealth accord on southern Africa adopted on 20 October 1985. No proposals for such events in my right hon. Friend's area of responsibility have come to his attention.

Howe Dell School, Hatfield

Mr. Murphy asked the Secretary of State for Education and Science if he is yet in a position to make a decision on the future of Howe Dell school in Hatfield.

Mr. Dunn: Hertfordshire county council's proposals to cease to maintain Howe Dell school in Hatfield are being considered: at present further information is awaited from the local education authority. Consideration of the proposals will be completed as quickly as is compatible with a full and careful examination of all the relevant issues.

Medical Students (Manchester)

Mr. Kaufman asked the Secretary of State for Education and Science what plans he has for the future numbers of medical students in Manchester.

Mr. Walden: The University Grants Committee notified the University of Manchester on 20 May of planning numbers for medical students until 1989-90. These envisaged no change in present intake levels.

DEFENCE

Supplies and Equipment

Mr. George asked the Secretary of State for Defence what estimate he has made of the proportion of current defence expenditure which is accounted for by payments of value added tax and excise duties in respect of purchases of supplies and equipment for the armed forces.

Mr. Lee: The effort involved in gathering this information would be disproportionately high. What I can say, however, is that the amount of VAT paid by the Ministry of Defence was 5·3 per cent. of total defence expenditure in the financial year 1985-86.

Mine Detection and Disposal Vehicles

Mr. Stephen Ross asked the Secretary of State for Defence when he anticipates announcing a decision in the competition to provide the Royal Navy with a new generation of remote underwater mine detection and disposal vehicles.

Mr. Lee: Tenders for the remote controlled mine disposal system have been received and are being assessed.

Armed Forces Accommodation (North Yorkshire)

Mrs. Elizabeth Shields asked the Secretary of State for Defence how much armed forces accommodation is currently vacant in North Yorkshire.

Mr. Freeman: As at 31 March 1986, the MOD owned a total of 4,314 married quarters in north Yorkshire, of which 840 were vacant. Of these about 20 are surplus to requirements and will be sold.

There is a requirement for the remaining 820, some of which have been allocated for planned deployments, some of which are undergoing works services to make them fit for future deployments and some of which may be demolished and replaced by new quarters. There are no empty barracks.

FOREIGN AND COMMONWEALTH AFFAIRS

South Africa

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government will terminate the no-visa agreement with South Africa.

Mrs. Chalker: We have no present plans to institute a visa requirement for South Africans entering the United Kingdom.

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to withdraw his reservations on the recommendations adopted by the United Nations Security Council Committee established under United Nations Security Council resolution 421 of 1977, designed to close existing loopholes in the United Nations mandatory arms embargo on South Africa and seek their adoption by the United Nations Security Council.

Mrs. Chalker: Our position was recorded in paragraph 82 of the report (S-14179) of the United Nations Security Council committee to which the hon. Member refers. This position has not changed.

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will make a statement on his recent meeting with Mr. Robert Mugabe, Prime Minister of Zimbabwe;

(2) if he will make a statement on his recent meeting with President Kaunda of Zambia.

Mrs. Chalker: My right hon. and learned Friend's meetings with Presidents Kaunda and Machel and with Prime Minister Mugabe provided an opportunity to explain the commitment of the 12 EC Governments to working for a genuine negotiated settlement in South Africa. My right hon. and learned Friend believes that these discussions increased understanding for his mission and were particularly valuable in preparation for his talks in South Africa next week.

Sir John Biggs-Davison asked the Secretary of State for Foreign and Commonwealth Affairs what discussion he had with Mr. Shevardnadze about southern Africa.

Mrs. Chalker: My right hon. and learned Friend gave Mr. Shevardnadze an account of his mission to southern Africa in his capacity as President of the European Council. He made clear to Mr. Shevardnadze our view that the aim should be to persuade the South African Government to create the conditions in which an end to apartheid can be brought about through peaceful negotiations. In order to create these conditions we have impressed on the South African Government the need to release black political leaders and end the ban on black political parties.

Sir John Biggs-Davison asked the Secretary of State for Foreign and Commonwealth Affairs what contingency plans have been made with the Union of Soviet Socialist Republics in case of sanctions against South Africa for the replacement of those minerals currently imported from South Africa indispensable to the United Kingdom economy.

Mrs. Chalker: We have no such plans.

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs if he will give details of the controls which exist, to enforce the embargo on the imports of arms, ammunition, military vehicles and paramilitary equipment from South Africa, as agreed in the Commonwealth accord on southern Africa adopted on 20 October 1985.

Mr. Alan Clark: I have been asked to reply.

Under powers provided by the Import of Goods (Control) Order 1954 applications have to be made for specific import licences for any imports of arms or ammunition from South Africa. No arms, ammunition, military vehicles or paramilitary equipment are procured from South Africa for the armed forces.

Mr. Caborn asked the Secretary of State for Foreign and Commonwealth Affairs if there are any controls over the provision by South Africa of licences for the manufacture of military or paramilitary equipment in the United Kingdom.

Mr. Alan Clark: I have been asked to reply.

No.

Hong Kong

Sir Paul Bryan asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement regarding the state of law and order in Hong Kong.

Mr. Renton: The overall law and order situation in Hong Kong is good. Hong Kong's reported crime rates are lower than those of most cities of comparable size. The maintenance of law and order is primarily the responsibility of the Royal Hong Kong police force, which has a strength of 25,420 disciplined staff supported by 5,505 civilian staff and 4,847 part-time auxiliaries. Developments in the crime situation are closely monitored by a central fight crime committee, which comprises senior Hong Kong Government officials and community representatives, and by the territory's 19 district crime committees.

Sir Paul Bryan asked the Secretary of State for Foreign and Commonwealth Affairs if he is satisfied that the container terminal facilities in Hong Kong are adequate to support its position as one of the leading ports in the world.

Mr. Renton: In 1985 the port of Hong Kong handled over 13,000 ocean-going vessels. Over one third of this traffic was containerised. Hong Kong is the world's third largest container port after New York and Rotterdam, and may be about to overtake the latter. The Kwai Chung container terminals at present comprise six berths with over 2,300 m of quay and 88 hectares of cargo handling area. The Hong Kong Government have drawn up a programme for the phased development of additional terminal facilities. Under the programme 15·5 hectares of seabed are now being reclaimed in order to provide additional back-up facilities. In addition, the Hong Kong Government announced last year that a further 28 hectares of seabed would be reclaimed to provide three additional berths and associated terminal facilities.

Commonwealth Membership (Economic Effects)

Sir John Biggs-Davison asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish his assessment of the economic effects of the United Kingdom's membership of the Commonwealth.

Mr. Eggar: Over the period 1984-85, the countries of the Commonwealth accounted for some 10 per cent. of the United Kingdom's external trade, took 39 per cent. of net new outward investment by United Kingdom companies and contributed 38 per cent. of the earnings from outward direct investment by United Kingdom companies. Over the same period, the United Kingdom ran an annual trade surplus of £1·1 billion with the countries of the Commonwealth.

EMPLOYMENT

College of the Air

Mr. Carter-Jones asked the Paymaster General if he will discuss with the Open University the role it can play in establishing the College of the Air; what account he is taking of the Open University's track record and experience in providing such education and training and of the role of the Open University in providing education and training for disabled students; and if he will make a statement.

Mr. Trippier: Representatives of the Open University have been involved in discussions about the setting up of a College of the Air. Full weight is being given to the record and experience of the Open University, including the provision made for disabled students.

Restart Programme

Mr. Thurnham asked the Paymaster General what proportion of people interviewed on the Restart programme are referred to Department of Health and Social Security benefit offices on the grounds that they are earning more than £4 a week.

Mr. Lang: I shall reply to my hon. Friend as soon as possible.

Tourism

Mr. Batiste asked the Paymaster General what progress has been made in removing obstacles to tourism and improving job prospects in the industry since publication of the Government's report "Pleasure, Leisure and Jobs —The Business of Tourism" in July 1985.

Mr. Kenneth Clarke: The Government have today published a further report entitled "Action for Jobs in Tourism" which provides a detailed review of progress on the action points in "Pleasure, Leisure and Jobs" and describes other new developments, either planned or already in progress, which will help to strengthen tourism's contribution to employment generation. Copies of the report have been placed in the Library. It is the Government's intention to publish an annual survey of tourism activities on these lines, complementing the annual reports of the statutory tourist boards.

TRADE AND INDUSTRY

Research and Development

1. **Mr. Ron Davies** asked the Secretary of State for Trade and Industry if he will set out the current level of support from his Department for research and development.

Mr. Channon: My Department plans to spend £415 million in 1986-87 on support for research and development.

Council of Ministers (Presidency)

2. **Mr. Rowe** asked the Secretary of State for Trade and Industry what are the objectives which his Department aims to achieve during the United Kingdom presidency of the European Council of Ministers.

Mr. Channon: We will aim to achieve faster progress towards completing the internal market, a successful launch of the new GATT round, better relations wih the United States and Japan, and agreement on a new research and development framework programme for 1987 to 1991.

Privatisation

4. **Mr. Phillip Oppenheim** asked the Secretary of State for Trade and Industry what are his latest intentions with regard to the timetable for the privatisation of state-owned industries for which he is responsible.

Mr. Channon: Subject to market conditions, the Government intend to return Rolls-Royce to the private sector during the first half of 1987. Decisions on the method and timing of returning other businesses to the private sector will be announced when they have been taken.

Bankruptcies

11. **Mr Ron Brown** asked the Secretary of State for Trade and Industry how many firms were declared bankrupt in 1984, 1985 and 1986 to date.

Mr. Howard: Bankruptcies in Great Britain in 1984 and 1985 were 8,521 and 7,074 respectively. Provisionally, there were 3,221 in the first five months of 1986. Unincorporated businesses usually account for between 75 and 80 per cent. of total bankruptcies.

46. **Mr. Rogers** asked the Secretary of State for Trade and Industry if he will indicate how many bankruptcies have taken place in the last 12 months.

Mr. Howard: The provisional number of bankruptcies in England and Wales for the period 1 June 1985 to 31 May 1986 is 6,936. The figure includes receiving orders and administration orders.

Manufacturing Trade

19. **Mr. Teddy Taylor** asked the Secretary of State for Trade and Industry what was the balance in manufacturing trade with the European Economic Community and the rest of the world, respectively, over the most recent 12-month period for which figures are available; and if he will make a statement.

Mr. Butcher: In the 12 months ending May 1986 there was a crude deficit on manufacturing trade with the rest of the European Community of £10·3 billion. In the same period there was a crude surplus on this trade with the rest of the world of £4·5 billion.

Textile Goods (Tariffs)

20. **Mr. Lawler** asked the Secretary of State for Trade and Industry what action Her Majesty's Government intend to take in the face of the list of tariffs in United Kingdom textile goods outlined in the recent National Economic Development Office report.

Mr. Butcher: In the new GATT round it will be an important objective to secure reductions in tariff and other barriers to exports of textile and other products. In the meantime the Community's mandate for the multi-fibre arrangement negotiations provides for more favourable treatment for those countries which maintain open markets than for those which do not.

Regional Policy

21. **Mr. Simon Hughes** asked the Secretary of State for Trade and Industry if he will give the total sums, at 1979 prices, devoted to regional policy in *(a)* 1979 and *(b)* 1985.

Mr. Peter Morrison: Comprehensive figures are available for financial years only. The figures for Great Britain for 1979-80 and 1985-86 at 1979-80 prices are £519 million and £355·5 million respectively.

53. **Mr. Roy Hughes** asked the Secretary of State for Trade and Industry what progress is being made in his review of regional policy; and if he will make a statement.

Mr. Peter Morrison: I refer the hon. Member to my recent reply to the hon. Member for the Isle of Wight (Mr. Ross).

South Africa (Export Credit)

22. **Mr. Stern** asked the Secretary of State for Trade and Industry if he will state the overall value of export credit given to investment in South Africa over the last 12 months.

Mr. Butcher: No new investment insurance liabilities were taken on during this period for South Africa.

EC (Exports)

23. **Mr. Knox** asked the Secretary of State for Trade and Industry what was the value of exports to other member countries of the European Community in the most recent year for which figures are available; and how this compares with the value in 1978 at constant prices.

Mr. Butcher: In the year to May, United Kingdom exports to the other 11 members of the European Community amounted to £35·5 billion compared to £14·5 billion in 1978. These figures are at current prices. Constant price figures are not available, but a rough estimate of the increase in volume would be about 45 per cent.

Technology Education

24. **Mr. Evennett** asked the Secretary of State for Trade and Industry what his Department is doing to encourage the teaching of technology in schools.

Mr. Butcher: The Department of Trade and Industry is actively promoting the teaching of technology in schools through a number of projects. British School Technology provides a teacher training service and supplies buses converted into mobile technology classrooms. The central aim of the science and technology regional organisation network is

"to enhance young people's understanding of science, technology, engineering and industry".

Expenditure on these and related activities in 1986-87 will be about £1 million.

British Leyland

25. **Mr. Chris Smith** asked the Secretary of State for Trade and Industry when he next intends to meet the chairman and managing director of British Leyland; and what items will be discussed.

Mr. Peter Morrison: My right hon. Friend and I meet Mr. Day frequently to discuss items of mutual interest.

Regional Policy (North of England)

26. **Mr. Galley** asked the Secretary of State for Trade and Industry what recent representations he has received proposing changes in regional policy for the north of England.

Mr. Peter Morrison: The Department has received several representations about regional policy from the north of England since the beginning of the year. In addition Ministers have met hon. Members on a number of occasions to discuss the policy.

US (Investment)

27. **Mr. Sumberg** asked the Secretary of State for Trade and Industry what information he has about the level of United States investment in the United Kingdom in *(a)* 1984 and *b)* 1985; and how many jobs he estimates this investment created or safeguarded.

Mr. Peter Morrison: The total numbers of known decisions to invest in the United Kingdom by companies from the United States were 156 in 1984 and 193 in 1985. The Department estimates that these decisions will lead to the creation or safeguarding of over 50,000 jobs.

British Steel

28. **Mr. Brandon-Bravo** asked the Secretary of State for Trade and Industry what are the latest profit figures for British Steel; and if he will make a statement.

Mr. Channon: The British Steel Corporation's report and accounts for 1985-86, published last week, show a profit for that year of £76 million, after interest but before exceptional items. This is BSC's best result for over a decade and, as I am sure the whole House will agree, reflects the greatest credit upon the chairmen, board and work force of the corporation.

Multi-fibre Arrangement

29. **Mr. Ron Lewis** asked the Secretary of State for Trade and Industry if he will provide an up-to-date report on the current state of negotiations on the multi-fibre arrangement.

Mr. Butcher: The European Commission is conducting the negotiations on renewal of the MFA on behalf of the Community in accordance with the mandate approved by the Council of Ministers on 11 March. I am confident that a protocol of extension of the MFA will be negotiated by the end of July, when the present arrangement expires. In parallel the Community has reached provisional agreement with a number of supplier countries on the renewal of bilateral agreements. My hon. Friend the Minister of Trade is keeping in close touch with the industry and other interested parties as the negotiations progress.

33. **Mr. Patchett** asked the Secretary of State for Trade and Industry what representations he has received about the renewal of the multi-fibre arrangement; and if he will make a statement.

Mr. Butcher: My hon. Friend is maintaining close contact with the industry as negotiations progress and receives representations from them on a wide range of points. He has also received representations from the trade unions, the World Development Movement, importers, consumers and local authorities.

37. **Mr. Pike** asked the Secretary of State for Trade and Industry what recent representations he has received regarding the renewal of the multi-fibre arrangement; and if he will make a statement.

Mr. Butcher: My hon. Friend is maintaining close contact with the industry as negotiations progress and receives representations from them on a wide range of points. He has also received representations from the trade unions, the World Development Movement, importers, consumers and local authorities.

Sir John Farr asked the Secretary of State for Trade and Industry what provisions European Economic Community negotiators are making in discussions about the multi-fibre arrangements for the possibility that the

United States Government may be unable to sign the new multi-fibre arrangement if the Bill to be debated in Congress on 6 August to cut back clothing and textile imports from Third world countries is passed.

Mr. Alan Clark: Negotiations on a renewal of the multi-fibre arrangement will resume in Geneva on 21 July. The United States is playing a full part in the negotiations. I am hopeful that a conclusion acceptable to all parties will be reached.

Sir John Farr asked the Secretary of State for Trade and Industry if he will make a statement on the outcome of the meeting on 2 and 3 July in Geneva in relation to the new multi-fibre arrangement.

Mr. Alan Clark: The GATT textiles committee met on 2 July. There is a broad consensus that the MFA should be renewed, but detailed drafting of a new protocol has not yet started. The committee will meet again on 21 July, with the objective of concluding a new protocol before the end of the month.

Sir John Farr asked the Secretary of State for Trade and Industry what is the anticipated duration of the new multi-fibre arrangement.

Mr. Alan Clark: The duration of renewal of the multi-fibre arrangement is still under discussion. The European Community is seeking an extension for four or five years.

Sir John Farr asked the Secretary of State for Trade and Industry what quota growth rates in relation to the multi-fibre arrangement have been incorporated into the agreements so far initialled.

Mr. Alan Clark: The details of provisional agreements between the European Community and supplier countries cannot be publicly disclosed while negotiations with other countries are still in progress. I am satisfied that these provisional agreements adequately safeguard British interests.

Sir John Farr asked the Secretary of State for Trade and Industry what analysis he has had conducted on the number of jobs likely to be lost in the clothing and textile industries of the European Economic Community and of the United Kingdom if the multi-fibre arrangement is renewed on the terms proposed by the European Economic Community.

Mr. Alan Clark: The last study of the economic effects of the multi-fibre arrangement to be commissioned by the Government was that by Professor Silberston, published in December 1984. A copy is in the Library.

Sir John Farr asked the Secretary of State for Trade and Industry whether it is his intention to seek the inclusion of a clause in the new multi-fibre arrangement to ensure that trade in clothing and textiles will benefit employees in the poorest countries.

Mr. Alan Clark: Yes. The European Community, with strong British support, is aiming to ensure that the renewed MFA gives special treatment for the poorest suppliers of textiles and clothing, such as Bangladesh. Employees in these countries can best be helped by providing markets for their goods.

Leyland Vehicles

30. **Ms. Jo Richardson** asked the Secretary of State for Trade and Industry if there is any intention on the part of the BL board to separate Freight Rover from Land Rover within Leyland Vehicles; and if he will make a statement.

Mr. Peter Morrison: Land Rover UK Ltd. includes Land Rover Ltd. and Freight Rover. Leyland Vehicles is a separate subsidiary of the Rover Group. The Rover Group has no plans to separate Freight Rover from Land Rover.

39. **Mr. Robert Atkins** asked the Secretary of State for Trade and Industry if he will make a further statement on the future of Leyland Vehicles.

Mr. Peter Morrison: The board of the Rover Group are considering the bids received for Leyland Bus and my right hon. Friend will make a further statement shortly. The chairman of the Rover Group has stated publicly that he is exploring the possibilities for collaborative and other arrangements with other manufacturers.

Steel Industry

31. **Mr. Caborn** asked the Secretary of State for Trade and Industry if he will make a statement on the current state of the steel industry.

Mr. Channon: The profits recently announced by the British Steel Corporation together with signs of growing profitability among private sector firms such as Sheerness Steel and Arthur Lee, indicate that the industry is in a better condition now than for some years. The industry still faces major challenges, but the progress made in recent years is most encouraging.

Redundant Steel Workers

32. **Mr. Tom Clarke** asked the Secretary of State for Trade and Industry if he is satisfied with the progress of the programme for the re-training of redundant steel workers.

Mr. Butcher: Yes. In appropriate cases, support for redundant steelworkers who wish to be retrained is provided either by the Government, through a scheme jointly funded with the European Coal and Steel Community, or by the British Steel Corporation.

Product Liability

34. **Mr. Gregory** asked the Secretary of State for Trade and Industry why primary agricultural products are to be excluded from the proposed legislation on product liability.

Mr. Howard: The Directive on product liability was conceived as a measure directed at manufactured or processed goods. It would not be appropriate to extend it to primary, unprocessed agricultural products whose characteristics are different in many ways from industrially produced goods. Primary agricultural products are particularly susceptible to environmental factors outside the farmer's control. Moreover, the mixing of large quantities of bulk agricultural supplies at trade markets would in any event make it very difficult to trace a particular product back to the farmer or other primary producer.

45. **Mr. Gerald Howarth** asked the Secretary of State for Trade and Industry what representations he has received from industry, following his statement of 1 July, *Official Report*, column *465*, on product liability.

Mr. Howard: Since the statement two representations have been received from hon. Members enclosing earlier letters from constituents.

48. **Mr. Thornton** asked the Secretary of State for Trade and Industry what provision he intends to make in the proposed legislation on product liability for compensation for injury or damage caused to consumers by poor quality imported goods.

Mr. Howard: Legislation to implement the EC directive on product liability will make manufacturers and importers of products from outside the Community liable, on an equal footing, for damage caused by defective products they put into circulation. The directive provides that, without prejudice to the liability of a producer, any person who imports into the Community shall be deemed to be a producer.

54. **Mr. Andy Stewart** asked the Secretary of State for Trade and Industry if he has yet defined the meaning of misuse to be applied to the proposed legislation implementing the European Community directive on product liability.

Mr. Howard: The implementing legislation has not been drafted, so I cannot yet say precisely what words will be proposed. But we intend to make clear that the safety to be expected of a product should be determined by taking into account the use to which it would be reasonable to expect that the product would be put.

Mr. Greg Knight asked the Secretary of State for Trade and Industry what information he has as to the dates on which each member country of the European Economic Community intends to incorporate the EEC directive on product liability into its domestic law.

Mr. Howard: All states are required to have their implementing legislation in force by July 1988. The precise dates on which they will implement the directive will vary slightly, but it is unlikely that many member states will have their measures in force much before then.

EC (United Kingdom Presidency)

35. **Mr. Baldry** asked the Secretary of State for Trade and Industry what he hopes to achieve during the United Kingdom's presidency of the European Community on matters for which he is responsible.

Mr. Channon: We will aim to achieve faster progress towards completing the internal market, a successful launch of the new GATT round, better relations with the United States and Japan, and agreement on a new research and development framework programme for 1987 to 1991.

42. **Mr. Peter Bruinvels** asked the Secretary of State for Trade and Industry if he will detail his objectives during the United Kingdom's presidency of the European Economic Community in matters for which he is responsible.

Mr. Channon: We will aim to achieve faster progress towards completing the internal market, a successful launch of the new GATT round, better relations with the United States and Japan, and agreement on a new research and development framework programme for 1987 to 1991.

Unfair Trading Practices

36. **Mr. Chapman** asked the Secretary of State for Trade and Industry how many cases of complaint about unfair trading practices have been referred to his Department's unfair trade unit; and if he will make a statement.

Mr. Paul Channon: More than 40 complaints have been referred to the unfair trade unit since 13 May. These have been carefully examined to ensure that, where appropriate, action is taken to remedy the problem.

Blank Audio Tapes

38. **Mr. Squire** asked the Secretary of State for Trade and Industry what representations he has received since his recent White Paper on the proposed levy on blank audio tapes.

Mr. Channon: So far, about 80 written representations have been received on the proposals for a levy on blank audio tape set out in the White Paper "Intellectual Property and Innovation", Cmnd 9712. Copyright interests have in general supported the introduction of a levy. Representations opposing a levy have come from the Tape Manufacture Group, the National Consumer Council and the Royal Institute for the Blind, among others.

Leyland Bus

40. **Mr. Wareing** asked the Secretary of State for Trade and Industry if he will make a statement on the current position with regard to bids for Leyland Bus.

Mr. Peter Morrison: The board of The Rover Group is considering the bids received for Leyland Bus and my right hon. Friend will make a further statement shortly. The chairman of The Rover Group has stated publicly that he is exploring the possibilities for collaborative and other arrangements with other manufacturers.

Internal Market (EC)

41. **Mr. Patrick Thompson** asked the Secretary of State for Trade and Industry what measures he intends to take during the United Kingdom presidency of the European Commission about the operation of the internal market.

Mr. Butcher: I refer my hon. Friend to the answer my hon. Friend the Minister for Trade gave to my hon. Friend the Member for Solihull (Mr. Taylor) on 11 July.

Manufactured Goods (Deficit)

43. **Mr. Fisher** asked the Secretary of State for Trade and Industry when he next intends to meet the Confederation of British Industry to discuss the trade deficit in manufactured goods.

Mr. Butcher: My right hon. Friend meets the CBI regularly at the National Economic Development Council and on other occasions. At present he has no plans for a separate meeting on this subject.

50. **Mr. Fatchett** asked the Secretary of State for Trade and Industry if he will indicate the nature and size of the current deficit in the balance of trade in manufactured goods; and if he will make a statement.

Mr. Butcher: In the three months ended May 1986 there was a deficit of £1 billion.

Citizens Advice Bureaux

44. **Mr. Kirkwood** asked the Secretary of State for Trade and Industry whether he has any plans to increase the funds available for the services provided by citizens advice bureaux.

Mr. Howard: My Department's grants both to the national and scottish associations of citizens' advice bureaux have increased substantially in recent years. In deciding future levels of funding, I will take into account the needs of the two associations and the resources at my disposal.

Sub-post Office Network

47. **Mr. Freud** asked the Secretary of State for Trade and Industry what representations he has received on the future of the sub-post office network.

Mr. Butcher: Since the beginning of the year, the Department has received some 90 representations on the future of the sub-post office network from hon. Members and members of the public.

EUREKA

49. **Mr. Coombs** asked the Secretary of State for Trade and Industry if he will make a statement on his chairmanship of the EUREKA inter-ministerial conference on 30 June.

55. **Mr. Forth** asked the Secretary of State for Trade and Industry if he will make a statement on the outcome of the EUREKA ministerial meeting in London on 30 June.

Mr. Channon: At the third EUREKA ministerial conference on 30 June, Ministers from 18 European countries and a member of the Commission of the European Communities welcomed the accelerating momentum of EUREKA. They announced 62 new EUREKA projects over and above the 10 announced at the second ministerial conference in November 1985, and agreed to set up a small independent secretariat in Brussels under M. Xavier Fels who will serve on secondment from the French Government.

In addition they endorsed procedures for work in EUREKA on collaborative projects and emphasised the need to identify appropiate measures to remove market obstacles to the success of EUREKA projects. They took note of continuing work in EUREKA to encourage management development on a Europewide basis, and on the possible provision of a clearing house for information on sources of venture capital for EUREKA projects.

Iceland, as the last remaining member of EFTA, became a member of EUREKA. The EUREKA chairmanship has now been passed to Sweden.

Shipbuilding (Orders)

51. **Mr. Dixon** asked the Secretary of State for Trade and Industry if he will make a statement on the current orders for British shipbuilding.

Mr. Peter Morrison: World market conditions remain very depressed, but there are a number of hopeful prospects for new orders for shipbuilding yards in Great Britain. Details are commercially confidential. However, I refer the hon. Member to the answer given to the hon. Member for Dunfermline East (Mr. Brown) on Tuesday 6 May 1986, which listed current orders won by British Shipbuilders since January 1985. As regards Harland and Wolff, the private sector and the warship yards, a number of orders were notified to my Department during the period 1 January 1985-31 May 1986. The list follows. Yesterday, my right hon. Friend announced that he will be planning orders for three type 23 frigates as soon as contract terms have been settled. Two will be built at Yarrow, and one at Swan Hunters.

Builder and type of vessel	*Date reported*	*Gross tonnage*	*Completion date*
Bolson & Son			
Launch	May 1985	146	May 1985
Yacht	October 1985	259	October 1985
Passenger	July 1985	259	July 1985
Campbeltown Shipyard			
Seiner Trawler	June 1985	220	May 1986
Seiner Trawler	October 1985	220	July 1986
Seiner Trawler	October 1985	220	November 1986
Seiner Trawler	May 1986	220	February 1987
Cochrane (Goole)			
Oil Rig Supply Vessel	February 1985	1,599	April 1986
Oil Rig Supply Vessel	April 1985	1,599	July 1986
Cochrane (Selby)			
Cargo	February 1985	799	March 1986
Oil Rig Supply Vessel	April 1985	1,599	June 1986
Passenger/Vehicle Ferry	December 1985	3,000	February 1987
J. W. Cook & Co.			
S. P. Grab Hopper Dredger	June 1985	200	August 1986
Cygnus Marine			
Trawler	March 1985	170	July 1986

Builder and type of vessel	Date reported	Gross tonnage	Completion date
Fishing Vessel (Potter)	December 1985	140	October 1986
Trawler	December 1985	145	December 1986
Trawler*	December 1985	140	September 1986
R. Dunston (Hessle)			
Tug	March 1985	260	January 1986
Passenger/Vehicle Ferry	October 1985	206	June 1986
Passenger/Vehicle Ferry	October 1985	206	June 1986
Passenger/Vehicle Ferry	December 1985	206	September 1986
Passenger/Vehicle Ferry	December 1985	206	January 1987
N/P Barge	January 1986	350	December 1986
N/P Barge	January 1986	350	January 1987
J. & G. Forbes			
Fishing Vessel	March 1985	178	February 1986
Trawler	June 1985	178	October 1986
Trawler	January 1986	178	April 1987
Harland & Wolff			
Bulk Carrier	March 1985	90,800	December 1986
SWOPS	March 1985	51,200	December 1987
Auxiliary Oil Replacement	April 1986	26,400	June 1990
Herd & MacKenzie			
Seiner Trawler	May 1985	180	October 1985
Trawler	May 1985	180	April 1986
Seiner Trawler	September 1985	150	August 1986
Seiner Trawler	March 1986	180	November 1986
Trawler	March 1986	200	May 1987
Trawler	March 1986	200	May 1987
Jones Buckie Shipyard			
Seiner Trawler	May 1985	184	December 1985
Seiner Trawler	May 1985	200	July 1986
Fishing Vessel	May 1985	120	December 1986
McTay (Marine) Ltd.			
Tug	December 1985	500	November 1986
Tug	January 1986	225	February 1987
Tug	January 1986	225	February 1987
James N. Miller & Son			
Trawler	April 1985	250	July 1986
Seiner Trawler	March 1986	250	October 1986
Richards Shipbuilders			
Oil Rig Supply Vessel	October 1985	1,450	September 1986
Tug	October 1985	280	October 1986
Seiner Trawler	February 1986	250	March 1987
Souter & Sons			
Yacht	May 1985	170	May 1985
Yacht	May 1985	112	June 1985
Torpoint Steel Boats			
Yacht	June 1985	118	June 1985
Tough Bros.			
Motor Yacht	May 1985	350	June 1986
Yorkshire Dry Dock Co.			
Cargo	May 1985	794	April 1986
Cargo	July 1985	794	July 1986
Cargo	July 1985	794	November 1986

Warship yards

Month	Yard	Number(s)	Type of Vessel	SDT*	Owner	Registration
1985						
February	Cammell Laird	1	Type 22 Frigate	4,200	MOD(N)	United Kingdom
	Swan Hunter	1	Type 22 Frigate	4,000	MOD(N)	United Kingdom
March	McTay Marine	3	× Landing Craft	600	MOD(N)	United Kingdom
June	Vosper Thornycroft	2	× Mine countermeasure vessels	†1,270	MOD(N)	United Kingdom

Month	Yard	Number(s)	Type of Vessel	SDT*	Owner	Registration
August	Vosper Thornycroft	1	Minehunter	397	MOD(N)	United Kingdom
1986						
January	Cammel Laird	3	× Patrol class submarines	7,200	MOD(N)	United Kingdom
	Vickers	1	Nuclear submarine	4,200	MOD(N)	United Kingdom
	Vosper Thornycroft	1	Fast strike craft	365	—	Overseas

* SDT = Standard displacement tonnage. The weight of water displaced by a ship when fully armed.
† Total.
Note: The majority of new orders of 100 gross tonnes and over are notified to the Department of Trade and Industry.

Consumer Protection

52. **Mr. Amess** asked the Secretary of State for Trade and Industry if Her Majesty's Government plan any further initiatives in consumer protection.

Mr. Howard: Initiatives on a wide range of issues of consumer interest are current in hand. The Government intend, as soon as parliamentary time allows, to introduce legislation to establish a general prohibition of misleading price indications, a general safety requirement and provisions to implement the European Community directive on product liability. Before the end of the year I shall be placing before the House draft regulations implementing the recent European Community directive on misleading advertising. Over the coming months I shall also be placing before the House draft regulations on electrical plugs and sockets; the surface temperature of cookers; the safety of gas cookers; on asbestos products; and on unsolicited goods.

My Department has recently issued a consultation document on our proposals for the implementation of the European Community directive on doorstep selling and will shortly be completing a review of the existing legislation on pyramid selling which I expect to result in proposals for strengthening and simplifying that legislation. Next year we will be considering possible changes in the legislation on supply of goods and services which may be necessary when the expected report from the Law Commissions on this subject is received.

A number of consumer issues, including toy safety, a review of the notification system for unsafe projects and a draft directive on consumer credit, are being progressed in the European Community where I shall be chairing a meeting of the Council of Ministers to discuss these and other questions on 29 October.

Anti-Discrimination Measures

56. **Mr. Janner** asked the Secretary of State for Trade and Industry if he will make a statement on the progress of the ethnic minority and implementation of the programme of action on women in the Civil Service in relation to staff in his Department.

Mr. Butcher: The Department is participating fully in the phased ethnic monitoring survey being conducted throughout the Civil Service. By the end of 1986 well over half the Department's staff will have been surveyed and the survey of the remainder is planned to be completed by the middle of 1987. Since October 1985 all new entrants to the Department have been invited to participate in the survey.

The Department continues to implement the programme of action for women in the Civil Service. In particular, further efforts are being made to identify posts suitable for part-time and job sharing arrangements; a leaflet has been prepared informing staff how the Department may be able to help those coping with changed domestic responsibilities; and the Department has established a training course for women in management.

Industrial Grants

Mr. Kirkwood asked the Secretary of State for Trade and Industry what account his Department takes of the impact on the health of national and local populations of industrial developments when considering grant applications from private industry.

Mr. Peter Morrison: Industrial developments for which grant from this Department is sought are subject, like other industrial developments, to the normal range of statutory permissions and controls relevant to health. It would generally be for the companies concerned, together with the relevant authorities, to satisfy themselves that they were in compliance with these controls. This Department would not therefore normally make any separate assessment in this area though where we were aware of potential difficulties we should discuss them with the companies or authorities concerned.

European Trade Marks Office

Mr. Tom Cox asked the Secretary of State for Trade and Industry if he will list the sites considered by Her Majesty's Government for selection as the United Kingdom's candidate for the site of the proposed European Trade Marks Office; and if he will make a statement.

Mr. Pattie: The Government issued a brochure in April giving a short list of four sites—at Harrow, Croydon, St. Katharine-by-the-Tower and Cockspur street by Trafalgar square—from which it is expected that the London candidate for the Community Trade Marks Office will be chosen in the very near future. The short list resulted from a detailed search of the property market during which a substantial number of sites were considered.

Textiles (Turkey)

Sir John Farr asked the Secretary of State for Trade and Industry if he will make a statement on the recent understanding concluded with clothing and textile manufacturers in Turkey.

Mr. Alan Clark: The Community and Turkey have recently signed a voluntary restraint agreement covering

a number of sensitive clothing products. Taken together with the corresponding arrangements on textiles which were signed last year, this provides for a comprehensive voluntary restraint regime in respect of textiles and clothing from Turkey. Both VRAs will be monitored carefully by the Commission and by the Government.

South Africa

Mr. Caborn asked the Secretary of State for Trade and Industry if he will give details of funding provided for trade missions to South Africa and for participation in exhibitions and trade missions in South Africa for the period from November 1985 to June 1986.

Mr. Alan Clark: At the time of the agreement reached by Commonwealth Heads of Government in Nassau last October that there should be no Government funding for trade missions to South Africa or for participation in exhibitions or trade fairs in that country, the British Overseas Trade Board was firmly committed to supporting three trade missions visiting South Africa in November and one group of British companies participating in a trade fair in Johannesburg, also in November. The cost of honouring these commitments totalled £40,385. The BOTB has since provided no financial support for either trade missions to South Africa or participation in local trade fairs.

English Estates

Mr. Parry asked the Secretary of State for Trade and Industry how many jobs have been created by English Estates in *(a)* Liverpool and *(b)* Merseyside in each of the past three years.

Mr. Peter Morrison: The following estimates are arrived at by multiplying the area of premises occupied by the average employment per 1,000 sq m.

The estimated employment arising from new occupations in English Estates premises in each of the last three years

	Liverpool	*Merseyside*
1983-84	319	1,789
1984-85	298	2,509
1985-86	707	2,303

The estimated total of those employed in all English Estates occupied premises at the end of the financial year

	Liverpool		*Merseyside*	
	Total	*Change on previous figure*	*Total*	*Change on previous figure*
31 March 1983	2,950	—	10,406	—
31 March 1984	2,873	−77	11,793	+1,387
31 March 1985	3,434	+561	13,929	+2,136
31 March 1986	3,753	+391	14,772	+843

Note:

The figures above are estimates of the gross number of jobs housed in English Estates premises. In order to assess the net employment effects of English Estates activities for Merseyside and Liverpool, it would be necessary to estimate the additionality, displacement, supplier effects and local income multipliers associated with these jobs. Estimates of these particular factors are not available for specific sub-regions.

Mr. Parry asked the Secretary of State for Trade and Industry if he will list the current English Estates projects on Merseyside at the latest date and the anticipated dates of completion.

Mr. Peter Morrison: The Mercury court project which involves the conversion of the previous Liverpool Exchange station and hotel is expected to be ready for letting this November. This involves 29,352 sq m of high quality office space in central Liverpool.

Reclamation of the previous Tate and Lyle sugar refinery is expected to be completed next February. Projects being completed this month comprise a 7,328 sq m factory at Huyton and a 2,359 sq m factory at Wavertree. Projects at the firm planning stage comprise units at Speke — 2,032 sq m — and hi-tech units at Wavertree — 2,583 sq m — expected to be completed in April and July 1987 respectively.

Mr. Parry asked the Secretary of State for Trade and Industry when English Estates expects to complete the Liverpool Exchange station project.

Mr. Peter Morrison: English Estates has completed construction of Mercury court — the previous Liverpool Exchange station and hotel. The fitting-out prior to letting is due for completion this November.

Germany (Visit)

Mr. Bright asked the Secretary of State for Trade and Industry if he will make a statement on his recent visit to Germany.

Mr. Channon: I visited Bonn and Munich on 24 June for discussion on a wide range of Community and international issues with Dr. Bangemann the Federal Minister of the Economy and Dr. Franz Josef Strauss, the Bavarian Minister-President. My visit confirmed the continuing closeness of the United Kingdom and German views on the major industrial and trade policy issues.

ENVIRONMENT

New Towns

Mr. Hawksley asked the Secretary of State for the Environment if he will give the details of each of the advances T1 to T419 included in the New Towns (Extinguishment of Liabilities) Order 1986 with the date when made.

Mr. Tracey: Long-term loans from the Secretary of State have been the principal source of finance for the new towns programme. Individual loans cannot be linked to specific activities or items of expenditure. The advances included in the draft New Towns (Extinguishment of Liabilities) Order 1986 are all 60-year fixed interest annuity loans repayable by half-yearly instalments. Information on the amount of the advance, principal outstanding at 31 August 1986 and interest accrued to 31 August is included in the draft order. Dates on which the initial advance was made are not readily obtainable; the date of the first repayment and the interest rate for each of the loans from T1 to T419 listed in the draft order are as follows:

Ref. No.	Date of first repayment	Interest rate (per cent.)
T 1	15 September 1968	5·625
T 2	15 September 1968	5·750
T 3	15 September 1968	5·375
T 4	15 September 1968	5·500
T 5	15 September 1968	5·625
T 6	15 September 1968	5·750
T 7	15 September 1968	5·875
T 8	15 September 1968	6·000
T 9	15 September 1968	5·875
T 10	15 September 1968	6·000
T 11	15 September 1968	6·000
T 12	15 September 1968	6·000
T 13	15 March 1969	6·000
T 14	15 March 1969	6·750
T 15	15 March 1969	6·875
T 16	15 March 1969	7·000
T 17	15 September 1968	7·000
T 18	15 September 1968	7·375
T 19	15 March 1969	7·375
T 20	15 March 1969	7·500
T 21	15 March 1969	7·750
T 22	15 March 1969	7·625
T 24	15 September 1969	7·750
T 25	15 September 1969	8·000
T 26	15 September 1969	8·125
T 27	15 September 1969	8·250
T 28	15 September 1969	8·500
T 29	15 September 1969	8·750
T 30	15 March 1970	8·750
T 32	15 March 1970	9·125
T 34	15 March 1970	9·625
T 35	15 March 1970	9·375
T 36	15 March 1970	9·250
T 37	15 September 1970	9·375
T 38	15 September 1970	9·375
T 39	15 September 1970	9·125
T 40	15 September 1970	9·000
T 41	15 September 1970	9·250
T 44	15 September 1970	8·750
T 45	15 March 1971	8·750
T 46	15 March 1971	9·250
T 47	15 March 1971	9·375
T 48	15 March 1971	9·250
T 49	15 March 1971	8·875
T 50	15 March 1971	9·125
T 56	15 September 1971	9·750
T 57	15 September 1971	9·375
T 58	15 September 1971	9·250
T 59	15 September 1971	9·125
T 60	15 March 1972	9·000
T 61	15 March 1972	8·750
T 62	15 March 1972	9·125
T 63	15 March 1972	9·000
T 64	15 March 1972	8·750
T 65	15 March 1972	8·875
T 66	15 March 1972	8·500
T 67	15 March 1972	8·750
T 68	15 March 1972	8·500
T 69	15 March 1972	8·375
T 70	15 September 1972	8·125
T 71	15 September 1972	8·000
T 72	15 September 1972	8·250
T 73	15 September 1972	7·750
T 74	15 September 1972	7·875
T 75	15 September 1972	8·000
T 76	15 September 1972	7·625
T 77	15 September 1972	7·875
T 78	15 September 1972	7·750
T 79	15 March 1973	7·750
T 80	15 March 1973	8·000
T 81	15 March 1973	8·125
T 82	15 March 1973	8·375
T 83	15 March 1973	8·750
T 84	15 March 1973	9·000
T 85	15 March 1973	8·875
T 86	15 March 1973	9·000
T 87	15 March 1973	9·125
T 89	15 September 1973	9·375
T 91	15 September 1973	9·500
T 92	15 September 1973	9·375
T 95	15 March 1974	9·625
T 97	15 March 1974	11·500
T 98	15 September 1974	11·500
T 99	15 September 1974	11·625
T101	15 September 1974	11·375
T102	15 September 1974	12·000
T103	15 September 1974	12·375
T104	15 September 1974	12·875
T105	15 September 1974	13·625
T107	15 March 1975	13·750
T108	15 March 1975	14·625
T109	15 March 1975	14·375
T110	15 March 1975	14·250
T111	15 March 1975	13·875
T112	15 March 1975	13·750
T113	15 March 1975	14·500
T115	15 March 1975	15·875
T116	15 March 1975	15·250
T117	15 September 1975	15·250
T118	15 September 1975	15·000
T120	15 September 1975	16·250
T121	15 September 1975	16·375
T122	15 September 1975	16·750
T124	15 September 1975	14·500
T125	15 September 1975	14·375
T128	15 March 1976	13·500
T129	15 March 1976	14·000
T130	15 March 1976	14·875
T131	15 March 1976	14·625
T133	15 March 1976	13·875
T134	15 March 1976	13·625
T137	15 September 1976	13·875
T139	15 September 1976	15·000
T141	15 September 1976	15·000
T142	15 September 1976	15·125
T143	15 September 1976	13·625
T144	15 September 1976	13·625
T148	15 March 1977	14·250
T152	15 March 1977	14·750
T153	15 March 1977	14·625
T154	15 March 1977	14·750
T155	15 September 1977	15·250
T157	15 September 1977	16·500
T158	15 September 1977	16·250
T159	15 September 1977	15·875
T160	15 September 1977	15·750
T161	15 September 1977	15·500
T162	15 September 1977	14·625
T163	15 September 1977	14·250
T164	15 September 1977	14·500
T165	15 September 1977	14·500
T166	15 September 1977	14·375
T167	15 March 1978	14·375
T168	15 March 1978	13·500
T169	15 March 1978	13·375
T170	15 March 1978	13·625
T171	15 March 1978	13·375
T172	15 March 1978	13·000
T173	15 March 1978	13·500
T175	15 March 1978	14·000
T176	15 March 1978	14·125
T177	15 March 1978	13·500
T179	15 September 1978	13·375
T182	15 September 1978	11·625
T183	15 September 1978	11·125
T184	15 September 1978	11·375
T185	15 September 1978	12·000
T186	15 September 1978	11·500
T187	15 September 1978	11·125
T188	15 September 1978	11·375

Ref. No.	Date of first repayment	Interest rate (per cent.)
T189	15 September 1978	11·375
T190	15 September 1978	11·750
T191	15 September 1978	11·750
T192	15 September 1978	11·750
T193	15 September 1978	12·000
T194	15 September 1978	12·375
T195	15 September 1978	12·375
T196	15 September 1978	12·375
T197	15 September 1978	12·275
T198	15 March 1979	11·875
T199	15 March 1979	11·875
T200	15 March 1979	11·875
T201	15 March 1979	11·875
T202	15 March 1979	12·250
T203	15 March 1979	12·625
T204	15 March 1979	12·625
T205	15 March 1979	12·625
T206	15 March 1979	12·875
T208	15 March 1979	13·000
T209	15 March 1979	13·125
T210	15 March 1979	13·125
T211	15 March 1979	13·375
T212	15 March 1979	13·375
T213	15 March 1979	13·000
T214	15 March 1979	13·000
T215	15 March 1979	13·000
T216	15 March 1979	13·125
T217	15 March 1979	13·125
T218	15 March 1979	12·875
T219	15 March 1979	12·875
T220	15 March 1979	12·875
T221	15 March 1979	12·875
T222	15 March 1979	12·875
T223	15 March 1979	12·875
T225	15 September 1979	13·000
T226	15 September 1979	13·000
T227	15 September 1979	13·125
T228	15 September 1979	13·125
T229	15 September 1979	13·125
T230	15 September 1979	13·125
T231	15 September 1979	13·125
T232	15 September 1979	13·125
T233	15 September 1979	13·125
T234	15 September 1979	13·125
T235	15 September 1979	13·375
T236	15 September 1979	13·375
T237	15 September 1979	13·375
T238	15 September 1979	13·375
T239	15 September 1979	13·500
T240	15 September 1979	13·500
T241	15 September 1979	13·500
T242	15 September 1979	13·500
T243	15 September 1979	13·500
T244	15 September 1979	13·500
T245	15 September 1979	13·500
T246	15 September 1979	13·375
T247	15 September 1979	13·375
T248	15 September 1979	13·375
T249	15 September 1979	13·375
T250	15 September 1979	13·375
T251	15 September 1979	13·375
T252	15 September 1979	13·375
T253	15 September 1979	13·500
T254	15 September 1979	13·500
T255	15 September 1979	13·750
T256	15 September 1979	13·750
T257	15 September 1979	13·750
T258	15 September 1979	14·125
T259	15 September 1979	14·125
T260	15 September 1979	14·125
T261	15 September 1979	14·625
T262	15 September 1979	14·625
T263	15 September 1979	14·625
T264	15 September 1979	14·625
T265	15 September 1979	12·875
T266	15 March 1980	12·875
T267	15 March 1980	12·875
T268	15 March 1980	12·875
T269	15 March 1980	12·875
T270	15 March 1980	12·875
T271	15 March 1980	12·875
T272	15 March 1980	12·875
T273	15 March 1980	12·875
T274	15 March 1980	11·875
T275	15 March 1980	11·875
T276	15 March 1980	11·875
T277	15 March 1980	12·000
T278	15 March 1980	12·000
T279	15 March 1980	12·000
T280	15 March 1980	11·875
T281	15 March 1980	11·875
T282	15 March 1980	12·500
T283	15 March 1980	12·500
T284	15 March 1980	12·500
T285	15 March 1980	12·500
T286	15 March 1980	13·125
T287	15 March 1980	13·125
T288	15 March 1980	12·750
T289	15 March 1980	12·750
T290	15 March 1980	12·750
T291	15 March 1980	12·625
T292	15 March 1980	12·625
T293	15 March 1980	12·625
T294	15 March 1980	12·500
T295	15 March 1980	12·500
T296	15 March 1980	12·500
T297	15 March 1980	12·500
T298	15 March 1980	12·500
T299	15 March 1980	12·500
T300	15 March 1980	12·750
T301	15 March 1980	12·750
T302	15 March 1980	12·750
T303	15 September 1980	12·750
T304	15 September 1980	13·000
T305	15 September 1980	13·000
T306	15 September 1980	12·875
T307	15 September 1980	12·875
T308	15 September 1980	12·875
T309	15 September 1980	13·625
T310	15 September 1980	13·625
T311	15 September 1980	13·625
T312	15 September 1980	13·625
T313	15 September 1980	13·625
T314	15 September 1980	14·750
T315	15 September 1980	14·750
T316	15 September 1980	15·000
T317	15 September 1980	15·000
T318	15 September 1980	15·000
T319	15 September 1980	15·250
T320	15 September 1980	15·250
T321	15 September 1980	15·250
T322	15 September 1980	15·250
T323	15 September 1980	14·750
T324	15 September 1980	14·750
T325	15 September 1980	14·750
T326	15 September 1980	14·000
T327	15 September 1980	14·000
T328	15 September 1980	14·500
T329	15 September 1980	14·500
T330	15 September 1980	14·750
T331	15 March 1981	14·750
T332	15 March 1981	14·875
T334	15 March 1981	14·200
T335	15 March 1981	14·250
T336	15 March 1981	14·250
T337	15 March 1981	14·250
T338	15 March 1981	14·500
T339	15 March 1981	14·500
T340	15 March 1981	14·250
T341	15 March 1981	14·000

Ref. No.	Date of first repayment	Interest rate (per cent.)
T342	15 March 1981	14·000
T343	15 March 1981	14·125
T344	15 March 1981	13·750
T345	15 March 1981	13·750
T346	15 March 1981	13·750
T347	15 March 1981	13·500
T348	15 March 1981	12·750
T349	15 March 1981	13·375
T350	15 March 1981	13·375
T351	15 March 1981	13·750
T352	15 March 1981	13·750
T353	15 March 1981	14·000
T354	15 March 1981	14·000
T355	15 September 1981	14·000
T356	15 September 1981	13·375
T357	15 September 1981	13·250
T358	15 September 1981	13·125
T359	15 September 1981	13·500
T360	15 September 1981	13·250
T361	15 September 1981	13·250
T362	15 September 1981	13·375
T363	15 September 1981	13·375
T364	15 September 1981	14·125
T365	15 September 1981	14·250
T366	15 March 1982	14·000
T367	15 March 1982	14·000
T368	15 March 1982	14·000
T369	15 March 1982	13·500
T371	15 March 1982	13·750
T372	15 March 1982	13·750
T373	15 March 1982	14·375
T374	15 March 1982	14·375
T375	15 March 1982	14·375
T376	15 March 1982	14·375
T377	15 March 1982	14·375
T378	15 March 1982	14·500
T380	15 March 1982	14·875
T381	15 March 1982	15·250
T382	15 March 1982	15·250
T383	15 March 1982	15·625
T384	15 March 1982	15·375
T385	15 March 1982	15·375
T386	15 March 1982	15·000
T387	15 March 1982	15·000
T388	15 March 1982	15·375
T389	15 September 1982	16·250
T390	15 September 1982	15·750
T391	15 September 1982	15·875
T392	15 September 1982	15·875
T393	15 September 1982	13·750
T394	15 March 1983	14·000
T395	15 March 1983	13·625
T397	15 September 1983	11·625
T398	15 September 1983	11·625
T399	15 September 1983	11·000
T400	15 March 1984	11·125
T401	15 March 1984	11·125
T402	15 March 1984	10·750
T405	15 March 1985	10·250
T406	15 March 1985	11·000
T408	15 March 1985	11·000
T410	15 March 1985	11·375
T411	15 March 1985	11·875
T412	15 March 1985	11·875
T413	15 March 1985	11·875
T414	15 March 1985	10·875
T415	15 March 1985	10·875
T417	15 September 1985	10·875
T418	15 September 1986	10·625
T419	15 September 1986	9·625

Opencast Mining

Mr. Beith asked the Secretary of State for the Environment what factors he takes into account in considering applications for permission for opencast mining.

Mr. Tracey: All applications are considered on their merits, but my right hon. Friend has regard to the guidance contained in Department of the Environment circular 3/84 "Opencast Coal Mining".

Multiple Occupation

Mr. John Fraser asked the Secretary of State for the Environment what is his policy in relation to the confirmation of compulsory purchase orders on properties which have been subject to a control order as houses in multiple occupation.

Sir George Young: Compulsory purchase orders made under the Housing Acts are considered on their merits. Guidance on the submission of orders is given in appendix L to circular 6/85.

Council Tenants (Co-operatives)

Mr. Shersby asked the Secretary of State for the Environment if he will introduce legislation to enable council tenants to receive direct funding from local authorities to form co-operatives on estates where 51 per cent. of the tenants indicate by ballot their preference for local autonomy in terms of allocation, transfers and repairs; and if he will make a statement.

Sir George Young: The Housing and Planning Bill currently before Parliament already contains provisions enabling tenants' associations to require a local authority to consider and give a reasoned response to proposals for the delegation to them of housing management functions. The Bill also gives the Secretary of State power to pay grant to assist new and more responsive, more efficient ways of managing public sector housing.

Dog Licence Fees

Mr. Walters asked the Secretary of State for the Environment when a decision will be announced regarding the public response to his Department's consultation paper on dog licence fees; and if he will make a statement.

Mrs. Rumbold: We will announce our conclusions as soon as possible.

London Residuary Body

Mr. Tony Banks asked the Secretary of State for the Environment pursuant to his reply of 11 July, what charges are to be made by the London residuary body for the use of County hall by the organisers of the London Marathon.

Mrs. Rumbold: This is a matter for the London residuary body. I understand that, as in previous years, no charge will be made.

Mr. Tony Banks asked the Secretary of State for the Environment if he will list the outstanding claims for Government grants on behalf of the Greater London council and now due to the London residuary body.

Mrs. Rumbold: This question could not be answered without disproportionate cost since the information is not held centrally.

Mr. Tony Banks asked the Secretary of State for the Environment what requests have been made by the London residuary body for borrowing consents since 1 April.

Mrs. Rumbold: The London residuary body wrote to the Department on 8 July raising a number of questions about borrowing in 1986-87. We are considering our response.

Trust for London

Mr. Tony Banks asked the Secretary of State for the Environment from what source the funds will be drawn to establish the Trust for London in its first year of existence.

Mrs. Rumbold: The grant to the Trust for London will be made by order under section 49 of the Local Government Act 1985 which provides for the making of grants to eligible charities out of money received from the disposal of land by the residuary body.

County Hall (Disposal)

Mr. Tony Banks asked the Secretary of State for the Environment if he is prepared to allow bids from outside the United Kingdom to be considered by the London residuary body for the disposal of County hall; and if he will make a statement.

Mrs. Rumbold: Commercial bids for the disposal of County hall will be considered by the LRB wherever they come from.

Form ACCR 84/5

Dr. Cunningham asked the Secretary of State for the Environment if he will publish in the *Official Report* figures gained from form ACCR 84/5 for each local authority, showing *(a)* total accumulated capital receipts derived from section 1, column 6, row 5 of the form and *(b)* cash-backed accumulated capital receipts derived from section 2, column 6, row 6 of the form.

Mr. Ridley: I have today placed in the Library a table giving the information requested from Forms ACCR 84/85 submitted by local authorities. The table shows *(a)* total accumulated capital receipts including repayments of loans to housing associations, derived from section 1, column 6, row 5 of the Form; *(b)* total accumulated receipts excluding repayments of loans to housing associations, derived from section 1, column 6, row 5 less row 1 of the Form; and *(c)* cash backed accumulated capital receipts derived from section 2, column 6, row 6 of the Form. The totals for the 3 columns, including estimates for the two authorities for whom figures are not yet available, are: £6·7 billion; £6·2 billion and £3·7 billion respectively.

Urban Programme

Dr. Cunningham asked the Secretary of State for the Environment if he will provide a detailed breakdown of the total urban programme for the financial years 1978-79 to 1986-87 (estimated); and if he will list the outturn urban programme grants paid to each partnership, programme and designated authority and the estimated figure for 1986-87, comparing for each authority the level of funding in each year with *(a)* housing subsidy receivable and *(b)* block grant.

Mr. Ridley: I will answer this question shortly.

Planning Appeals (St. Albans)

Mr. Lilley asked the Secretary of State for the Environment what information he has as to the percentage of planning appeals to him which were successful *(a)* in total and *(b)* expressed as a percentage of the total number of planning applications in the area covered by the St. Albans district council in each of the years from 1983 to 1985.

Mr. Tracey: I will answer this question shortly.

NORTHERN IRELAND

Germany (Ministerial Visit)

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland what was the purpose of the recent official visit to the Federal Republic of Germany by the Minister of State, the hon. Member for Brent, North (Dr. Boyson).

Dr. Boyson: I made a one-day fact finding visit to gain firsthand experience of German lignite development in the Cologne area. Continuous opencast mining methods have been developed over the last 30 years so that the six lignite fired power stations in this area now provide one third of all West Germany's electricity. The Northern Ireland operation would be much smaller, but there is much we can learn from the German experience. I was impressed by the efficient yet sensitive way in which mining and restoration has taken place and the impact that the cheaply produced electricity is having in encouraging industrial and commercial growth.

Further Education Colleges

Mr. Hume asked the Secretary of State for Northern Ireland what information is available on the allocation for second contract or overtime payments from education and library boards for each of the further education colleges in Northern Ireland at present and for each of the past three years.

Dr. Mawhinney: The education and library boards meet directly the cost of these payments to full-time lecturers as shown in the table.

College	*1983-84 £000's*	*1984-85 £000's*	*1985-86 £000's*
Belfast Education and Library Board			
College of Business Studies	99	100	82
College of Technology	194	207	137

College	1983-84 £000's	1984-85 £000's	1985-86 £000's
Rupert Stanley College	103	122	104
North-Eastern Education and Library Board			
Antrim Technical College	10	9	12
Ballymena Technical College	45	62	66
Coleraine Technical College	24	20	21
Larne Technical College	19	12	10
Magherafelt College of Further Education	15	19	21
Newtownabbey Technical College	43	58	46
North Antrim College of Further Education	20	22	13
Northern Ireland Hotel and Catering College	2	5	3
South-Eastern Education and Library Board			
Castlereagh College of Further Education	11	16	20
Down College of Further Education	26	26	30
Lisburn College of Further Education	60	55	26
Newcastle College of Further Education	5	3	7
North Down College of Further Education	18	28	13
Southern Education and Library Board			
Armagh College of Further Education	34	42	42
Banbridge College of Further Education	14	19	19
East Tyrone Further Education Area	22	38	30
Lurgan College of Further Education	15	30	25
Newry/Kilkeel Further Education Area	96	96	110
Portadown College of Further Education	48	68	50
Western Education and Library Board			
Fermanagh College of Further Education	44	52	38
Limavady Technical College	22	19	28
North-West College of Technology	83	35	59
Omagh Technical College	27	27	21

Note: Figures for 1986-87 are not available.

Mr. Hume asked the Secretary of State for Northern Ireland what information is available on the number of full-time youth training programme places allocated to each of the further education colleges in Northern Ireland at present and for each of the past three years.

Dr. Boyson: I shall reply to the hon. Gentleman as soon as possible.

Mr. Hume asked the Secretary of State for Northern Ireland what information is available on the number of hours' attendance by part-time youth training programme trainees at each of the further education colleges in Northern Ireland at present and for each of the past three years.

Dr. Mawhinney: Information for the current academic year is not yet available, but figures for the last three years are as follows:

College	Hours attendance 1982-83	1983-84	1984-85
Belfast College of Technology	71,905	51,307	101,379
Belfast College of Business Studies	10,858	26,469	31,548
Rupert Stanley College	80,246	68,788	118,999
Antrim	5,065	14,198	11,523
Ballymena	—	4,560	—
Coleraine	17,034	12,039	7,460
Larne	2,376	4,162	2,704
Magherafelt	—	9,325	8,914
Newtownabbey	64,605	76,397	73,348
North Antrim	8,318	10,942	18,579
Northern Ireland Hotel and Catering	—	—	1,870
Castlereagh	12,237	25,146	28,851
Down	12,770	31,125	35,101
Lisburn	32,802	31,762	31,675
Newcastle	—	—	1,008
North Down	—	26,169	37,164
Armagh	9,520	7,534	5,870
Banbridge	1,859	—	15,063
East Tyrone	18,904	12,591	17,871
Lurgan	1,840	5,161	9,369
Newry/Kilkeel	63,443	73,298	78,707
Portadown	27,061	22,408	23,838
Fermanagh	23,114	19,084	35,523
Limavady	25,902	57,369	45,282
North-West	50,372	79,969	83,154
Omagh	22,127	30,308	31,712

YTS Places

Mr. Hume asked the Secretary of State for Northern Ireland what information is available on the number of full-time youth training programme places allocated to each of the Government training centres, youth and community workshops and other providers currently and for each of the past three years.

Dr. Boyson: I shall reply to the hon. Gentleman as soon as possible.

Anglo-Irish Intergovernmental Conference

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland what contribution the Anglo-Irish Intergovernmental Conference is making to the reduction of sectarian discord and violence.

Mr. Tom King: I shall reply to my hon. Friend as soon as possible.

SOCIAL SERVICES

Regional Health Authorities

Mr. Austin Mitchell asked the Secretary of State for Social Services (1) how much money in additional expenditure has been provided to the Yorkshire regional health authority and the Trent regional health authority over the past seven years under the resource allocation working party formula;

(2) how much money was transferred from regional health authorities in the south-east under the resource allocation working party in each of the past seven years.

Mr. Hayhoe: I regret that the information is not available in the form requested. Information on each region's resource growth from 1978-79 to 1984-85 was given in my reply to the hon. Member for Oldham, West (Mr. Meacher) on 11 June at columns *219-22*.

Single Payments

Mr. Clelland asked the Secretary of State for Social Services what methods are adopted by assessment officers in his Department to comply with the requirements of paragraph 5(3) of single payments circular S36/85.

Mr. Major: It is usually the practice for local offices to make inquiries about the prices at which items of reasonable quality are available at shops in the areas in which their claimants are likely to shop. A list of guide prices based on these enquiries is compiled in accordance with circular S36/85 which offices are advised to keep under regular review: the prices of individual items should be reviewed if at any time it becomes apparent that suitable items are no longer available at the guide price. Adjudication officers are also advised that the guide price should not automatically be used as the maximum for any item and that they should carefully consider reasons put forward by the claimant as to why a higher amount may be appropriate in an individual case.

Unemployed Claimants

Mr. Deakins asked the Secretary of State for Social Services how many unemployed claimants in Brighton and Leicester, respectively, received help with mortgage interest payments in each year from 1979.

Mr. Major: Information in the form requested is not available.

NHS Patients

Mr. Kirkwood asked the Secretary of State for Social Services if he will estimate the numbers of *(a)* in-patients, *(b)* day cases and *(c)* out-patients treated in the National Health Service for every year since 1970.

Mr. Whitney: I am sorry I cannot give the hon. Member the precise information he seeks. For the numbers of in-patient cases — not patients — and total out-patient attendances. I refer him to my reply to my hon. Friend the Member for Staffordshire Moorlands (Mr. Knox) on 7 July at columns *67-68*. The available information on day cases and new out-patient attendances is given in the table.

NHS hospitals in England

Year	*Day case attendances (Thousands)*	*New out-patient attendances (Thousands)*
1970	N/A	7,744·6
1971	N/A	7,918·6
1972	398·1	7,926·6
1973	409·2	7,916·1
1974	449·6	7,824·8
1975	421·7	6,925·9
1976	480·5	7,498·5
1977	536·2	7,612·1
1978	562·2	7,711·9
1979	592·1	7,713·5
1980	670·8	7,942·2
1981	713·9	8,024·7
1982	706·5	8,097·0
1983	813·2	8,310·9
1984	902·9	8,508·1

N/A Not available

Fraud

Mr. Gordon Brown asked the Secretary of State for Social Services how many staff are currently involved in fraud work in Scotland.

Mr. Major: 417 staff have been allocated to undertake fraud work in Scotland in 1986-87.

Hypothermia

Mr. Corbyn asked the Secretary of State for Social Services what procedures his Department recommends for the measuring of the body temperature of suspected cases of hypothermia.

Mr. Whitney: The way in which a patient's temperature is ascertained, and the procedure employed, is a matter for the professional judgment of the doctor or nurse concerned. The Department's current professional guidance, which was given in a circular letter—CMO 25/74—issued on 2 December 1974 by the then Chief Medical Officer and Chief Nursing Officer, draws attention to the advisability of taking the deep body temperature with a low reading thermometer where there is a suspicion of hypothermia.

Legionnaires' Disease

Mr. Hannam asked the Secretary of State for Social Services if he has any plans to make Legionnaires' disease a notifiable disease; and if he will make a statement.

Mr. Hayhoe: No, as I understand that the present system whereby doctors report cases of legionellosis to the communicable disease surveillance centre via its national surveillance programme is satisfactory.

Organ Donors

Mr. Gerald Bowden asked the Secretary of State for Social Services in what ways the Chief Medical Officer's proposed voluntary code of practice regarding organ donors differs from the current practice, as laid out in the booklet "Cadaveric Organs for Transplantation", revised edition 1983.

Mr. Whitney: The code of practice "Cadaveric Organs for Transplantation", issued by this Department in 1979, and revised in 1983, is concerned primarily with criteria for

establishing brain-death. The Chief Medical Officer wrote earlier this year to the medical profession's representative bodies requesting their views on a voluntary code of practice under which doctors would agree, whenever a patient who was clinically suitable as an organ donor died, to ensure that the relatives were asked for permission for the organs to be removed.

Wellfield Hospital, Hatfield

Mr. Murphy asked the Secretary of State for Social Services if he will hold discussions with the chairman of the North-West Thames regional health authority to ascertain progress on the construction of a geriatric centre at Wellfield hospital in Hatfield; and if he will make a statement.

Mr. Whitney: The scheme to provide additional facilities at Wellfield hospital, Hatfield is fully delegated to North West Thames regional health authority. The region is expected to consider an approval in principle submission for the scheme later this year. Following approval in principle, the region's performance in carrying out the scheme will be monitored by the Department as part of routine management arrangements for health-building schemes.

Queen Elizabeth II Hospital, Welwyn Garden City

Mr. Murphy asked the Secretary of State for Social Services if he will hold discussion with the chairman of the North-West Thames regional health authority to ascertain progress on the construction of a physiotherapy gymnasium at Queen Elizabeth II hospital in Welwyn Garden City; and if he will make a statement.

Mr. Whitney: The scheme containing the new physiotherapy gymnasium at Queen Elizabeth II hospital, Welwyn Garden City is fully delegated to North West Thames regional health authority. The region's performance in carrying out the scheme is being monitored by the Department as part of routine arrangements for the management of health building schemes. It is expected that competitive tenders for construction will be sought towards the end of this year.

Blind Persons

Mr. Alfred Morris asked the Secretary of State for Social Services what representations he has received from the North of England Regional Association for the Blind about the voucher scheme for glasses; what reply is being sent to the association's letter to the Minister with responsibility for the disabled dated 12 June; what action he is taking; and if he will make a statement.

Mr. Newton: The North Regional Association for the Blind was among those consulted on our proposals for the voucher scheme. Its comments, along with all the others received, were fully considered and when final decisions were taken letters were sent to all concerned advising them of the outcome.

The letter of 12 June was on a different subject, the provision of low vision aids. My hon. Friend, the Parliamentary Under-Secretary of State for Social Services replied on 14 July. A copy of that reply has been placed in the Library.

Pharmaceutical Inspection Convention

Mr. Grylls asked the Secretary of State for Social Services what overseas inspections were carried out over the last five years in individual countries covered by the pharmaceutical inspection convention.

Mr. Hayhoe: The pharmaceutical inspection convention arrangements preclude the necessity for overseas inspections. A total of 17 joint inspection training visits have been made in Austria, Finland, Hungary, Ireland, Portugal and Sweden in the last five years.

Licences (Medical Products)

Mr. McNamara asked the Secretary of State for Social Services how many abridged product licence applications for medical products were received by his Department in 1985; how many product licences were granted in 1985 on the basis of an abridged application; and if he will provide comparable figures for the years 1981, 1982, 1983 and 1984.

Mr. Hayhoe: The total figures for all product licence applications* of all kinds and licences granted for the years 1981-85 are:

	**Applications Received*	*Licences Granted*
1981	1,043	765
1982	1,282	934
1983	1,158	783
1984	922	641
1985	1,365	649

* These figures relate to initial applications received and do not take account of applications which are rejected as incomplete at a later stage.

It is estimated that approximately 98 per cent. of applications received and licences granted relate to abridged applications.

Mr. McNamara asked the Secretary of State for Social Services how many abridged applications for product licences for medical products received by his Department in 1985 remained to be processed at the end of March 1986.

Mr. Hayhoe: Approximately 800.

Mr. McNamara asked the Secretary of State for Social Services how many applications for exemptions from the need to hold a clinical trial certificate in respect of medical products were received by his Department in 1981, 1982, 1983, 1984 and 1985; and how many of these applications were dealt with in a period in excess of 35 plus 28 days stipulated in the Medicines (Exemptions from Licences) (Clinical Trials) Order 1981 (S.I., 1981, No. 164).

Mr. Hayhoe: The information requested is set out in the table:

	Applications for clinical trial exemption	*Number not dealt with within 35 plus 28 days*
1981	208	9
1982	232	8
1983	261	9
1984	263	16
1985	240	15

Mr. McNamara asked the Secretary of State for Social Services how many product licences were issued by his

Department in 1985 for new chemical entity medicinal products; and how many new chemical entities were represented in this number of licences.

Mr. Hayhoe: Nineteen product licences were issued in 1985 for medicinal products involving new active substances — formerly referred to as "new chemical entities"; these represented 14 new active substances.

Mr. McNamara asked the Secretary of State for Social Services if he will state anonymously the period of time taken to process each product licence application in respect of a new chemical entity medicinal product received by his Department in 1985.

Mr. Hayhoe: Of the 67 product licence applications received in 1985 involving such products, there were 16 applications where a product licence was granted in 1985 and the approximate times taken for processing these are shown in the table. The remaining applications are either still under consideration or have been withdrawn — refused.

Number of applications	*Time taken in months*
1	4·5
9	7
2	8
4	10

North-Western Regional Health Authority

Mr. Alfred Morris asked the Secretary of State for Social Services what steps he has taken or will be taking to satisfy himself that the North-Western regional health authority's strategic plan is financially viable and feasible to implement.

Mr. Whitney: A detailed assessment is made of all regional strategic plans. In making that assessment we need to be satisfied about financial viability and feasibility of implementation.

Medical Statistics (Manchester)

Mr. Litherland asked the Secretary of State for Social Services (1) what plans the North-Western regional health authority has for further acute bed reductions in central Manchester health district;

(2) what has been the effect on waiting lists at the Manchester royal infirmary and St. Mary's hospital of recent bed reductions.

Mr. Kaufman asked the Secretary of State for Social Services what information he has as to the implications of the reductions in acute beds in central Manchester as a result of reduced funds for the targets contained in the North-Western regional health authority's strategic plan.

Mr. Alfred Morris asked the Secretary of State for Social Services (1) what are the implications of reductions in acute specialty facilities in central Manchester for access rates to such specialities of residents of that district;

(2) whether the proposed closure of beds at the Manchester royal infirmary and St. Mary's hospital has been synchronised with the expansion of matching facilities in gaining districts.

Mr. Eastham asked the Secretary of State for Social Services what will be the effects on the medical and nursing staff at the Manchester royal infirmary and St. Mary's hospital of ward closures and withdrawal of funding by the regional health authority.

Mr. Whitney: North Western regional health authority has wide-ranging plans for improving health services in Manchester and across the region as a whole. I suggest right hon. and hon. Members address any detailed inquiries on these plans to the chairman of that authority.

NHS Facilities (Manchester)

Mr. Tony Lloyd asked the Secretary of State for Social Services what information he has as to the comparable level of the National Health Service facilities in *(a)* central Manchester and *(b)* other districts in the Manchester area.

Mr. Whitney: A wide range of statistical information on National Health Service and community facilities at district level is collected by the Department. Details are published in "A Guide to Health and Social Services Statistics" DHSS May 1984, a copy of which is available in the Library.

Hospitalisation Rates (Patient Transfers)

Mr. Eastham asked the Secretary of State for Social Services what are the implications of steps taken to reduce hospitalisation rates in one district for the hospital treatment of patients from other districts.

Mr. Whitney: This will depend upon the steps taken and the local situation, and is a matter for the regional and district health authorities concerned.

Hospital Facilities (Manchester)

Mr. Alfred Morris asked the Secretary of State for Social Services how many patients have been treated over the latest period of 12 months for which figures are available in each of those wards in Manchester royal infirmary and St. Mary's hospital planned for closure over the next three years; and what alternative facilities will be made available if such wards are closed.

Mr. Kaufman asked the Secretary of State for Social Services how many wards are planned for closure at the Manchester royal infirmary and St. Mary's hospital in the next three years; which specialities will be affected by these ward closures; and how many beds will be reduced in each of those specialties.

Mr. Tony Lloyd asked the Secretary of State for Social Services how much money the closure of wards will release at the Manchester royal infirmary and St. Mary's hospital; and what will be done with this money.

Mr. Litherland asked the Secretary of State for Social Services what information he has on the degree of public consultation on and the public response to the proposed reductions in central Manchester's acute beds.

Mr. Whitney: Work has just begun on a major redevelopment of the Manchester royal infirmary which will affect the pattern of care in the district. Right hon. and hon. Members may wish to address their detailed inquiries on the consequences of this development and consultation arrangements to the chairman of Central Manchester health authority.

University of Manchester Medical School

Mr. Alfred Morris asked the Secretary of State for Social Services what representations he has received about the effects the additional reductions in acute beds will have on the training of undergraduate medical students at the university of Manchester medical school.

Mr. Whitney: None.

Acute Hospital Services

Mr. Alfred Morris asked the Secretary of State for Social Services whether a cost-benefit analysis is normally undertaken by health authorities prior to the publication of proposals for the reduction of acute services.

Mr. Whitney: This is a matter for local decision, but the Department expects health authorities to take full account of both needs and available resources in considering changes in service provision.

Supplementary Benefit

Mr. Faulds asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Warley, East constituency in *(a)* 1979 and *(b)* 1985; what percentage change that represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at the local offices of his Department over the same period.

Dr. McDonald asked the Secretary of State for Social Services (1) how many people claimed supplementary benefit in Thurrock in *(a)* 1979 and *(b)* 1985; and what percentage change that represents;

(2) what was the percentage change in *(a)* staff handling supplementary benefit and *(b)* all staff at the local offices of his Department in Thurrock over the same period.

Mr. Major: I shall let the hon. Members have replies as soon as possible.

Family Income Supplement

Dr. McDonald asked the Secretary of State for Social Services what is the average family income supplement payment made to *(a)* couples, *(b)* single parents and *(c)* other family income recipients.

Mr. Major: At the end of March 1986, the latest date for which figures are available, the average weekly payments made to families receiving family income supplement were:

	Average weekly payment £
2-parent families	12·60
1-parent families	14·20
All families	13·30

London Ambulance Service

Mr. Spearing asked the Secretary of State for Social Services when he expects to make an official response on Her Majesty's Government's policy towards the London ambulance service in the light of the facts and arguments presented in the joint union publication, *Ambulance Alert*, a copy of which has been sent to him.

Mr. Whitney: We have not yet received a copy of the publication. When we do receive it we will consider it and make any comments known in due course.

AGRICULTURE, FISHERIES AND FOOD

Radioactivity

Mr. Wigley asked the Minister of Agriculture, Fisheries and Food how long it takes on average between the sampling of lambs for the purpose of establishing the level of radioactivity and the time when the results of these samples are known to his Department's officials; and what was the longest delay in obtaining such results in the period since 1 May.

Mr. Jopling: The time between obtaining samples and the results becoming known to my officials range generally from three to seven days depending on the pressure of work at the laboratories and their location in relation to the sampling area.

It would take a disproportionate amount of time to obtain the information requested in the second part of the question since information appropriate to each sample would have to be examined.

Grouse

Mr. Andrew F. Bennett asked the Minister of Agriculture, Fisheries and Food whether checks for radioactivity will be carried out on grouse shot and intended for human consumption after 12 August.

Mrs. Fenner: My Department is making arrangements for tests to be carried out on grouse.

Council of Agriculture Ministers

Mr. Maclennan asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the outcome of the Council of Agriculture Ministers' meeting on 14 and 15 July.

Mr. Gummer: I represented the United Kingdom at this meeting which was chaired by my right hon. Friend the Minister of Agriculture, Fisheries and Food. The main topic considered by the Council was the level of access for New Zealand butter to the United Kingdom market after present arrangements expire at the end of 1986. The Government regard the Commission's proposal, for quantities of 77,000 tonnes in 1987 and 75,000 tonnes in 1988, as consistent with the arrangements agreed when the United Kingdom joined the Community and with subsequent undertakings by Heads of Government. Moreover, all except one member state had been prepared to suport these figures when formerly proposed by the Commission in 1983.

On this occasion the proposal was acceptable to 11 member states, this despite the fact that farmers throughout the Community just as in Britain, have had their production cut back because of the dairy surplus. Only the Irish could not support the proposal and the Foreign Affairs Council next week will consider it further.

The Council had a discussion on the Commission's proposal for changes in the support system for beef, which had been left for later decision during the farm price negotiations last April. They also considered for the first time the set of proposals for socio-structural measures,

which the House debated on Tuesday 8 July. There was considerable divergence of views on both matters and the Council will need to return to them at later meetings.

The council also adopted a number of measures. One concerned the setting up of a register of vine producers and another provided aid for the restructuring of vine-growing in Portugal, parallel to arrangements already made for other member states. These mark new stages in the Community's increasingly successful policy to reduce the wine surplus. Other regulations adopted by the Council dealt with inward processing arrangements in the milk sector, a minor amendment to the mechanism governing trade with Spain, and the treatment of raw cane sugar produced in the overseas departments of France.

ENERGY

Deaths and Injuries

Mr. Coombs asked the Secretary of State for Energy what information he has on the numbers of deaths and injuries recorded in the last five years during the production of energy from *(a)* coal, *(b)* oil, *(c)* electricity, *(d)* hydro-electric sources, *(e)* nuclear and *(f)* other in the United Kingdom.

Mr. Trippier: I have been asked to reply. Information is not available in the form requested and could only be obtained at disproportionate cost. The available information for deaths and injuries reported to the Health and Safety Executive, arising from the production of energy in Great Britain is shown in the following table:

	Electricity industry		*Gas industry*	
	Deaths	*Major* industries*	*Deaths*	*Major* industries*
1981	6	103	0	46
1982	10	96	1	43
1983	4	105	1	32
1984	11	98	1	39
†1985	4	119	16	47

* As defined under the Notification of Accidents and Dangerous Occurrences Regulations, 1980.
† Provisional.

For information on the coal mining and nuclear industry I would refer the hon. Member to the reply my hon. Friend gave to a question by the hon. Member for Eastleigh (Sir David Price) on 12 May, columns 340-41.

NATIONAL FINANCE

Interest Rates

Mr. Fisher asked the Chancellor of the Exchequer what representations he has received on the present level of interest rates.

Mr. Ian Stewart: There is a fairly steady flow of representations; some are in favour of higher, and some in favour of lower, interest rates.

Intermediate Goods

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will bring up to date the information on the output of intermediate goods, less oil, and so on, given in the written reply to the hon. Member for Grimsby on 14 July 1980, *Official Report*, column *413*.

Mr. Ian Stewart [*pursuant to his reply*, 14 July 1986]: The figures requested are shown in the following table:

*Index of output of the production industries intermediate goods industries excluding oil, gas, electricity and water industries**
1980 = 100

	Not stock adjusted†	*Stock adjusted†*
1969	118·5	—
1970	116·8	—
1971	113·9	—
1972	114·3	—
1973	124·3	—
1974	115·8	—
1975	107·5	—
1976	111·2	—
1977	111·2	—
1978	111·2	112·1
1979	—	113·1
1980	—	100·0
1981	—	94·9
1982	—	94·1
1983	—	97·7
1984	—	93·5
1985	—	99·5

* The oil, gas, electricity and water industries comprising classes 13, 14, 16 and 17 of the Standard Industrial Classification 1980, which are part of the "Intermediate goods industries" category published in the *Monthly Digest of Statistics*, have been excluded from this table.
† Since the index of production was rebased in 1983, the estimates have included an adjustment for changes in stocks to compensate for the use of sales indicators.

CIVIL SERVICE

Political Activities

Mr. Peter Bruinvels asked the Minister for the Civil Service if he will define the precise terms of the restrictions on political activities which apply to civil servants; and which restrictions apply to which grade.

Mr. Luce: The rules governing the political activities of civil servants are set out in the "Civil Service Pay and Conditions of Service Code", paragraphs 9923 to 9957, a copy of which is available in the Library of the House.

TRANSPORT

Primary Route Network

Mr. Hayes asked the Secretary of State for Transport when the updating of the primary route network will begin following the recent review; and if he will make a statement.

Mr. Peter Bottomley: A plan for updating the network has been produced by the Department after extensive consultations with the local highway authorities. The changes will be implemented over the next four years.

The primary route network of main roads, which are specially signed by green-backed direction signs, provides the best routes for long-distance journeys or parts of journeys which cannot be made on motorways.

The green-backed signs were first introduced in the 1960s and are widely recognised and followed by drivers. Since that time, many miles of motorway have been built but the primary route network is still essential to provide effective through routes linked with the motorways and covering all parts of the country.

More than 20 years of improvements to our roads and the changing demands on our road network to cater for increases in traffic and changes in the location of people and activities have made it necessary to bring the primary route network up to date.

The network will continue to be kept under review and further changes will be made as and when required.

Airports Act 1986

Mr. Greenway asked the Secretary of State for Transport what progress has been made on the implementation of part I of the Airports Act 1986.

Mr. Moore: I have now approved the British Airport Authority's proposals for reorganisation, submitted under section 1 of the Airports Act 1986, together with a scheme for the transfer of property, rights and liabilities to the subsidiary companies.

In line with Government commitments, a separate subsidiary company will be established to operate each of the BAA's seven airports. There will also be an intermediate holding company in Scotland. Group services will be supplied by a division of the main BAA holding company, which will charge for its services on a commercial basis. The restructuring will take effect on 31 July 1986.

Copies of the proposals and scheme have been placed in the Libraries of both Houses.

I have also today published orders under section 2 of the Airports Act 1986 appointing 1 August 1986 as the day on which the British Airports Authority will be dissolved and its business vested in a successor company. The name of the company which I have nominated by order for this purpose is BAA plc.

Immediately before the appointed day—1 August—the BAA's loans from the National Loans Fund, totalling £43,503,340, will be written off by virtue of section 3 of the Airports Act 1986. I shall require BAA plc to issue loan-notes of equivalent value to me on the appointed day. I shall direct BAA plc to issue further securities to me, under the powers in section 4 of the Act, nearer to the time of flotation.

M4 (Service Area)

Mr. Coombs asked the Secretary of State for Transport what plans he has to provide an additional service area on the M4 near Reading.

Mr. Peter Bottomley: We accept the need for a service area on the M4 between its junction with the M25 and the existing area at Membury. Consultants have been asked to carry out a comprehensive search for potential sites.

Heathrow Airport (Traffic)

Mr. Nicholas Winterton asked the Secretary of State for Transport if he will publish in the *Official Report (a)* the total road traffic flows per day into Heathrow airport, *(b)* the proportion of this traffic which originated its journey in central London and *(c)* the proportion of daily traffic flows on the A4 Cromwell road/Talgarth road which is travelling to and from Heathrow airport.

Mr. Peter Bottomley: The best information presently available suggests that some 60,000 vehicles enter Heathrow airport each day. About 9 per cent. start their journeys in central London. Around 8 per cent. of the traffic on the A4 east of the Chiswick flyover is travelling to and from Heathrow.

Liverpool Freeport

Mr. Parry asked the Secretary of State for Transport if he is satisfied with the working of the Liverpool freeport; and if he will make a statement.

Mr. Moore: It is too early to say precisely what the full benefits of the freeport will be, but I found the remarks of the chairman of the Mersey Docks and Harbour Company in the 1985 report and accounts most encouraging.

M25

Mr. Nicholas Winterton asked the Secretary of State for Transport (1) when he expects to make a statement about the possibility of widening certain sections of the M25;

(2) when he expects to receive the report from Brian Colquhoun & Partners on traffic forecasts for the M25.

Mr. Peter Bottomley: The report has just been received. We hope to make an announcement when we have decided what measures to take.

Written Answers to Questions

Thursday 17 July 1986

ATTORNEY-GENERAL

Matrimonial and Family Proceedings Act 1984

Mr. Coombs asked the Attorney-General if he will make a statement on the working of the Matrimonial and Family Proceedings Act 1984.

The Attorney-General: The working of those provisions of the Matrimonial and Family Proceedings Act 1984 which have been brought into force has been satisfactory.

HOME DEPARTMENT

House of Commons (Mass Lobby)

Mr. Hayward asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to the cost and the number of police man hours involved in the arrangements for, and policing of, the mass lobby of the House of Commons which took place on Tuesday 8 July.

Mr. Giles Shaw: I understand from the Commissioner of Police of the Metropolis that policing the mass lobby of the House of Commons on 8 July involved 196·5 police man hours. No overtime was necessary and no additional costs were incurred by the Metropolitan police on the event.

Metropolitan Police (N Division)

Mr. Corbyn asked the Secretary of State for the Home Department if he will list the number of incidents of racial harassment and threat reported to N division of the Metropolitan police at Highbury vale and Holloway in the current year.

Mr. Giles Shaw: Twenty.

Mr. Corbyn asked the Secretary of State for the Home Department how many incidents of racially oriented crime have been reported in 1982, 1983, 1984, 1985 and each month of the current year in N division of the Metropolitan police.

Mr. Giles Shaw: The numbers of reported racial incidents in N division are as follows:

	Number
1982	31
1983	34
1984	71
1985	73
1986	
January	8
February	5
March	11
April	10
May	10
June	10

Firearms

Mr. Ron Davies asked the Secretary of State for the Home Department if he will make a statement concerning the reasons for the recent actions of the chairman of the firearms steering group with regard to the possession of part 5 weapons by part 1 firearms certificate holders.

Mr. Giles Shaw: I understand that the Chief Constable of Merseyside has circulated to other chief officers of police, for their information, a copy of the judgment of the Court of Appeal in the case of R *v* Clarke, in which the court dismissed an appeal against conviction under section 5(1)*(a)* of the Firearms Act 1968.

Courthouse, Basildon

Mr. Amess asked the Secretary of State for the Home Department what recent representations he has received about the need for a new magistrates' courthouse in Basildon.

Mr. Giles Shaw: None. We are expecting to hear shortly from Essex county council which is responsible in consultation with the Magistrates' Courts Committee, for providing the new magistrates' courthouse.

Police Authorities

Mr. Favell asked the Secretary of State for the Home Department if he will make a statement on the operation of those new police authorities formed in those areas covered by the recently abolished metropolitan counties.

Mr. Giles Shaw: The police joint authorities established by the Local Government Act 1985 took up their responsibilities as police authorities under the Police Act 1964 on 1 April and are discharging their functions in accordance with the establishment and support services schemes which my right hon. Friend has approved for each for 1986-87.

Mr. John Stalker

Mr. Corbyn asked the Secretary of State for the Home Department what role is being played by specialist units of the Metropolitan police in investigations into the conduct of Mr. John Stalker of the Greater Manchester police.

Mr. Giles Shaw: The conduct of the investigation into allegations against Mr. John Stalker is entirely a matter for the Chief Constable of West Yorkshire acting under the supervision of the Police Complaints Authority.

Hazardous Substances (Road Transport)

Mr. George Gardiner asked the Secretary of State for the Home Department (1) how many police officers received hospital treatment following leakage of ethyl mercaptan from a container being transported between Fawley and Reigate on 10 July; and how many police officers in England and Wales have received hospital treatment after inhaling toxic substances being transported by road in the last 12 months for which figures are available;

(2) how many fire officers have received hospital treatment after inhaling toxic substances being transported by road in the last 12 months for which figures are available.

Mr. Giles Shaw: I understand that four police officers received hospital treatment as a result of this incident. Information is not centrally available about the numbers of police or fire officers who have received hospital treatment as a result of similar incidents.

Firearms Certificates

Mr. Frank Field asked the Secretary of State for the Home Department what has been the change in real terms between 1979 and 1986 in *(a)* the cost of a firearms certificate, *(b)* the revenue derived from firearms certificates and *(c)* the cost of administering the firearms certificate system; how many certificates were issued in 1979 and in the last period of 12 months for which figures are available, respectively; and if he will make a statement.

Mr. Giles Shaw [*pursuant to his reply*, 7 July 1986, c. *62*]: The information is as follows:

(i) Cost of a firearms certificate[1]

	1979	*[2]1986*	*[3]Change in real terms*
	£	*£*	*per cent.*
Issue	16	25	−9·5
Renewal	13	20	−10·9

(ii) *Estimated revenue and cost of the firearms certificate system*[1]

	[4]1979-80	*[5]1985-86*	*[3]Change in real terms*
	£ million	*£ million*	*per cent.*
Cost	1·8	2·2	−27·2
Revenue	1·1	1·5	−17·1

(iii) *Firearms certificates issued*[1]

	1979	*1985*
Number of certificates on issue[6]	169,590	160,385

[1] All figures are in respect of certificates issued under section 1 of the Firearms Act 1968 in England and Wales.

[2] The fees given are those which apply currently. New fee levels are due to be introduced with effect from 1 October.

[3] As measured by changes in the retail price index.

[4] Estimated figures based on a sample survey of police forces.

[5] Estimated figures based on procedures recommended in the 1984 working party report on the administration of the Firearms Act 1968.

[6] In 1985 the numbers of firearm certificates issued and renewed were 11,663 and 44,212 respectively. Equivalent figures are not available for 1979.

OVERSEAS DEVELOPMENT

Sri Lanka Refugees (India)

Mr. Wareing asked the Secretary of State for Foreign and Commonwealth Affairs what financial and other assistance the United Kingdom is providing for Sri Lankan refugees in India.

Mr. Eggar: Under the joint funding scheme we have provided £7,557 to Christian Aid for vocational training of Sri Lankan refugees in the Mandapam refugee camp at Madurai in Tamil Nadu.

Gibraltar Dockyard

Mr. Gordon Brown asked the Secretary of State for Foreign and Commonwealth Affairs (1) what is the annual management fee now paid to Appledore for running Gibraltar dockyard;

(2) if he will list all the payments that have been made to Appledore for running Gibraltar dockyard since it took over its management.

Mr. Eggar: Publication of such information is a matter for Gibraltar Shiprepair Limited—GSL—and its owner the Gibraltar Government. Appledore's management agreement with GSL became effective on 1 January 1985.

Mr. Gordon Brown asked the Secretary of State for Foreign and Commonwealth Affairs what is the profit and loss account for Gibraltar dockyard since Appledore took over.

Mr. Eggar: The 1984 Accounts of Gibraltar Shiprepair Limited—GSL—have been published by GSL. I shall seek to make a copy of these accounts available to the House of Commons Library. The publication of GSL's accounts for 1985 is a matter for GSL and its owner, the Gibraltar Government.

TRADE AND INDUSTRY

Domestic Plugs and Sockets

Mr. Clelland asked the Secretary of State for Trade and Industry on what date he anticipates that the draft regulations concerning the safety of domestic plugs and sockets will come into effect.

Mr. Howard: We intend to submit the draft Plug and Socket Regulations to Parliament early next Session. The general provisions of the new regulations will apply as soon as parliamentary approval is obtained. This includes meeting the requirements of the relevant safety standards for all products within the scope of the new regulations, except that 13-amp plugs will not have to conform to certain amendments to BS 1363 until six months later. A further period of grace will be allowed for manufacturers to adapt to the mandatory approval scheme for 13-amp plugs. This scheme will come into force 12 months from the date the regulations are made.

Mr. Clelland asked the Secretary of State for Trade and Industry what measures he intends to introduce to assist small manufacturers with the cost of complying with the proposed plug and socket safety regulations.

Mr. Howard: No such assistance is necessary. These regulations will formalise safety practices already observed by most manufacturers in the United Kingdom. The only additional cost would be that of gaining the mandatory approval which will be required by the new regulations, for 13-amp plugs only. This would be insignificant.

Mr. Clelland asked the Secretary of State for Trade and Industry what measures he intends to take to ensure that the proposed plug and socket safety regulations are effectively applied to imported goods.

Mr. Howard: The proposed new regulations will apply to imports as well as to home manufactures. In addition, the Consumer Safety (Amendment) Act 1986 gives enforcement agencies new and more effective powers to identify unsafe imported consumer goods and prevent them from reaching the shops.

South Africa

Sir Anthony Grant asked the Secretary of State for Trade and Industry what was the extent of Export Credits Guarantee Department cover for exports to South Africa in each of the years 1974 to 1979; if such cover is still available; and if he will make a statement.

Mr. Alan Clark: The ECGD has historically insured a substantial proportion of United Kingdom exports to South Africa, but it has been the policy of successive Administrations not to disclose details of exposure on individual markets as such action could be detrimental to ECGD's commercial interests. Cover remains available within ceilings on individual contract values and overall exposure.

As with all markets, ECGD maintains a continuous review of developments, but no changes in cover arrangements for South Africa are proposed.

Sir Anthony Grant asked the Secretary of State for Trade and Industry what changes have taken place in the policy of his Department on trade with South Africa since 1979; and if he will make a statement.

Mr. Alan Clark: My Department's policy on non-military trade with South Africa remains fundamentally unchanged. We continue to believe that civil trade with other countries, including South Africa, should be determined by commercial considerations, not by the character of the Government of those countries.

Sir Anthony Grant asked the Secretary of State for Trade and Industry how many trade missions to South Africa took place in each of the years 1974 to 1979; and what was their cost to public funds.

Mr. Alan Clark: The number of outward missions financially supported by the British Overseas Trade Board —BOTB—that visited South Africa in each of the years 1974-9, and their cost to BOTB was:

	Missions	*Cost* £
1974	17	72,000
1975	15	79,200
1976	17	72,000
1977	17	67,550
1978	12	52,725
1979	14	67,620

I have no information on the number or cost of United Kingdom trade missions that visited South Africa without BOTB support in the above period.

GEC-Plessey (Merger)

Mr. Wareing asked the Secretary of State for Trade and Industry when he plans to make a statement on the Monopolies and Mergers Commission report on the proposed merger of the General Electric Company and Plessey.

Mr. Howard: The Monopolies and Mergers Commission are due to report to my right hon. Friend by 19 July. My right hon. Friend will make an announcement on the report as soon as is practicable.

Indonesia (Soft Loans)

Mr. Burt asked the Secretary of State for Trade and Industry what progress has been made in establishing a soft loan facility to assist United Kingdom companies pursuing project business in Indonesia.

Mr. Channon: I am pleased to announce that a concessional loan facility for Indonesia has now been finalised. It will support contracts for United Kingdom exports, against identified projects, to a value of some £140 million over the next three years. This was agreed in a memorandum of understanding which was signed between Her Majesty's Government and the Government of the Republic of Indonesia in Jakarta on 16 July 1986. I very much hope that valuable contracts currently being negotiated by United Kingdom companies in relation to agreed projects can soon be finalised, and thereby bring real economic benefits to both our countries.

ENERGY

Windscale

Mr. Home Robertson asked the Secretary of State for Energy if he will give an explanation for the delay between 1952 and February 1985 in reporting the release of radioactive iodine 131 from the plutonium reprocessing plant at Windscale.

Mr. Goodlad: Operations at Windscale in 1952 were conducted for defence purposes by the then Ministry of Supply. I am advised by British Nuclear Fuels that the report of this incident, which came to light in February 1985, shows that the levels of radioactive iodine released in the spring and summer of 1952 were such that any health risk would have been small. As regards the reasons why this information was not made public at the time, I cannot, of course, answer for the actions of a previous Administration.

Coal-burning Power Stations (Emission)

Mr. Coombs asked the Secretary of State for Energy what information he has on the volume of uranium and uranium by-products released into the atmosphere by the processes of coal-burning power stations; what is the resulting level of radiation; and how these compare with the level of emissions from nuclear power stations in the United Kingdom.

Mr. Goodlad: The National Radiological Protection Board and the Central Electricity Generating Board have estimated that radioactive emissions to the atmosphere from United Kingdom coal-fired power stations due to uranium, thorium and potassium amount to about 100 giga-bacquerels pergigawatt-year of electricity generated. The collective committed effective dose equivalent for the United Kingdom population from United Kingdom coal-fired power stations in 1983-84 — which supplied 21·3 gigawatt-years of electricity — was about 100 mansieverts. The atmospheric emissions from nuclear power stations — which supplied 4·6 gigawatt-years — gave a collective dose of about 10 mansieverts. For comparison, the annual collective dose from the natural background is 100,000 mansieverts. The radiation dose from all normal operations of the nuclear industry, including fuel reprocessing, amounts to only about one part in a thousand of the natural background.

Nuclear Materials

Mr. Robin Cook asked the Secretary of State for Energy on how many occasions nuclear materials *(a)* produced for, or *(b)* assigned to, military purposes have been transferred to civil use for each year since 1956; and if he will state whether each transfer was (i) permanent, or (ii) a loan, and, for each instance, the nuclear material involved, the chemical form it was in when it was transferred, the physical form it was in when transferred, the site it was transferred to, the purpose for which it was destined and the quantity involved in each sub-category above, respectively.

Mr. Goodlad: This information could only be provided at disproportionate cost.

Electricity Generation

Mr. Speller asked the Secretary of State for Energy what information he has as to the percentage of electricity generated in each European Community state by coal, nuclear, oil, hydro, wind or other sources providing more than 1 per cent. of national electricity output.

Mr. Goodlad: Information about electricity generation in the Community is contained in the European Commission's regular publications, "Eurostat Statistical Yearbook" and "Energy Monthly Statistics". Copies are available in the Library of the House.

The latest available information, based on these sources, is summarised in the following table:

**EEC: Percentages of total net electricity production for each energy source*

	Conventional thermal		*Nuclear*		*Hydro*		*Total*	
	1984	*1985*	*1984*	*1985*	*1984*	*1985*	*1984*	*1985*
Europe	60·36	56·96	26·42	30·70	13·02	12·16	99·80	99·82
France	19·56	15·80	58·67	64·82	21·77	17·38	100·0	100·0
Italy	68·74	69·86	3·81	3·80	25·89	24·90	98·44	98·56
Netherlands	94·22	93·93	5·78	6·07	—	—	100·0	100·0
Belgium	46·65	37·20	50·84	60·34	2·54	2·46	100·0	100·0
Luxembourg	48·96	46·48	—	—	51·04	53·52	100·0	100·0
United Kingdom	79·86	78·16	17·89	19·37	2·25	2·47	100·0	100·0
Ireland	90·64	89·94	—	—	9·36	10·06	100·0	100·0
Denmark	99·61	99·77	—	—	0·39	0·23	100·0	100·0
Greece	87·64	89·12	—	—	12·36	10·88	100·0	100·0
Spain	51·75	50·67	19·33	22·17	28·92	27·16	100·0	100·0
Portugal	48·15	42·08	—	—	51·85	57·92	100·0	100·0
West Germany	71·49	64·40	23·62	31·09	4·89	4·51	100·0	100·0

* Total percentage does not add to 100 per cent. due to the exclusion of the geothermal production value of Italy (0·19 per cent. and 0·17 per cent. of total European net production in 1984 and 1985 respectively).

River Barrages

Mr. Rowe asked the Secretary of State for Energy to what extent in his studies of the energy potential of barrages across major estuaries he has included consideration of the likely impact of such barrages on wading birds, and, in particular, the redshank; and if he will make a statement.

Mr. David Hunt: The Severn tidal power group has included in its recent report a preliminary examination of the environmental impact of a tidal barrage in the Severn estuary. This report has now been published and copies have been placed in the Libraries of both Houses. Before a decision is taken on the construction of a barrage in any estuary in the United Kingdom, a full environmental study on that estuary would be necessary.

British Gas Consumers

Mr. Michael Brown asked the Secretary of State for Energy what assurances he has received from the British Gas Corporation about the future quality of service to domestic gas consumers; and if he will make a statement.

Mr. Peter Walker: I have received a letter from Sir Denis Rooke, the text of which is as follows:

Dear Peter

CUSTOMER BENEFITS UNDER ESSENTIAL SERVICE

In the light of the importance which British Gas attaches to the maintenance of a safe and efficient gas supply service in Great Britain, and the various comments which have been made in Parliament and elsewhere about the effect of Privatisation on gas safety and our attitude to the provision of service to our customers, I would like to make clear that it is our intention, so long as the system of price control set out in the published draft Authorisation remains in force, to continue to provide services for our domestic customers on the basis set out below.

1. For Emergency Service, up to thirty minutes work or the time taken to make safe whichever is the longer will be provided free of charge. Parts to the value of £2·50 will be provided free, but where the value exceeds £2·50 the full amount will be charged.

2. The target for attending gas escapes will be within 1 hour of receipt of report where the escape has not been controlled, or 2 hours where the escape has been controlled, for example, where the customer's control tap has been turned off.

3. The normal target for inspecting appliances needing repair as opposed to routine servicing will be to attend within two working days. However, it may not always be possible to achieve this target during periods of extended inclement weather and peak demands. In such circumstances priority will be given to the aged and the infirm, and to customers without heating.

4. A free safety check on appliances and installations will be provided on request for elderly or disabled persons living alone.

5. A range of safety services at special prices will continue to be provided. The nature and direction of these will be reviewed from time to time in the light of circumstances and experience. Currently a gas fire safety check at £5·85 and a basic inspection check on the house pipes and one appliance are provided. The basic inspection check is currently priced at £11·39 together with a London weighting supplement where appropriate. A range of special controls for disabled or visually handicapped customers' appliances is available at a current price of £2·53 each (including fixing).

6. Work on customers' appliances and installations treated as Essential Service for the purpose of our accounts, that is to say, remedial and other services provided to customers in furtherance of the safe or proper use of gas or gas fittings, will

continue to be priced in accordance with our policy of encouraging customers to report faults and potentially dangerous situations. We will aim not to increase the present charges for these services by more than the rate of inflation. Charges will be notified annually to the Gas Consumers' Council.

7. The prices quoted above include VAT at 15 per cent.

This assurance is given on behalf of the Corporation and it is our intention that it will be renewed by the Board of the successor company after vesting.

Yours ever

Denis

SCOTLAND

Tertiary Education (Report)

Mr. Corrie asked the Secretary of State for Scotland if he has yet decided his response to the Scottish Tertiary Education Advisory Council's report on a future strategy for higher education in Scotland, published on Monday 9 December 1985; and if he will make a statement.

Mr. Rifkind: I have considered the advisory council's report with very great care, in the light of the views expressed during public consultations earlier this year, and have reached the following decisions.

The council notes that population trends will be of crucial importance to higher education policy-making for the 1990s and has no doubt about the basic demographic projections. I acknowledge its endorsement of the high variant of the projections published by the Scottish Education Department in November 1985 as a reasonable assessment of future demand for higher education, but accept that the projections should be regularly reviewed. I understand the concern expressed by the council and others about the possible effects of population trends on the supply of qualified manpower. The council's proposals in this regard require a response by higher education institutions as well as Government.

The Government note the council's recommendation that all reasonable steps should be taken to encourage greater participation in higher education, particularly from groups where participation is low. The Government stand by the principle of access to higher education for all those who have the motivation, maturity and intellectual competence to benefit from it; and its projections allow for a rise in participation. The report recognises that curriculum reforms at school level have a role to play in this. It is to be hoped that a stable settlement of salaries and conditions within the teaching profession will soon allow us to reap the full benefit of the advances which are being made.

I share the Council's view that recognition of the national certificate is a means by which access to higher education can be extended. The Government's commitment to the national certificate is firm and I ask those who are responsible for setting entry standards to higher education to heed the council's comments. I also urge higher education institutions and validating bodies to respond to the recommendation that formal arrangements for credit transfer should be extended, and to consider what can be done to reduce non-completion rates. This may require a careful examination of course content, methods of assessment and quality of teaching.

The council acknowledges the role of continuing education in maintaining the supply of qualified manpower and in updating skills. Its emphasis on post-experience vocational education and the development of multi-institutional links to build on individual institutions' strengths is welcome. I accept the need for a focus for continuing education in the Scottish Education Department and have taken action accordingly. Responsibility for the co-ordination of continuing education policy is now focused in the division with general responsibility for vocational education. As a first step in the direction proposed by the council we have also established a Scottish scheme for professional, industrial and commercial updating—PICKUP—on a pilot basis in the current year. This was announced by my hon. Friend the Parliamentary Under-Secretary of State responsible for industry and education on Tuesday 8 July 1986.

The taxpayer cannot however be expected to meet the costs of higher education for mature entrants or for those engaged in professional updating to the extent that is appropriate for young initial entrants, and the Government agree that more employers should meet the cost of fees. It is entirely appropriate that they should also provide support through sponsorship, as the council suggests, and in other ways. However, employers' responsibilities do not end there. If the higher education system is to respond to future economic requirements, industry, commerce and the professions must state their requirements; and the Government welcome the recommendation that they should co-operate more fully with higher education institutions in course design and delivery. Co-operation is a two-way process. Although there is some concern in academic circles about higher education becoming too closely linked with the short-term needs of industry and commerce, the Government share the council's belief that improved responsiveness to such needs is not incompatible with preserving a broadly based system.

An adequate response will require a sufficient supply of manpower with the qualifications to meet future technological challenges. The council acknowledges the steps which the Government have taken in this regard through its "Switch to Technology" programmes in the universities and the Scottish central institutions. I have already assured the central institutions that the additional resources provided under "Switch" will be consolidated in their recurrent grant baselines after 1987-88.

The "Switch" programmes constitute substantial new investment in the higher education system; if that investment is to be repaid, an adequate supply of school leavers qualified for entry to technological courses is essential. The council recognises this and the Government will continue their efforts to bring this about. Reforms of the school curriculum in Scotland which aim to give all pupils the opportunity to study mathematics and science and to introduce more pupils to computing and other skills will proceed, and priority will continue to be given to the training of teachers of mathematics and physics. We are taking steps to improve technology teaching in schools by introducing new degree courses for prospective technology teachers. The first intakes to these new courses will be in Autumn 1987.

Curricular reforms must, however, be supported by changes in emphasis in the guidance given to school pupils. The careers advisory service has a most important role and my hon. Friend has already announced the decision to reinforce the advice which is available through the

appointment in Scotland of a schools-engineering co-ordinator, who will be attached to the Scottish Council (Development and Industry) and funded by my Department. It will be the co-ordinator's task to work with others in improving the presentation of engineering and technology as a possible future career. The aim will be to create among schoolchildren, their parents and schools a greater awareness and understanding of the opportunities which such a career can offer. Emphasis will be given to providing encouragement for girls to enter technological careers.

Higher education institutions must also be able to recruit academic staff with the necessary technological qualifications. I have noted what the council has to say in that regard. However, industry has a part to play in alleviating some of the difficulties which arise. Staff exchanges with higher education institutions could ease pressure in key areas and my hon. Friend the Parliamentary Under-Secretary of State responsible for industry and education wrote earlier this year to a number of companies in Scotland to seek their support for such co-operation. Some have responded positively and I hope that all will give close attention to the council's remarks.

It is my belief that responsiveness to economic needs is not incompatible with preserving a broadly based tradition in higher education. Consultations have shown that there is wide support for the recommendation that a full range of academic subjects should continue to be offered in Scotland's higher education system. The strength of that support is acknowledged. The Government reaffirm the value which they attach to the arts and humanities as well as to technological and related disciplines. However, the council does not propose that every educational establishment must offer every possible academic course: the preservation of a broadly based tradition need not preclude rationalisation. Nor should it mean that specialisation by institutions, where appropriate, is to be discouraged. Attention must be paid to this if resources are to be released for desirable developments.

The council recommends the provision of additional funding for applied research in the central institutions and for research in education in the colleges of education. The Government note that it does not suggest that the central institutions should match the universities in fundamental research. However, if the findings of research are to be transferred effectively into industrial products and processes, support for the applied and developmental stages may be required. Industry should itself contribute significantly to this, but there is no doubt a place for funding by Government. I am therefore prepared to consider whether resources can be found from within the Scottish block for some additional applied research funding for the central institutions on a selective basis; but that will depend on other priorities and there can be no guarantee that money will be found. I shall also consider whether resources can be found to provide funding for a more secure foundation for educational research in the colleges of education.

The council envisages no radical change in the structure of higher education in Scotland. I welcome its support for the central institutions for their responsiveness to the requirements of employers, and I welcome also its encouragement of informal links and cooperation among institutions. I have paid much attention to the differing opinions about the recommendation that there should be a feasibility study of a Scottish Institute of Technology —SIT. There is a sharp division of opinion not only among the central institutions at large, but also among those particular establishments which would be directly involved if a SIT were established. The principals of those establishments have collectively made it clear to me that their support for a SIT would be virtually conditional on its being given university status. Like the council, I do not regard university status for individual central institutions or groups of them to be a practical proposition in planning for the 1990s. Given the relative lack of enthusiasm for the SIT proposal among its potential members, I have therefore decided to reject the council's recommendation of a feasibility study. I am, however, prepared to consider, in consultation with the central institutions, what steps might be taken within the resources available to improve publicity for them collectively.

I am announcing separately today my decisions on the council's recommendations on the college of education sector and on future arrangements for the planning and funding of higher education in Scotland.

Conservation (Highland Region)

Mr. Kennedy asked the Secretary of State for Scotland what is the total acreage within the Highland region over which there is some form of presumption in favour of conservation; if he will give a breakdown of the type and acreage of respective conservation classification relevant within this total; and if he will express the total as a percentage of the total acreage within the Highland region.

Mr. Ancram: I shall write to the hon. Member as soon as possible.

Pipeline Assembly Yard, Tain

Mr. Kennedy asked the Secretary of State for Scotland, pursuant to his answer of 15 May, *Official Report*, column *506*, to the hon. Member for Ross, Cromarty and Skye, if he will indicate *(a)* on what date he received formal advice that the proposed pipeline assembly yard at Tain, Ross-shire, would affect indirectly a substantially greater part of the site of special scientific interest than the 0·24 per cent. directly affected, *(b)* from what source he received such advice and *(c)* to what extent in considering such advice, he took into account the findings of the independent appraisal carried out into the matter by Dr. John Smith; and if he will make a statement.

Mr. Ancram: Highland regional council's notification of the planning application, received on 7 April, enclosed an objection by the Nature Conservancy Council indicating that consequences could be expected well beyond the immediate development area. My right hon. and learned Friend also noted the report prepared by Dr. John Smith at the request of Land and Marine Engineering Ltd., the applicant for planning permission; and a letter dated 17 April from the Nature Conservancy Council stating that it considered the report inadequate.

Mr. Kennedy asked the Secretary of State for Scotland, pursuant to his answer of 15 May, *Official Report*, columns 506-7, if he will indicate, of those letters of objection received by him via Highland regional council to the proposed pipeline assembly yard at Tain, Ross-shire, how many respectively *(a)* referred to the site of special scientific interest designated area, *(b)* referred to other

issues, and *(c)* and, of those falling within category *(b)* above, how many of these issues have now been resolved; and if he will make a statement.

Mr. Ancram: The planning application was notified to my right hon. and learned Friend under procedures which apply where a planning authority propose to grant planning permission for a development affecting a site of special scientific interest, against the advice of the Nature Conservancy Council. His subsequent decision to call in the application was based on his consideration of the views expressed about the effects of the proposed development on the nature conservation interest. In reaching that decision it was not necessary for him to consider other grounds of objection in detail.

Mr. Kennedy asked the Secretary of State for Scotland if he is yet in a position to announce the details of the public inquiry into the proposed pipeline assembly yard at Tain, Ross-shire, with particular reference to *(a)* the commencing date, *(b)* the anticipated length of time it will take, *(c)* the number of objectors to be heard and *(d)* the identity of the objectors to be heard; and if he will make a statement.

Mr. Ancram: Arrangements are being made to hold the public local inquiry in Tain commencing on 23 September 1986. It is anticipated that the inquiry may continue until 26 September. No other details are known at this stage.

Morrich More

Mr. Kennedy asked the Secretary of State for Scotland, pursuant to his reply of 15 May, *Official Report,* column *506,* to the hon. Member for Ross, Cromarty and Skye, if he will express in acres *(a)* the total area of the Morrich More, *(b)* the area of the site of special scientific interest which forms part of the current planning application lodged by Land and Marine Engineering Ltd. and *(c)* if he will express *(b)* above as a percentage of *(a)* above.

Mr. Ancram: Following is the information:

(a) The Morrich More has no exact boundaries, but the area of the site of special scientific interest is 7,074 acres;
(b) 17 acres;
(c) 0·24 per cent.

Land Development (Highland Region)

Mr. Kennedy asked the Secretary of State for Scotland (1) if he will state in acres the total area of land within the Highland region taken up for urban category development; and if he will express this total as a percentage of the total area of the Highland region;

(2) what is the total area of developed industrial land currently under economic activity within the Highland region; and if he will express that area as a percentage of the total area within the Highland region.

Mr. Ancram: This information is not held centrally.

Land Reclamation (East Sands, Leith)

Mr. Ron Brown asked the Secretary of State for Scotland if he will make available additional funding for the Scottish Development Agency for the reclamation for industrial use of land at East Sands, Leith; and if he will make a statement.

Mr. Allan Stewart: There are no proposals currently before the agency for the reclamation of land at East Sands, Leith. In any event I understand that there are other sites in the area which are more readily available should there be a proven demand for industrial land.

Children in Prison

Mr. Pollock asked the Secretary of State for Scotland whether a report has been received from Her Majesty's Chief Inspector of Prisons for Scotland on children in prison; and if he will make a statement.

Mr. Rifkind: Her Majesty's Chief Inspector of Prisons for Scotland has submitted his report to me. I have today placed copies of the report in the Library, of the House together with my response to the recommendation he has made; and I am sending a copy to the Chairman of the Select Committee on Scottish Affairs; to the chairman of the Scottish all-party penal affairs group and to other interested bodies. Copies may also be purchased from the Scottish Home and Health Department.

Chief Inspector of Prisons (Reports)

Mr. Pollock asked the Secretary of State for Scotland whether reports have been received from Her Majesty's Chief Inspector of Prisons for Scotland on Low Moss prison, Shotts prison and Castle Huntly institution; and if he will make a statement.

Mr. Rifkind: I have received reports by Her Majesty's Chief Inspector of Prisons for Scotland on his inspections of Low Moss prison, Shotts prison and Castle Huntly institution. I have today placed copies of the reports in the Library, of the House together with my responses, and I am sending a copy to the members in whose constituencies the establishments are located; to the Chairman of the Select Committee on Scottish Affairs and the Scottish all-party penal affairs group and to other interested bodies. Copies may also be purchased from the Scottish Home and Health Department.

EDUCATION AND SCIENCE

Education Expenditure

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science if he will publish in the *Official Report* a table showing, for the United Kingdom, the amount spent on education as a proportion of the gross domestic product for each year since 1970-71, together with the amounts spent on *(a)* nursery, *(b)* primary and secondary and *(c)* higher education, expressed as a proportion of the gross domestic product for each year.

Mr. Chris Patten: The readily available information is shown in the following table for selected years. Additional information could be provided only at disproportionate cost.

Expenditure on education as a percentage of GDP*
United Kingdom

Financial year	Nursery schools† as percentage of GDP	Primary and Secondary schools as percentage of GDP	Further and Higher education‡ as percentage of GDP	All Education and Related expenditure‖ as percentage of GDP
1970-71	0·01	2·65	1·39	5·19
1975-76	0·03	3·44	1·51	6·27
1979-80	0·02	2·74	1·24	5·09
1980-81	0·02	2·95	1·35	5·42
1981-82	0·02	2·93	1·34	5·39
1982-83	0·02	2·85	1·32	5·27
1983-84	0·02	2·76	1·33	5·19

* Includes central and local government expenditure, current and capital.

† Most pre-school education takes place in primary schools at an estimated cost in 1983-84 of £332 million (current expenditure).

‡ Includes further and adult education, universities, teacher training—tuition and residence.

‖ Includes additional items not shown in the other groupings, such as special education, and remaining elements of education and related expenditure, such as administration, youth service, physical training and maintenance grants and allowances. Also inclues SET or VAT incurred on the expenditure.

Hertfordshire

Mr. Robert B. Jones asked the Secretary of State for Education and Science how many *(a)* teachers, *(b)* lecturers and *(c)* non-teaching staff were employed in Hertfordshire in the public sector education system in each of the most recent 10 years for which he has information.

Mr. Dunn: The figures requested for teachers and lecturers are as follows. Information on the numbers of non-teaching staff is not available centrally.

Hertfordshire

Year (January)	*Teachers	†Lecturers	
		Full-time	Part-time
1977	10,219	1,780	—
1978	10,077	1,804	—
1979	10,215	1,830	—
1980	10,195	1,803	—
1981	9,889	1,783	—
1982	9,734	1,673	402
1983	9,467	1,724	402
1984	9,273	1,777	433
1985	9,117	1,793	381
1986	8,923	1,736	270

* Full-time plus full-time equivalent of part-time. Includes nursery, primary, secondary and special schools and teachers providing education otherwise than at school.

† Includes lecturers in the maintained and assisted sector only in establishments of further education, adult education centres and certain other miscellaneous establishments. Acceptable data for part-time lecturers not available before 1982.

Mr. Robert B. Jones asked the Secretary of State for Education and Science if he will give the number of children in Hertfordshire who have taken O-levels or CSEs; in what subjects; and how many have achieved higher grade O-levels or CSE passes in the last five years.

Mr. Dunn: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for St. Albans (Mr. Lilley) on 7 July, at columns 45-48.

Free School Bus Services

Mrs. Shields asked the Secretary of State for Education and Science if he will review the policy of a three-mile limit on free school bus services; and if he will make a statement.

Mr. Dunn: I assume the hon. Member is referring to section 39(2)*(c)* and section 55 of the Education Act 1944. The Government are not satisfied with the present law on home to school transport. We do not consider that there is an agreed basis on which the law could be amended, but we are continuing to study the situation.

Teachers (Salaries)

Dr. Hampson asked the Secretary of State for Education and Science if he will publish a table setting out the average salaries of school teachers over the period 1974 to 1986 in cash and constant prices, showing each year's average salary in constant prices in terms comparable to 1979.

Mr. Kenneth Baker: The following table sets out this information. The comparison with 1979 is given both as a percentage difference, and as a cash difference at April 1986 prices.

*Average Salaries of All Teachers in Maintained Nursery, Primary, and Secondary Schools in England and Wales (Excluding Allowances): April 1974-April 1986**

Year†	*(I)* £ *Cash Prices*	*(II)* £ *Constant (April 1986) Prices*	*(III)* *Percentage difference in real salary from an April 1979 base*	*(IV)* £ *Extra cash as compared with April 1979 (All figures at April 1986 prices)*	*(V)* *RPI‡ April 1974 = 100*
April 1974	3,080	11,180	+15	+1,490	100
April 1975	3,790	11,310	+17	+1,620	121·7
April 1976	4,180	10,490	+8	+800	144·7
April 1977	4,410	9,420	−3	−270	169·9
April 1978	4,900	9,700	0	+10	183·4
April 1979	5,390	9,690	0	0	201·9
April 1980	7,380	10,900	+12	+1,210	245·8
April 1981	8,030	10,590	+9	+900	275·4
April 1982	8,620	10,390	+7	+700	301·3

Year†	(I) £ Cash Prices	(II) £ Constant (April 1986) Prices	(III) Percentage difference in real salary from an April 1979 base	(IV) £ Extra cash as compared with April 1979 (All figures at April 1986 prices)	(V) RPI‡ April 1974 = 100
April 1983	9,120	10,570	+9	+880	313·4
April 1984	9,650	10,630	+10	+940	329·6
April 1985	10,390	10,710	+11	+1,020	352·4
April 1986	‖11,150	11,150	+15	+1,460	363·1

* All cash figures have been rounded to the nearest £10, and percentages to the nearest whole number.

† For the purpose of the estimated average salaries all increases have been attributed to the April of the calendar year in which they occurred (for example, the January and September instalments of the Clegg award in 1980 are included in the April 1980 figure).

‡ All items.

‖The April 1986 figure is an estimate.

School Leavers (Hampshire)

Mr. Viggers asked the Secretary of State for Education and Science what information he has as to the number of children who have taken *(a)* O-levels and *(b)* the CSE examination in each of the last 10 years, indicating the subjects taken and passed, in each of the following areas: *(a)* the borough of Gosport, *(b)* the borough of Fareham and *(c)* the county of Hampshire.

Mr. Dunn [*pursuant to his reply*, 16 June 1986]: Information is not available centrally for areas smaller than local education authorities. Information for the academic years 1975-76 to 1978-79 on the numbers of school leavers from Hampshire maintained schools who attempted, and achieved higher graded O-level/CSE results in specified subjects or combinations of subjects are given below.

Information for the academic years 1979-80 to 1984-85 was given in my reply of 20 June to the hon. Member for Portsmouth, South (Mr. Hancock), at columns 655-58.

Leavers from maintained schools in Hampshire

(Thousands)

	Academic Year 1975-76	1976-77	1977-78	1978-79
Total leavers	19·83	20·17	21·81	23·19
Number attempting O level in				
English	7·28	7·75	8·84	9·53
Mathematics	4·85	4·99	5·62	6·19
A science	6·13	6·11	6·89	7·49
A modern language	3·55	3·10	3·59	3·89
Number gaining O-level grades A-C in				
English	5·25	5·86	6·63	6·97
Mathematics	3·45	3·53	4·21	4·69
A science	4·14	4·15	4·75	5·09
A modern language	2·22	1·98	2·22	2·31
English and mathematics	2·79	3·02	3·60	3·87
Mathematics and science	2·64	2·72	3·20	3·52
English, mathematics and science	2·30	2·41	2·86	3·10
English, mathematics and a modern language	1·53	1·37	1·63	1·70
English, mathematics, science and a modern language	1·27	1·17	1·34	1·45
Any subject	7·53	7·82	8·70	9·46
Number attempting O-level or CSE in				
English	16·05	16·44	17·85	19·53
Mathematics	14·43	15·36	17·07	18·59
A science	14·42	14·48	15·77	17·31
A modern language	6·35	6·30	7·49	7·90
Number gaining O-level or CSE higher grades in				
English	6·14	6·75	7·38	7·59
Mathematics	4·31	4·71	5·30	5·87
A science	5·16	5·07	5·74	6·40
A modern language	2·51	2·21	2·57	2·59
English and mathematics	3·43	3·79	4·31	4·64
Mathematics and science	3·23	3·49	4·03	4·37
English, mathematics and science	2·73	2·92	3·43	3·71
English, mathematics and a modern language	1·70	1·68	1·82	2·07
English, mathematics, science and a modern language	1·37	1·40	1·48	1·69

	Academic Year			
	1975-76	1976-77	1977-78	1978-79
Any subject	9·59	9·93	10·76	11·76

Note: 1 O-level grades A-C, CSE grade 1

PRIME MINISTER

Bournemouth

Q36. **Mr. David Atkinson** asked the Prime Minister if she has any plans to visit Bournemouth.

The Prime Minister: I have at present no plans to do so.

Cannock and Burntwood

Q39. **Mr. Gerald Howarth** asked the Prime Minister if she has any plans to make an official visit to Cannock and Burntwood.

The Prime Minister: I have at present no plans to do so.

Harborough Magna, Rugby

Q79. **Mr. Pawsey** asked the Prime Minister if she has any plans to make an official visit to Harborough Magna, near Rugby.

The Prime Minister: I have at present no plans to do so.

Taxation and Unemployment

Q80. **Mr. Favell** asked the Prime Minister what estimate she has made of the effect on the level of unemployment of raising the standard rate of income tax by four pence in the pound.

The Prime Minister: Following long established practice of both Labour and Conservative Administrations the Government do not publish their projections of employment or unemployment, nor the effect of individual policy measures on them.

Feed Wheat

Mr. Ralph Howell asked the Prime Minister what information she has about the average selling price of feed wheat in 1985, as to its cost in real terms in 1970, 1979 and 1984, as to the cost of a 100 horse power tractor in 1985, and as to the cost of such a tractor in real terms in 1970, 1979 and 1984.

The Prime Minister: The average selling price of feed wheat in 1985 was £106·8 per tonne ex-farm. Developments in feed wheat prices in real terms, after adjusting by the retail prices index, are shown in the table for the years requested. Also shown are indices of tractor prices, adjusted by the RPI. These are compiled from manufacturers' list prices and relate to wheeled tractors of all sizes: generally the prices paid by purchasers will be lower than list price due to discounting, the extent of which has become substantial in recent years and varies between transactions. It should also be noted that price comparisons over time are particularly difficult because of continuing changes in the technical specification of tractors.

Indices of prices in real terms: 1985 = 100

	1970	1979	1984	1985
Feed wheat	138	145	111	100
All wheeled tractors	69	104	99	100

Income Tax

Sir Brandon Rhys Williams asked the Prime Minister, pursuant to her reply to the hon. Member for Kensington on 3 June, *Official Report*, column *433*, what would be the additional costs in terms of revenue forgone if, instead of making all income other than the credits taxable, each individual, counting husbands and wives separately, were allowed a non-transferable low income tax exemption, similar to age allowance, of *(a)* £15, *(b)* £20 and *(c)* £25 per week.

The Prime Minister: I shall reply to my hon. Friend shortly.

Football Supporters (Conduct)

Mr. Sayeed asked the Prime Minister if, when she next meets the chairman of the Football Association and the President of the Football League, she will discuss with them the lessons for the Government's objective of reducing the level of violence at football matches in the United Kingdom of experience of the conduct of British football supporters in Mexico for the World Cup; and if she will make a statement.

The Prime Minister: These matters were discussed at my meeting yesterday with representatives of the football authorities, including the chairman of the Football Association and the new president of the Football League. We reviewed progress with our joint efforts to combat football spectator violence by British fans at home and abroad. The good behaviour of British fans in Mexico, together with the marked reduction in domestic incidents last season, gives cause for optimism. But we agreed that careful planning and preparation remained vital; that we will continue vigorously to combat hooliganism, through the effective partnership between the Government and the football authorities.

Mr. Sayeed asked the Prime Minister what information Her Majesty's Government have about the conduct of British football supporters whilst attending the World Cup tournament in Mexico; and if she will make a statement.

The Prime Minister: I have received reports on the conduct of British football supporters in Mexico from my hon. Friend the Minister with responsibility for Sport, who attended the tournament from 8 to 15 June, and from Her Majesty's ambassador in Mexico. It seems clear that British supporters behaved well. Seven thousand to 9,000 attended the tournament, over four to six weeks; there were 31 arrests, mostly for minor offences against local byelaws. All but two were released quickly from custody. Clearly the careful planning and preparation by the Government, police and football authorities before and at

the tournament were effective, as was the policing by the Mexican authorities. I pay tribute to the positive attitude of the British fans in Mexico, and to the efforts of the Mexican Government and police, of the football authorities and of the staff of Her Majesty's ambassador in Mexico.

South Africa (President)

Mr. Winnick asked the Prime Minister if she will give details of recent exchanges between the State President of South Africa and herself.

The Prime Minister: I correspond from time to time with many Heads of Government. It is not normal diplomatic practice to reveal details of such exchanges.

Fishery Protection (Faroes)

Dr. Godman asked the Prime Minister what representations have been received from the Faroes Government about the activities of the Sea Shepherd recently involving the Faroese fishery protection vessel Olvur Halgi; what action is being taken; and if she will make a statement.

The Prime Minister: No representations have been received from the Faroese or Danish authorities.

Canada (Prime Minister)

Mr. Parry asked the Prime Minister if she will make a statement on her recent meeting with Mr. Brian Mulroney, the Prime Minister of Canada.

The Prime Minister: I had a good and useful meeting with Mr. Mulroney on 13 July in Montreal. We discussed several matters, including Canada's contribution to the international fund for Ireland. Mr. Mulroney committed C$10 million over the next 10 years. In addition we had a preliminary discussion of the issues which may arise at the Commonwealth meeting on South Africa in August.

Engagements

Mr. Favell asked the Prime Minister if she will list her official engagements for Thursday 17 July.

Mr. Peter Bruinvels asked the Prime Minister if she will list her official engagements for 17 July.

Mr. Wareing asked the Prime Minister if she will list her official engagements for Thursday 17 July.

Mr. Stern asked the Prime Minister if she will list her official engagements for Thursday 17 July.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in this House I shall be having further meetings later today, including one with President Mubarak of Egypt.

EMPLOYMENT

Inflation

44. **Mr. Aston** asked the Paymaster General why house prices are not included in the figures used to measure the rate of inflation.

Mr. Lang: House prices are included in the components which make up the retail prices index. They are taken into the calculation of owner-occupiers' housing costs which are based on mortgage interest payments.

Redundancy Fund

Mr. Parry asked the Paymaster General when rebates from the redundancy fund will be abolished; and if he will make a statement.

Mr. Trippier: The proposal to abolish the payment of employer's rebates for all but the smallest firms—those with fewer than 10 employees — is contained in the Wages Bill which is currently under consideration in another place. It is expected to come into effect on 1 August or upon Royal Assent of the Bill, whichever is the later.

Mr. Parry asked the Paymaster General how much financial assistance has been given to firms on Merseyside by way of rebates from the redundancy fund in each of the past three years.

Mr. Trippier: I regret that the information requested is not available.

Mr. Parry asked the Paymaster General if he will introduce some flexibility into the proposed cut-off date for rebate arrangements under the redundancy fund.

Mr. Trippier: No. The Government do not believe that it would be right to treat some employers differently from others. The precise cut-off arrangements, which will apply to all employers, are specified in schedule 6 to the Wages Bill currently before Parliament.

Mr. Parry asked the Paymaster General what representations he has received from Bibby Edible Oils Ltd. concerning rebates from the redundancy fund; what reply he has sent; and if he will make a statement.

Mr. Trippier: The managing director of Bibby Edible Oils Ltd. wrote to the Secretary of State on 10 June. A full reply was sent to his letter on 4 July, confirming that following enactment of the Wages Bill rebates will only be available to employers with more than nine employees if the redundancies took place before August 1986.

Manpower Services Commission

Mr. Allen McKay asked the Paymaster General what was the amount of finance allocated to the Manpower Services Commission and the amount spent for each year since its inception.

Mr. Kenneth Clarke: My Department gives a grant in aid to the Manpower Services Commission to carry out its functions; contributions are also made by the industry department for Scotland and the Welsh Office in respect of the proportion of costs specifically identified with services in Scotland and Wales. The figures in the following table include those contributions:

	Allocation £	*Expenditure* £
1974-75	105,395,000	96,004,201
1975-76	278,236,000	249,262,721
1976-77	410,911,000	366,748,991
1977-78	466,836,000	432,451,262

	Allocation £	Expenditure £
1978-79	547,491,000	507,278,898
1979-80	623,306,000	610,613,792
1980-81	760,093,000	747,787,224
1981-82	1,014,620,000	943,039,503
1982-83	1,333,140,000	1,070,270,287
1983-84	1,446,706,000	1,272,336,000
1984-85	1,436,467,000	1,413,322,000
1985-86	1,581,296,000	*

* The final expenditure figure for 1985-86 is not yet available. It is expected to be close to the amount allocated.

European Social Fund

Mr. Parry asked the Paymaster General if he will list in the *Official Report* the amount of assistance given to firms on Merseyside from the European social fund in each of the past three years.

Mr. Lang: The European Commission allocated the following amounts from the European social fund to private firms on Merseyside:

	£
1986	241,084
1985	355,607

Separate figures for Merseyside relating to 1984 are not available.

Nuclear Installations (Safety)

Mr. Corbyn asked the Paymaster General what recent advice has been received from the Advisory Committee on Safety at Nuclear Installations—ACSNI—following the accident at Chernobyl; and if he will make a statement on his Department's reactions to this advice.

Mr. Trippier: Very few technical details on the Chernobyl accident have been released by the Russians so far. The Advisory Committee on the Safety of Nuclear Installations is, therefore, not in a position to make any sensible assessment or give any useful advice at this stage. The ACSNI is continuing to take a close interest in the matter.

M23 (Hazardous Load)

Mr. George Gardiner asked the Paymaster General what role was played by the Health and Safety Executive in making safe a container of ethyl mercaptan parked off the M23 at Reigate on 11 July; and what time elapsed between the executive being alerted to the danger and its attendance on the scene.

Mr. Trippier: Responsibility for making safe the container lay primarily with the transport operator, with the police and fire services dealing with the immediate emergency arrangements needed. HSE inspectors attended at the request of the police. They gave technical assistnace to the police investigation into the circumstances which led to the incident. Inspectors were on site in under three hours.

Wages Councils (Northern Region)

Mr. Blair asked the Paymaster General how many wages council inspectors are currently in post in the northern region; and how many he proposes to retain in post in 1987.

Mr. Trippier: Currently there are seven outdoor inspectors in post in the northern division of the Wages Inspectorate. It is planned to reduce the number of posts to five in 1987.

Mr. Blair asked the Paymaster General how many establishments in the northern region come within the scope of wages councils; and how many prosecutions there have been under wages council legislation since 1979.

Mr. Trippier: At January 1986 there were 20,876 establishments on the register of the northern division of the Wages Inspectorate. Since 1979, six employers in that division have been prosecuted for offences under wages council legislation.

Handicapped Persons

Mr. Boyes asked the Paymaster General what information he has as to which countries in western Europe and north America which have a quota system for the employment of handicapped persons as to the level of the quota as a percentage of the work force and the penalties imposed on companies in both the private and public sector which do not reach the quota.

Mr. Lang: Comprehensive information is not readily available in the form requested. I understand, however that within the European Community, Belgium, Eire, France, Greece, the Federal Republic of Germany, Italy, Luxembourg and the Netherlands have some form of quota scheme and that there is no quota scheme in Denmark. I also understand that neither Canada nor the United States of America has a quota scheme.

Summaries of the quota arrangements in those countries listed above as having quota schemes, except Greece, were published in 1979 in the Manpower Services Commission's discussion document on the quota scheme, a copy of which is in the Library. It was confirmed in 1981 that the position remained substantially unchanged, but we have no more up-to-date information. Information from Greece in 1981 showed that a proportion of posts in certain occupations in the public sector are reserved for disabled people.

Mr. Boyes asked the Paymaster General what is the latest estimate of the unemployment rate of handicapped persons in the United Kingdom; what is the latest unemployment rate for the United Kingdom; and if he will provide comparable figures for each year from 1979 to the present.

Mr. Lang: The information is not available in the precise form requested.

The available information on those unemployed affected by ill health or disability is from the labour force survey in Great Britain for the years 1984 and 1985 only:

Percentage of economically active population of working age unemployed and actively seeking work*

	Spring 1984	Spring 1985
Persons limited by† health problems or disabilities	21·6	23·4
All persons	11·2	10·7

* 16-64 years for men, 16-59 years for women.

† Those limited by health problems or disablement as to the kind of paid work they could do.

The following table shows the level of unemployed claimants in the United Kingdom at June each year from 1979 to 1986 as a percentage of the working population. Figures before 1983 relate to estimates, The comparison are affected by the 1983 Budget provisions for certain older men, and by the change in the timing of compilation of unemployment statistics in March 1986.

	Per cent.
June 1979	4·6
June 1980	5·6
June 1981	9·0
June 1982	10·4
June 1983	11·1
June 1984	11·2
June 1985	11·5
June 1986	11·7

Social and Regional Funds

Mr. Boyes asked the Paymaster General what percentage of the European social fund and the European regional fund came to the United Kingdom for each year from 1973 to the present.

Mr. Lang: The percentage of the European Social Fund —ESF—and European Regional Development Fund—ERDF—allocated to the United Kingdom from 1973 to the present is as follows:

Year	*Per cent. ESF*	*Per cent. ERDF*
1973	31·5	—
1974	24·5	—
1975	29·6	28·7
1976	24·4	28·4
1977	37·1	28·9
1978	19·7	26·7
1979	25·4	27·1
1980	23·3	24·3
1981	24·9	21·7
1982	29·4	24·1
1983	29·8	21·7
1984	32	27·5
1985	23·7	26·4
1986	16·4	—

The United Kingdom first benefitted from the ERDF in 1975 and figures are not available for 1986.

Wages Councils (North-West)

Mr. Pike asked the Paymaster General how many prosecutions there have been in the north-west region under wages council legislation in 1979 and each subsequent year.

Mr. Trippier: No employers were prosecuted in 1979 for offences under wages council legislation in the north-west region. There were two prosecutions in 1980, on in 1981 and none in subsequent years.

TRANSPORT

Motorway Service Areas

Mr. Chapman asked the Secretary of State for Transport what proposals he has for providing and marketing additional service areas on the motorway network.

Mr. Peter Bottomley: The general policy is to provide new motorway service areas where they are required at strategic locations and at approximately 30-mile intervals on motorways yet to be completed and on existing motorways where there is a gap in services provision.

The planned programme and the manner of marketing are as follows:

(a) Competitive tenders for sites being selected by Government
- (i) M25: Thurrock (tenders received), Clacket Lane near Westerham; and Iver
- (ii) M11: Birchanger, near Stansted (tenders received)
- (iii) M20: Hollingbourne, east of Maidstone, and Westenhanger, junction 11
- (iv) M4: Reading area
- (v) M40: Stockenchurch near High Wycombe; Ardley, junction with A43; Barn Hill, where the motorway crosses the Fosse Way
- (vi) M27: Meon near Fareham
- (vii) M42: Stoke—eastern section
- (viii) M56: Hapsford, at junction with A5117.

We are also investigating potential sites for the M54 and for the Birmingham northern relief road.

(b) Competitive tenders for one site to be proposed experimentally by operators on a stretch of motorway defined by the Department:
M42: Northern section, in the Tamworth/North Warwickshire area.

(c) The following sites have been negotiated as private initiatives
- (i) M25: South Mimms (under construction)
- (ii) M5: Sedgemoor northbound site, previously the Brent Knoll rest area. The southbound side of the site is now open
- (iii) M20: West Kingsdown.

In addition, we will consider private initiative service areas to augment the strategic network where a landowner or developer comes forward with a proposal and where we consider the competitive tendering method is inappropriate. In such cases, we will expect the developer first to discuss and reach agreement with the Department about design and access, as well as financial matters to safeguard the Exchequer, and, following that agreement, the Department will seek planning clearance for the proposal in conjunction with the developer.

Private Vehicles (Accidents)

Mr. Heddle asked the Secretary of State for Transport (1) what steps he is taking to ensure that privately registered cars and vans which have been involved in serious accidents, but which are only subject to third party insurance and therefore not recorded under the serious damage repair procedure at the Driver and Vehicle Licensing Centre, Swansea are not then recycled illegally;

(2) what procedures are adopted by the police to ensure that privately registered cars and vans which have been involved in serious road accidents, but which are only subject to third party insurance, and therefore not recorded under the serious damage repair procedure at the Driver and Vehicle Licensing Centre, Swansea, are not then recycled illegally.

Mr. Michael Spicer: Arrangements already exist under which insurance companies and the police notify the Department of seriously damaged vehicles including some third party cases. However, I am aware of the difficulties in this area and officials will shortly be undertaking a review of the situation in consultation with the insurers, the police and other interests.

A19 (Repairs)

Mr. Dormand asked the Secretary of State for Transport if he will make a statement on repairs to the A19 road with particular reference to the contents of the reports commissioned by his Department dealing with the contracts for the construction of the road.

Mr. Peter Bottomley: The investigation into the defects of the A19 Teesside diversion and subsequent negotiations with the consultants and contractor have been completed. Settlements have now been reached.

Copies of the reports of the independent investigations by Maunsell and Partners and Cleveland county council have been placed in the Library of the House. The reports cover three areas of concern: the viaduct, the stage I carriageway and the stage II carriageway.

The viaduct is the most complicated problem and the difficulties lie in failure of the bearings of the main span to function fully to specification; some weaknesses in the support to the bearings of two of the main spans, weaknesses in the cross-bracing between the various beams in the main spans.

The cost of putting these right amounts to £200,000 and the report by Maunsell and Partners states that responsibility cannot be pinpointed precisely. The investigations report that at all times the road and bridge have been completely safe for use by traffic.

The stage I carriageway investigations found that the problems in the road were caused by a change in traffic flows and axle weights, particularly of heavy goods vehicles and no blame could be attached to either the consultant or the contractor.

The stage II carriageway independent investigations found that the surface had cracked and was showing signs of deformation. However, an appraisal of the report showed that the conclusions reached were based on a mistaken interpretation of the results of tests. The road will not have to be reconstructed and can be satisfactorily repaired by an overlay provided about two years before it might have been expected on a similar road carrying the same volume of traffic elsewhere. This work started in 1985 and will continue until 1987. The additional cost to the Department of bringing this work forward is of the order of £600,000.

The reports of two of the three independent investigations indicate certain deficiencies in the works as completed although it has not proved possible to identify the exact cause in every instance. Without admission of liability, the consultants and the contractor have separately entered into negotiations with the Department and in my view have responsibly reached settlements which amount to a substantial contribution towards the repair costs.

Roads Programme

Mr. Nicholas Winterton asked the Secretary of State for Transport what criteria as regards current access time to the motorway network he uses in assessing the demand for new motorways in England.

Mr. Peter Bottomley: Such criteria are not used.

Mr. Nicholas Winterton asked the Secretary of State for Transport if he will give a breakdown by classification of road of the total new mileage and planned cost of new motorways and trunk roads to be constructed in Cheshire in each of the next five years.

Mr. Peter Bottomley: There are five schemes, representing 14·5 miles of new road valued at some £50 million in the national trunk road programme. They are:

Due to open to traffic (Financial year)	*Road name*	*Scheme*	*Mileages*	*Estimated Cost £ million*
1987-88	A52	Barthomley Link—M6	3·4	6·82
1989-90	A483	Chester Southern Bypass—Welsh Border	2·5	6·8
1990-91	A41	Chester Improvement	1·8	13·7
1991-92	A52	Nantwich Bypass	3·5	4·1
1991-92	A523	Macclesfield Relief Road	3·3	19·1

The following small schemes are included in the regional improvement programme.

Due to open (financial year)	*Estimated cost £ million*
1987-88 A5 Barbridge Bypass	0·60
1988-89 A550 Ledsham Station Diversion	1·00

In addition the Department is considering small improvement schemes on A41 at Mitton Green, Macefen and No Mans Heath and on A52 at Basford Bridge, expenditure on which could fall within the next five years.

Mr. Nicholas Winterton asked the Secretary of State for Transport if he will give a breakdown by classification of road of the total new mileage and cost of new motorways and trunk roads constructed in Cheshire in each of the last five years for which figures are available.

Mr. Peter Bottomley: Six new schemes have been constructed in Cheshire as part of the national trunk road programme, worth some £25 million. These are:

	Road name	Scheme	Mileage	Cost £ million
Opened to traffic				
1981	M56	Hapsford East of Stoak	3·0	5·4
1981	M56	Stoak Interchange	2·2	*4·8
1981	M56	West of Stoak-Powey Lane	2·2	*6·7
1984	A51	Tarvin South West Bypass	2·1	1·8
To be opened				
1986	A54	Kelsall Bypass	2·2	3·7
1986	A49/A51	Tarporley Bypass	3·1	3·0

* Estimated cost.

Registration Marks

Mr. Peter Bruinvels asked the Secretary of State for Transport, pursuant to the answer to the hon. Member for Leicester, East of 30 June, how many registration marks have been transferred in each of the past 10 years to date; how much revenue has been collected therefrom in each of the periods; and if he will make a statement.

Mr. Michael Spicer: The information requested is as follows:

Year	Number of registration marks transferred	Fee revenue £ million
1985-86	56,352	4·5
1984-85	47,747	3·9
1983-84	44,773	3·5
1982-83	37,550	2·1
1981-82	29,822	1·5
1980-81	30,564	1·5
1979-80	30,404	1·5
1978-79	26,034	1·3
1977-78	22,425	1·1
1976-77	50,352	0·1

Roads (Vehicle Restrictions)

Mr. Adley asked the Secretary of State for Transport (1) if he will list those local authorities, as highway authorities, which have applied for weight restrictions on public roads for which they need his Department's agreement; and if he will make a statement on the extent of the use by local authorities of powers open to them;

(2) if he will list for each local authority in England and Wales the number of requests he has received for the imposition of restrictions on *(a)* coaches and *(b)* lorries on specified roads within their area; and if he will indicate how many have been approved and how many rejected.

Mr. Peter Bottomley: The Department does not keep general records of this type.

Road Humps

Mr. Adley asked the Secretary of State for Transport if he will tabulate for each local authority in England and Wales the number of requests he has received for road humps on public roads and the number which have been approved or rejected by his Department.

Mr. Peter Bottomley: Local highway authorities may install road humps on their own roads without reference to me, provided that they comply with the Highways (Road Hump) Regulations 1983. Some authorities have found these regulations too restrictive. New and more flexible regulations are expected soon following recent consultation with representative organisations.

Ethyl Mercaptan (Leak)

Mr. George Gardiner asked the Secretary of State for Transport if he will investigate the circumstances in which a container leaking ethyl mercaptan was transported between Fawley and Reigate on 10 July; and if he will make a statement.

Mr. Peter Bottomley: I am awaiting the results of detailed inquiries into this incident by the Health and Safety Executive and the police. I shall write to my hon. Friend when these inquiries are complete.

Mr. George Gardiner asked the Secretary of State for Transport (1) whether the movement of a container of ethyl mercaptan between Fawley and Reigate on 10 July was covered by the Dangerous Substances (Transport in Road Tankers and Tank Containers) Regulations 1981;

(2) whether the Classification, Packaging and Labelling of Dangerous Substances Regulations 1984, due to take effect later in the current year, will apply to movements such as that of ethyl mercaptan between Fawley and Reigate on 10 July; and what part his Department will play in the enforcement of those regulations.

Mr. Peter Bottomley: The Dangerous Substances (Conveyance by Road in Road Tankers and Tank Containers) Regulations 1981 do not apply to tank containers having a total capacity of less than 3 cu m. The Classification, Packaging and Labelling of Dangerous Substances Regulations 1984, which came into effect on 1 January 1986, apply to ethyl mercaptan: the Health and Safety Executive is the enforcing authority for dangerous substances in transit.

Mr. George Gardiner asked the Secretary of State for Transport what road closures were necessitated on 10 and 11 July by the operations to make safe a container of ethyl mercaptan on an articulated lorry parked on the A217, and later off the M23, at Reigate.

Mr. Peter Bottomley: On 10 July part of the A217 between the Blackhorse Lane roundabout and the Babylon roundabout was closed from 16.20 hours until 2 am on Friday 11 July.

The vehicle was then escorted along the A217 and eastbound on the M25 to an unused section of the M23 at its junction with the A23. It was escorted by three police vehicles during this journey to prevent overtaking. There were no road closures. Between approximately 20.00 and 21.00 hours on Friday 11 July while the manifold seal was

replaced, the M23/A23 north of the junction with the M25 to the Coulsden junction (a distance of some three miles) was closed.

No road closure was necessary while the vehicle was subsequently moved to Gillingham, nor during its journey from there to Felixstowe, but police escort was provided throughout.

Merseyside Bus Services (Deregulation)

Mr. Wareing asked the Secretary of State for Transport what consultations he plans to have on the subject of the deregulation of bus services in the county of Merseyside.

Mr. David Mitchell: The deregulation of bus services in the county of Merseyside is governed by the Transport Act 1985. The Association of Metropolitan Authorities is being consulted on the regulations being made under that Act. I shall be happy to consider any special representations which are made relating to the county of Merseyside.

Rural Roads (Dangers to Children)

Mrs. Shields asked the Secretary of State for Transport what representations he has received concerning the dangers to school children walking to school on rural roads without pavements.

Mr. Peter Bottomley: I have not received such representations. If the hon. Member has a particular problem or incident in mind, I shall be happy to look into it.

AGRICULTURE, FISHERIES AND FOOD

Hedge Removal Grant

Mr. Steen asked the Minister of Agriculture, Fisheries and Food (1) when the grant for removal of hedges in order to amalgamate fields was introduced; and when it was discontinued;

(2) what level of grant was paid to farmers in each of the last three years to assist them in removing hedges in order to amalgamate fields; and if he will make a statement.

Mrs. Fenner: I shall reply to my hon. Friend as soon as possible.

Fish and Fish Products (Imports)

Dr. Godman asked the Minister of Agriculture, Fisheries and Food (1) what was the value of fish and fish products, respectively, imported from the Faroe Islands in each of the last five years;

(2) what was the value of fish and fish products, respectively, imported from *(a)* Iceland and *(b)* Norway in each of the last five years.

Mr. Gummer: I shall reply to the hon. Member as soon as possible.

Cereals

Mr. John asked the Minister of Agriculture, Fisheries and Food if he will estimate the proportion *(a)* of total cereals produced in the United Kingdom and *(b)* of cereals used in animal feed which will be liable for co-responsibility levy; and if he will give information on equivalent figures for the European Community.

Mr. Jopling [*pursuant to his reply*, 23 June 1986, c. *43*]: I estimate that for both the United Kingdom and the Community as a whole the proportion of total cereals production liable to the levy will be about three-quarters and the proportion of cereals used in animal feed so liable around a half. These estimates are necessarily broad, given the uncertainties surrounding the size of the 1986-87 harvest and the proportions entering the different outlets both in the United Kingdom and in the whole Community.

Intervention Stores

Mr. Jackson asked the Minister of Agriculture, Fisheries and Food whether he can list for the latest available date the stocks of European Economic Community surplus agricultural produce in each individual intervention store in the United Kingdom.

Mr. Gummer [*pursuant to his reply*, 14 July 1986, c. *365*]: As at 31 March 1986 the stocks held at each location were as follows:

Cereals Intervention Stocks as at 31 March 1986

Location	*Tonnes*
Feedwheat	
England	
Abingdon	26,367
Alford	7,183
Ancaster	19,969
Avonmouth	23,851
Aylesbury	17,431
Banbury	35,318
Bardney	16,735
Barrow-on-Humber	2,648
Bicester	36,442
Birkenhead	5,944
Birmingham	4,006
Boroughbridge	2,298
Boston	28,508
Braintree	15,351
Bressingham	38,010
Bury St. Edmunds	41,457
Christchurch	37,902
Clopton	24,445
Colnbrook	38,674
Colsterworth	16,363
Dagenham	25,874
Didcot	12,837
Diss	11,972
Doncaster	70,394
Downham Market	11,426
Driffield	4,937
Droitwich	18,749
Dudley	17,178
Earls Colne	7,069
Easingwold	946
Ely	48,327
Elsworth	23,998
Fakenham	10,313
Felixstowe	66,764
Finmere	37,052
Ford	1,288
Foulsham	11,030
Fulbourn	9,869
Gainsborough	17,073
Gateshead	18,753
Gloucester	56,304
Grantham	64,301
Grateley	14,794
Grimsby	15,594
Hadleigh	4,665
Hadstock	12,090

Cereals Intervention Stocks as at 31 March 1986

Location	*Tonnes*
Halesworth	77,630
Halstead	17,239
Haresfield	54,495
Hartlebury	55,892
Hayes	15,316
Heighington	13,132
Hemswell	56,908
Holton Le Clay	14,493
Honeybourne	24,454
Horncastle	22,555
Hoveringham	15,775
Hull	91,319
Huntingdon	21,933
Immingham	9,789
Ingham	12,082
Ipswich	35,080
Kings Lynn	68,117
Kirton Lindsey	4,902
Lincoln	18,261
Linton	447
London	21,817
Long Eaton	14,119
Luton	50,232
Lutterworth	3,979
Lympne	19,662
Maldon	102,879
Manby	40,127
Market Drayton	22,023
Market Harborough	10,942
Melmerby	25,912
Membury	14,472
Misson	25,610
Mistley	11,853
Monmouth	19,994
Newcastle	11,583
Newmarket	20,242
Normanton	28,508
Norwich	5,067
Pebmarsh	5,193
Pocklington	12,312
Prees Heath	22,872
Raydon	1,840
Roydon	6,904
Royston	23,083
Salisbury	97,068
Sawston	11,440
Scunthorpe	76,825
Selby	9,873
Sharpness	433
Shelterton	44,922
Skegness	19,365
Sleaford	8,866
Soham	11,102
South Wigston	15,073
Southampton	109,862
Spalding	8,235
St. Ives	15,813
Stoke Ferry	15,058
Stowmarket	32,502
Stretham	20,429
Sudbury	11,169
Swaffham	9,072
Swinderby	23,039
Swindon	49,944
Tadcaster	27,295
Tangmere	9,072
Thetford	21,282
Thorne	4,164
Tuxford	17,000
Ulceby	10,298
Uttoxeter	25,078
Walsingham	7,039
Watford	13,776
Wednesbury	5,916
Wellingborough	12,192

Cereals Intervention Stocks as at 31 March 1986

Location	*Tonnes*
Westbury	5,136
West Hallam	23,096
West Wratting	10,619
Whittlesford	22,958
Wimblington	78,023
Wingham	6,726
Wisbech	42,162
Witham	37,680
Witney	8,549
Wroughton	1,893
York	9,208
Scotland	
Duns	2,268
Glenrothes	7,885
Kirkcaldy	3,569
Locharbriggs	9,524
Ormiston	5,885
Northern Ireland	
Artigavin	2,489
Belfast	7,548
Londonderry	3,781
Barley	
England	
Alnwick	20,520
Avonmouth	14,808
Banbury	15,751
Bardney	13,357
Barrow-on-Humber	7,445
Basildon	35,266
Belford	8,561
Birkenhead	5,395
Blyth	9,458
Boston	2,804
Braintree	1,908
Bressingham	10,943
Bridlington	3,400
Bury St. Edmunds	22,752
Chipping Warden	28,406
Colsterworth	8,361
Corby	18,737
Coventry	40,288
Driffield	27,284
Easingwold	5,909
Ely	38,339
Exeter	4,536
Eye	7,454
Gloucester	75,280
Grantham	16,099
Hadleigh	11,835
Halesworth	2,784
Hartlebury	29,042
Honeybourne	19,807
Hull	43,506
Kings Lynn	27,848
Lincoln	10,003
Linton	988
Long Eaton	17,629
Lowick	11,264
Manby	9
Market Harborough	10,018
Market Rasen	10,717
Membury	512
Newbury	5,826
Newcastle	9,673
Newmarket	35,926
Normanton	8,654
Norwich	24,763
Owmby	12,927
Pickenham	7,426
Prees Heath	9,419
Purfleet	11,851
Quarrington	8,547

Cereals Intervention Stocks as at 31 March 1986

Location	*Tonnes*
Rackheath	8,576
Retford	25,371
Roydon	10,342
Scunthorpe	61,546
Selby	18,823
Shelterton	25,236
Skegness	27,486
Southampton	48,506
Staughton	19,920
Swindon	42,843
Tamworth	8,362
Tangmere	15,576
Telford	20,199
Thetford	23,749
Towcester	5,614
Tuxford	6,224
Uttoxeter	31,437
Walsingham	9,218
Wednesbury	62,608
West Bromwich	25,741
Whittlesey	10,474
Wingham	3,899
Woodbridge	18,609
Wymeswold	8,731
York	17,325
Scotland	
Aidrie	21,737
Arbroath	5,245
Drumlithie	13,805
Duns	95,684
Dysart	35,829
Evanton	25,406
Fearn	7,934
Glenrothes	9,746
Granton	23,302
Keith	17,998
Kirkcaldy	6,805
Leith	8,059
Leven	8,832
Locharbriggs	40,886
Newmachar	12,076
Ormiston	67,348
Pencuik	13,990
Stracathro	93,579
Tranent	12,506
Turriff	51,112
Breadmaking Wheat	
England	
Coventry	240
Wells	359
Rye	
England	
Ely	256
Manby	256

Intervention butter stores as at 31 March 1986

England	
Avonmouth	2,532
Aylesford	239
Bloxwich	1,888
Buxton	1,202
Bristol	15,602
Cambourne	528
Cannock	2,489
Chard	490
Chester	1,065
Colnbrook	5,475
Cullompton	13,725
Dagenham	2,257
Doncaster	3,566
Droitwich	1,010
Dronfield	1,095

Cereals Intervention Stocks as at 31 March 1986

Location	*Tonnes*
Eastleigh	748
Exeter	3,255
Fleetwood	2,642
Frome	1,458
Gillingham	151
Grantham	2,076
Great Harwood	393
Grimsby	6,561
Harlow	63
Haywood	656
Hull	4,541
King's Lynn	2,374
Leeds	2,138
Leek	1,296
Liverpool	15,924
London	4,671
Manchester	6,309
Milton Keynes	318
Northallerton	2,550
Nuneaton	1,372
Oswestry	3,064
Peterborough	1,279
Plymouth	95
Preston	1,659
Pontefract	575
Retford	1,544
Reading	522
Roborough	1,038
Rochdale	522
Severnside	456
Sevenoaks	360
Sherbourne	4,123
Shrewsbury	415
Southall	1,970
Stanmore	1,701
St. Helens	1,144
Stourport	1,863
Swindon	999
Taunton	351
Thetford	1,737
Trentham	409
Truro	2,938
Tyne and Wear	1,590
Warwick	1,583
Warrington	2,881
Wigan	838
Wigston	1,258
Wolverhampton	6,560
Yate	626
Yeovil	168
Wales	
Cardiff	11,107
Milford Haven	480
Newport	1,040
Rhyl	1,149
Swansea	3,222
Whitland	280
Scotland	
Aberdeen	1,136
Bellshill	3,434
Dalcross	36
Dundee	539
Edinburgh	1,745
Glasgow	2,000
Glenrothes	226
Leith	662
Northern Ireland	
Annalong	680
Augher	1,001
Ballymena	133
Banbridge	4,419
Belfast	4,111

Cereals Intervention Stocks as at 31 March 1986

Location	*Tonnes*
Coleraine	2,729
Lisburn	1,587
Londonderry	998
Portadown	3,263
Strabane	3,156
Whiteabbey	1,097

Intervention SMP stores as at 31 March 1986

England	
Avonmouth	200
Billingham	663
Bootle	120
Calne	20
Cockermouth	1,135
Darlington	1,000
Droitwich	543
Exeter	3,202
Great Torrington	880
High Ercall	1,880
Kingswinford	205
Kirkby	80
Knockin Heath	349
Lostwithiel	280
Newton Abbot	531
Northallerton	375
Nuneaton	48
Penrith	920
Redcar	136
Rotherwas	362
St. Helens	520
Stockton on Tees	1,673
Taunton	239
Wellington	1,520
Westbury	200
Whitchurch (Hants)	201
Whitchurch (Salop)	1,312
Scotland	
Cumbernauld	336
Glenrothes	966
Wales	
Bedwas	2,262
Llandysul	973
Llanelli	1,760
St. Clears	966
Northern Ireland	
Antrim	400
Ballymena	520
Banbridge	4,792
Coleraine	230
Craigavon	135
Hillsborough	370
Katesbridge	2
Moneymore	740
Newtown Abbey	45
Portadown	1,500
Strabane	4,645

Intervention beef stocks as at 31 March 1986

England	
Avonmouth	738
Bishop Stortford	11
Blackburn	992
Bourne	195
Bristol	94
Bury St. Edmunds	485
Cannock	589
Colnbrook	1,713
Cullompton	175
Doncaster	122
Droitwich	819

Cereals Intervention Stocks as at 31 March 1986

Location	*Tonnes*
Eastleigh	79
Exeter	635
Felixstowe	142
Fleetwood	98
Gateshead	468
Gillingham	1,146
Grantham	1,464
Hull	6,374
King's Lynn	4,134
Leeds	2,984
Liverpool	2,142
London	2,557
Lowestoft	216
Luton	34
Maidstone	40
Manchester	494
March	49
Northallerton	88
Nottingham	118
Nuneaton	29
Oswestry	242
Paddock Wood	1,360
Peterborough	3,872
Plymouth	97
Pontefract	1,417
Reading	42
St. Helens	169
Salford	1,111
Sheffield	17
Sherborne	95
Shrewsbury	782
Truro	142
Walsall	455
Warwick	17
Wigston	114
Wolverhampton	861
Scotland	
Aberdeen	3,149
Bellshill	129
Bridge of Allan	88
Dalcross	492
Dundee	642
Edinburgh	338
Fraserburgh	671
Glasgow	1,161
Glenrothes	9
Peterhead	339
Wales	
Cardiff	201
Rhyl	108
Northern Ireland	
Antrim	6,580
Ballymena	1,184
Belfast	2,618
Coleraine	617
Craigavon	11,314
Dungannon	3,229
Lisburn	3,836
Newtownabbey	7,301
Omagh	1,786
Portadown	39
Strabane	338

DEFENCE

Gibraltar Dockyard

Mr. Gordon Brown asked the Secretary of State for Defence if he will estimate, at 1986 prices, the average cost of refit work at Gibraltar *(a)* before and *(b)* since Appledore took over.

Mr. Lee: Since the work content of individual refits varies, it is not possible to calculate a representative average cost.

Mr. Gordon Brown asked the Secretary of State for Defence how much work in Royal Fleet Auxiliary refits is guaranteed to Appledore at Gibraltar dockyard.

Mr. Lee: A programme of assured naval work, notably on royal fleet auxiliaries, worth £14 million—at 1983 prices—is to be provided during the first three years of operation of Gibraltar Ship Repair Limited.

Mr. Gordon Brown asked the Secretary of State for Defence if he will list the annual costs of running Gibraltar dockyard, including refit work, in each year since 1979, in cash terms and at 1986 prices.

Mr. Lee: The following table shows operating costs, including overheads, for Gibraltar Dockyard:

Financial Year	*Actual Cost* £ *million*	*Adjusted to 1986 prices* £ *million*
1978-79	16·3	30·1
1979-80	16·9	27·2
1980-81	22·2	29·9
1981-82	23·8	29·7
1982-83	23·4	27·4
1983-84	25·4	28·2
*1984-85	14·5	15·4

* to 31 December only

From 1 January 1985 the costs of running Gibraltar Dockyard ceased to be the responsibility of the Ministry of Defence.

Falkland Islands (Air Service Contracts)

Mr. Pike asked the Secretary of State for Defence whether all recent air service contracts to the Falkland Islands have been awarded on the basis of open competitive tender.

Mr. Stanley: All use of chartered aircraft in June and July to supplement the RAF flights to and from the Falklands has been decided after competitive tenders have been sought from British airlines operating aircraft of the required capacity.

Virgin Airlines

Mr. Pike asked the Secretary of State for Defence what is the value of the recent contract awarded to Virgin Airlines to service the United Kingdom/Falkland Islands routes for transportation of troops or equipment.

Mr. Stanley: I refer the hon. Member to the reply to the hon. Member for Linlithgow (Mr. Dalyell) on 1 July at column *520*.

Mr. Pike asked the Secretary of State for Defence when the first application for supply of services to his Department by Virgin Airlines was received by his Department.

Mr. Stanley: Virgin Atlantic Airways first approached my Department about tendering for a contract on the Falkland Island route in July 1984.

Mr. Pike asked the Secretary of State for Defence at what date the first contract by his Department was awarded to Virgin Airlines.

Mr. Stanley: 12 June 1986.

Transportation Contracts

Mr. Pike asked the Secretary of State for Defence what scrutiny is given by his Department to the financial standing of any company tendering for the transportation of troops or equipment by his Department.

Mr. Stanley: The degree of scrutiny, if any, is a matter for decision on a case-by-case basis.

FOREIGN AND COMMONWEALTH AFFAIRS

Guatemala

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs whether he intends to resume consular or diplomatic relations with Guatemala; and if he will make a statement.

Mr. Eggar: I refer the hon. Member to the answer I gave him on 19 May. We have always been ready to resume official relations with Guatemala without preconditions.

British Council

Mr. Wigley asked the Secretary of State for Foreign and Commonwealth Affairs how much additional expenditure has been incurred by, and how much additional resources have been allocated to, the British Council, in order to safeguard the security of British Council employees and property overseas following the air attacks on Libya: and if he will make a statement.

Mr. Eggar: The British Council estimates its expenditure on extra security costs since the air attack on Libya as likely to be in the order of £700,000 in 1986-87. As regards additional resources for the Council, I would refer the hon. Member to my answer of 14 July to the hon. Member for Portsmouth, South (Mr. Hancock).

Mr. Wigley asked the Secretary of State for Foreign and Commonwealth Affairs if he will publish a table showing for each of the past seven years the level of funding made available by the Government to the British Council.

Mr. Eggar: The following table sets out the information requested. It covers the funding levels for the years 1979-80 to 1985-86.

£ *million*

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*
FCO Grant in Aid (Mixed Money)	28·9	31·5	34·1	39·4	41·8	47·5	50·1
ODA Contributions (Mixed Money)	16·0	17·0	19·4	19·6	21·7	23·1	24·2

	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86
Other ODA Contributions:							
Aid Administration	4·3	6·6	5·9	6·2	6·4	7·3	8·0
Technical Education and Training for Developing Countries			1·4	0·9	0·9	0·9	1·0
Higher Education			2·7	2·5	2·6	2·8	3·0
TOTALS	49·2	55·1	63·5	68·5	73·4	81·6	86·3

Commonwealth Secretariat

Sir John Biggs-Davison asked the Secretary of State for Foreign and Commonwealth Affairs how much in money and percentage terms of the cost of the Commonwealth Secretariat is contributed by the United Kingdom.

Mr. Eggar: Since the establishment of the Commonwealth Secretariat in 1965, the United Kingdom has paid 30 per cent. of the secretariat's budget. In 1985-86 this amounted to £1·7 million.

El Salvador

Mr. Foulkes asked the Secretary of State for Foreign and Commonwealth Affairs if he will specify the date on which an officer from El Salvador is due to commence language and military training in the United Kingdom; what is the name and rank of the soldier concerned; and if he will place in the Library a biography of the officer and a synopsis of his history in the El Salvadorean armed services.

Mr. Eggar: The position remains as in my reply of 19 May to the hon. Member. It is not our policy to give specific details of individuals attending military training courses in the United Kingdom. Our offer to El Salvador is consistent with training provided by Contadora group countries, whose efforts to promote a peaceful settlement in Central America we actively support.

South Africa

Mr. Winnick asked the Secretary of State for Foreign and Commonwealth Affairs whom the Foreign Secretary intends to see on his forthcoming visits to South Africa; who has indicated that they will refuse to see him; and if there has been any change in the proposals that will be made by the Foreign Secretary to the South African Government as a result of his recent visit to Zambia and Zimbabwe.

Mrs. Chalker: I refer the hon. Member to the speech which my right hon. and learned Friend made on the debate on South Africa on 16 July.

Dr. Kurt Waldeheim

Mr. Janner asked the Secretary of State for Foreign and Commonwealth Affairs if he will institute a search of military records to establish how many British prisoners of war were interrogated by German Army group E, of which Kurt Waldeheim was in charge of interrogation, other than those whose names have been supplied to him by the hon. and learned Member for Leicester, West, and to discover their subsequent fate; and if he will make a statement.

Mr. Eggar: The search of Ministry of Defence records already instituted in response to an earlier request from the hon. and learned Member is still in progress. To establish how many British prisoners of war were interrogated by German Army group E would require a search of the records of every British prisoner-of-war who went through German hands. With the resources available to the Ministry of Defence that is not practicable.

NATIONAL FINANCE

Money Supply

14. **Mr. Sedgemore** asked the Chancellor of the Exchequer what is his policy towards the annual movement of M3.

Mr. Ian Stewart: I refer the hon. Member to the 1986-87 Financial Statement and Budget Report, and of the speech by my right hon. Friend, the Chancellor of the Exchequer to the Lombard Association in April.

Inflation

15. **Mr. Gerald Howarth** asked the Chancellor of the Exchequer when inflation was previously at or below its current level.

34. **Mr. Neil Hamilton** asked the Chancellor of the Exchequer when inflation was previously at or below its current level.

37. **Mr. Nicholls** asked the Chancellor of the Exchequer when inflation was previously at or below its current level.

38. **Mrs. Roe** asked the Chancellor of the Exchequer when inflation was previously at or below its current level.

42. **Mr. Michael Brown** asked the Chancellor of the Exchequer when inflation was previously at or below its current level.

Mr. Lawson: The 12-month increase in the retail prices index was last as low as 2·5 per cent. at the end of 1967.

Labour Statistics

16. **Mr. Dormand** asked the Chancellor of the Exchequer how many people were in employment in May 1979 and at the latest available date.

Mr. MacGregor: Total employment in Great Britain was a little under 24·8 million in June 1979 and a little over 24 million in March 1986.

Balance of Payments

17. **Mr. Weetch** asked the Chancellor of the Exchequer what are his latest projections for the balance of payments for 1986-87; and if he will make a statement.

Mr. Ian Stewart: I refer the hon. Member to the forecast my right hon. Friend published at Budget time.

Value Added Tax

18. **Mr. Thurnham** asked the Chancellor of the Exchequer what representations he has received seeking a lowering of the threshold figure of turnover for registration for value added tax purposes.

Mr. Norman Lamont: A fair number.

27. **Mr. Nicholas Brown** asked the Chancellor of the Exchequer what representations he has received concerning the operation of the value added tax penalties introduced in the Finance Act 1985.

Mr. Brooke: I have nothing to add to the reply I gave the hon. Member on 19 June at column *629*.

Share Ownership

19. **Mr. Waller** asked the Chancellor of the Exchequer if, pursuant to the answer of 22 May, *Official Report*, column *306*, he will make it his policy to commission, at an appropriate future date, a further survey of the incidence of personal share ownership to take account of the impact of the proposed personal equity plan provisions contained in the Finance Bill; and if he will make a statement.

Mr. Norman Lamont: I expect further survey work on share ownership to be carried out next year, possibly as part of the General Household Survey.

22. **Mr. Yeo** asked the Chancellor of the Exchequer what representations he has received on his Budget proposals for personal equity plans.

Mr. Norman Lamont: My right hon. Friend's personal equity plan proposals have been widely welcomed.

43. **Mr. Portillo** asked the Chancellor of the Exchequer what representations he has received concerning the proportion of the population who are share owners.

Mr. Norman Lamont: The Government's efforts to promote wider share ownership have attracted strong support, not least from those who have bought shares in privatised companies and in the companies where they work.

Interest Rates

20. **Mr. Patchett** asked the Chancellor of the Exchequer what is the current level of interest rates in the United Kingdom; and what information he has on comparable rates in the other six main Organisation for Economic Co-operation and Development countries.

Mr. Ian Stewart: Three-month interbank rates in London are around 10 per cent. As in the other main OECD countries, interest rates in the United Kingdom are kept at the level necessary to maintain appropriate monetary conditions.

European Monetary System

21. **Mr. Hunter** asked the Chancellor of the Exchequer what further representations he has received seeking full United Kingdom participation in the European monetary system; and if he will make a statement.

Mr. Ian Stewart: My right hon. Friend has received a number of representations on this subject.

Third World Debt

23. **Mr. Skinner** asked the Chancellor of the Exchequer when he next expects to meet Ministers of those Governments who are concerned about the problems of Third world debt repayments.

Mr. Ian Stewart: My right hon. Friend the Chancellor of the Exchequer frequently meets with other Finance Ministers to discuss the economic difficulties of developing countries, including debt repayments. Discussions will continue in the autumn at a variety of international meetings, including the IMF-IBRD annual meeting schedule for 29 September to 3 October.

Government Fixed Assets

24. **Mr. Michael McNair-Wilson** asked the Chancellor of the Exchequer what percentage of Government fixed assets are covered by insurance.

Mr. MacGregor: As a result of the Government's policy of bearing their own risk except where there are special circumstances, only a very small proportion of Government fixed assets is covered by commercial insurance.

Freeports

25. **Mr. Colvin** asked the Chancellor of the Exchequer if he will introduce measures to make freeports value added tax free areas.

Mr. Norman Lamont: No.

Taxation and Unemployment

26. **Mr. Fatchett** asked the Chancellor of the Exchequer what representations he has received concerning the results of studies on the marginal effect on unemployment at *(a)* tax cuts and *(b)* increased public spending.

Mr. MacGregor: Some.

Pensioner Price Index

28. **Mr. Spencer** asked the Chancellor of the Exchequer what are the main factors currently influencing the pensioner price index.

Mr. Ian Stewart: The main influence on the pensioner price indices, and indeed on the other indicators of retail price inflation, is the Government's economic policy.

Sub-Saharan Countries (Debt)

29. **Mr. Tom Clarke** asked the Chancellor of the Exchequer what is the outstanding burden of debt owed to Her Majesty's Government by countries in sub-Saharan Africa.

Mr. Ian Stewart: Debt owed directly to Her Majesty's Government by countries in sub-Saharan Africa consists of principal and interest outstanding on aid loans made by the Overseas Development Administration, which was £141 million at 1 April 1986.

Job Creation (Budget Proposals)

30. **Mr. Knox** asked the Chancellor of the Exchequer what assessment he has made of the extent to which his 1985 Budget has achieved the encouragement to employment which he anticipated.

Mr. MacGregor: Since March 1985 total employment in Great Britain has risen by 238,000.

North Sea Oil Revenue

31. **Mr. Bill Walker** asked the Chancellor of the Exchequer what is his latest estimate of the value of North sea oil revenues expected during the current fiscal year.

Mr. Norman Lamont: Government revenues from United Kingdom oil and gas production are forecast to be £6·1 billion in the financial year 1986-87.

Fuel Testing (Customs and Excise)

32. **Mr. Evennett** asked the Chancellor of the Exchequer how many staff are employed by Her Majesty's Customs and Excise on roadside fuel testing duties.

Mr. Brooke: In the year to 31 March 1986 roadside fuel testing duties and associated follow up investigations absorbed about 89 man years of effort, including staff engaged part time on those duties.

Married Man's Allowance

33. **Ms. Clare Short** asked the Chancellor of the Exchequer what representations he has received concerning his proposals to abolish the married man's allowance.

Mr. Norman Lamont: I refer the hon. Member to my reply to the hon. Member for Sheffield, Central (Mr. Caborn) on 19 June at column *630*.

Local Authority Finance

35. **Mr. Greenway** asked the Chancellor of the Exchequer what information he has as to the value of local authority borrowing on foreign capital markets in the latest year for which figures are available; and if he will make a statement.

Mr. MacGregor: In 1985-86 foreign currency borrowing by local authorities under the public sector exchange cover scheme amounted to the equivalent of £223 million.

Taxation Policy

36. **Mr. Kirkwood** asked the Chancellor of the Exchequer what account he takes in formulating his taxation policy of the differential effects of various options on high income-earning and low income-earning tax units, respectively.

Mr. Norman Lamont: The pattern of taxation across the whole income distribution is one of the many factors taken into account in formulating taxation policy.

Capital Gains Tax

39. **Mr. Hirst** asked the Chancellor of the Exchequer what are his latest estimates of the yield in 1986-87 in capital gains tax associated costs of collection; and if he will make a statement.

Mr. Norman Lamont: It is estimated that the yield from capital gains tax in 1986-87 will be £1,050 million and the estimated cost of collection at around £20 million.

Profit-related Pay

40. **Mrs. Virginia Bottomley** asked the Chancellor of the Exchequer what representations he has received about profit-related pay.

Mr. Brooke: Informal talks have been held with employers and others both at individual company level and with representative bodies. These exchanges produced a very positive response to the principle of an initiative to encourage further expansion of profit-related pay. The result of these discussions are reflected in the Green Paper "Profit Related Pay: a Consultative Document" which was presented to Parliament on 15 July.

Job Creation (Tax Revenue)

41. **Mr. Chris Smith** asked the Chancellor of the Exchequer what assessment he has made of the implications for tax revenue of the *(a)* part-time and *(b)* full-time jobs created since 1983.

Mr. Norman Lamont: This will depend on the level of wages and spending patterns of those concerned.

Incomes

Sir Brandon Rhys Williams asked the Chancellor of the Exchequer if he will estimate the number of people in 1985-86, counting husbands and wives separately, with investment income and—or earned income of less than *(a)* £10, *(b)* £15 and *(c)* £20 a week, showing those above retirement age separately.

Mr. Norman Lamont: I shall let my hon. Friend have a reply as soon as possible.

Bilingual Forms

Mr. Donald Stewart asked the Chancellor of the Exchequer how many of his Department's forms and leaflets are printed in Gaelic or in a bilingual Gaelic-English format.

Mr. Lawson [*pursuant to his reply*, 15 July 1986] : None of the Treasury's forms or leaflets is printed in Gaelic or a bilingual Gaelic-English format.

Personal Equity plans

Mr. Chope asked the Chancellor of the Exchequer whether he has reached a decision on the limits which will apply to investments in unit trusts and investment trusts within a personal equity plan.

Mr. Norman Lamont: Investment in authorised unit trusts and investment trusts approved under section 359 of the Taxes Act 1970 will be allowed up to £420 a year or 25 per cent. of the investor's annual subscription, which ever is the higher. This will enable a personal equity plan investor to put a monthly subscription of £35 or less solely into a unit trust or investment trust. Those investing larger amounts will, if they wish, still be able to diversify their portfolios by placing a proportion of their investments in investment trusts and-or unit trusts.

The purpose of the limit is to enable small investors to have a reasonable spread of risk, while still encouraging

the growth of direct personal investment in United Kingdom companies, which is the primary aim of the personal equity plan scheme.

Personal Incomes

Mr. Shore asked the Chancellor of the Exchequer whether he will provide figures for the weekly earnings after income tax, national insurance contributions and child benefit at *(a)* actual prices and *(b)* constant April 1985 prices of (i) a single man, (ii) a married man, (iii) a married man with two children under 11 years, (iv) a married with four children, two under 11 years, one 11 to 15 years, and one over 16 years, whose gross weekly earnings are at (v) the lowest decile, (w) the lower quartile, (x) the median, (y) the upper quartile and (z) the highest decile for April 1979 under the June 1979 tax/benefit regime and April 1985.

Mr. Lawson [*pursuant to his reply*, 8 July 1986, c. *124-25*]: Information in the following table is based on estimates of male earnings for those in full time work paid at adult rates, with pay unaffected by absence. Estimates are based on information from the annual New Earnings Survey.

The calculations take no account of income-related benefits to which those at the lowest decile and quartile may be entitled. Taxpayers are assumed to have no reliefs or allowances other than the appropriate personal allowance.

Earnings after Income Tax, National Insurance Contributions and Child Benefit*

£ per week

	Single		*Married man‡ no childre*		*Married man‡ two children‖*		*Married man‡ four children¶*	
	At current prices	*At constant April 85 prices†*	*At current prices*	*At constant April 85 prices†*	*At current prices*	*At constant April 85 prices†*	*At current prices*	*At constant April 85 prices†*
Lowest decile of earnings								
April 1979	45·35	79·16	49·10	85·71	57·10	99·67	65·10	113·64
April 1985	76·83	76·83	84·04	84·04	97·74	97·74	111·44	111·44
Lower quartile of earnings								
April 1979	54·31	94·80	58·06	101·35	66·06	115·31	74·06	129·28
April 1985	93·79	93·79	101·00	101·00	114·70	114·70	128·40	128·40
Median of earnings								
April 1979	66·18	115·52	69·93	122·07	77·93	136·03	85·93	150·00
April 1985	118·13	118·13	125·34	125·34	139·04	139·04	152·74	152·74
Upper quartile of earnings								
April 1979	81·23	141·79	84·98	148·34	92·98	162·30	100·98	176·27
April 1985	150·76	150·76	157·98	157·98	171·68	171·68	185·38	185·38
Highest decile of earnings								
April 1979	100·73	175·83	104·48	182·38	112·48	196·34	120·48	210·31
April 1985	196·28	196·28	203·49	203·49	217·19	217·19	230·89	230·89

* At the contracted-in rate.
† By reference to the Retail Price Index.
‡ Assuming no wife's earnings.
‖ Children aged under 11.
¶ Two children under 11, one 11 to 16, one over 16.
Under the June 1979 tax/benefit regime.

WALES

Lambs (Sales Ban)

Mr. Best asked the Secretary of State for Wales if he is yet in a position, following his recent meeting with unions representing farmers in the affected areas, to put forward proposals for compensation for those subject to the current ban on lamb sales; and if he will make a statement.

Mr. Nicholas Edwards: It is still too early to assess the impact on producers of the controls in the designated areas. I shall make a further statement as soon as I can.

Mr. Best asked the Secretary of State for Wales if he can yet remove further areas of Anglesey from the current ban on lamb sales; and if he will make a statement.

Mr. Nicholas Edwards: I cannot at present add to the answer I gave my hon. Friend on 10 July as regards restrictions on the movement and slaughter of sheep in Anglesey. However, continued testing has identified other areas where restrictions can now be lifted. My right hon. Friend the Minister of Agriculture, Fisheries and Food and I have therefore today laid an order under the Food and Environment Protection Act 1985 to come into effect at midnight to release a coastal strip between Bangor and Caernarfon in Gwynedd and parts of central Clwyd.

A map showing in more detail the areas to be released and the results of tests made up to 14 July are being published today and a copy is being placed in the Library of the House. The test programme is continuing.

Mr. Best asked the Secretary of State for Wales if the monitoring of radio caesium levels in lambs on Anglesey and in north west Wales have indicated a trend of dissipation of radio caesium sufficient to enable him to project when the ban on sales will be lifted; and if he will make a statement.

Mr. Nicholas Edwards: Intensive monitoring has enabled a number of areas to be freed from restrictions on

the movement and slaughter of lambs. Testing is continuing in order to derestrict further areas as quickly as possible and an announcement is being made today. It is not yet possible to estimate when all restrictions may be lifted.

Job Losses (Microelectronic Sectors)

Mr. Barry Jones asked the Secretary of State for Wales how many jobs have been lost in Wales in the hi-tech microelectronic sectors in the last five years.

Mr. Nicholas Edwards: The information is not available.

Members' Correspondence

Mr. Chope asked the Secretary of State for Wales how many letters from hon. Members to his Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Nicholas Edwards [*pursuant to his reply*, 14 July 1986, c. *351*]: Of the 13 letters received from right hon. and hon. Members which were still awaiting a substantive reply on 11 July 1986, 11 were received more than one month ago; one was received more than two months ago; and one was received more than three months ago. None was received more than four months ago.

Since 11 July, 4 of the 13 listed above have received substantive replies, one of these having been received more than two months ago and three more than one month ago.

The average time taken to reply to letters addressed to Ministers is 10 working days. In some cases it is appropriate to make enquiries to other Government Departments, local authorities and other bodies, and on such occasions the length of time taken to respond can be longer. When circumstances prevent an early reply being made the correspondent is kept informed and a substantive reply is made as soon as possible.

THE ARTS

Tate Gallery of the North

Mr. Parry asked the Minister for the Arts what is the anticipated date for the opening of the Tate Gallery of the North.

Mr. Luce: The trustees of the Tate Gallery plan to open the Tate in the North in the summer of 1988.

Arts on Merseyside

Mr. Parry asked the Minister for the Arts if he will make a statement on the future of the arts on Merseyside.

Mr. Luce: I am pleased to say that as a result of the successful negotiations conducted by the Arts Council and Merseyside Arts, the immediate future of all the major arts organisations on Merseyside has been secured.

SOCIAL SERVICES

Enter and Search Power

Mr. Michael Brown asked the Secretary of State for Social Services how many officials for whom he has responsibility currently have the power to enter and search premises, subject to statutory conditions and, in each case, if he will indicate the statutory authority under which power is exercised.

Mr. Fowler: Officials' power to enter premises is described in the following legislation as powers of entry, inspection and/or examination for specific purposes. The numbers of officials and statutory authorities are:

(a) 16 Medicines Inspectors
—Medicines Act 1968;

(b) 101 Social Services Inspectors
—National Assistance (Powers of Inspection) Regulations 1948;
—Mental Health (Powers of Inspection) Regulations 1960;
—Child Care Act 1980;

(c) 2,886 Social Security Officials — last count February 1985
—Social Security Act 1975;
—Social Security (Miscellaneous) Provisions 1977;
—Emergency Laws (Re-enactment Repeals) Act 1964.

In addition, there are officials authorised by district health authorities under the Registered Homes Act 1984 and the Nursing Homes and Mental Nursing Homes Regulations 1984. The number of officials so authorised is not known centrally.

Legionnaire's Disease

Mr. Hannam asked the Secretary of State for Social Services if he will instruct health authorities to equip all hospitals with chlorinators in order to combat legionnaire's disease.

Mr. Hayhoe: A wide number of control measures to combat legionnaire's disease are under consideration and it seems likely that a number of different methods will emerge as being effective. Appropriate action will then be taken.

Mr. Hannam asked the Secretary of State for Social Services if he will ensure that all waterspray nozzles are removed from National Health Service hospitals so as to prevent outbreaks of legionnaire's disease.

Mr. Hayhoe: I understand that available evidence indicates that the removal of water spray nozzles will not prevent outbreaks of legionnaire's disease if the hot and cold water distribution system itself is contaminated. The advice to health authorities on this subject is to maintain distribution systems within a safe range, ensuring the integrity of tank covers and the cleanliness of tanks and storage vessels.

Health Care (Expenditure)

Mr. Kirkwood asked the Secretary of State for Social Services if he will list the expenditure, by regional health authority, on primary care, community care and hospital services, for each year since 1975.

Mr. Hayhoe: For the years 1976-77 to 1984-85, tables showing an analysis of total revenue, that is current, expenditure by region and service are included in the Department's annual publication "Health Services Costing Returns", copies of which are held in the Library.

I am sending the hon. Member copies of the relevant tables together with the equivalent figures for 1975-76, which are not readily available in published form. A copy of these has been placed in the Library.

AIDS

Mr. Kirkwood asked the Secretary of State for Social Services what is the average cost of caring for those who have acquired immune deficiency syndrome in *(a)* central London and *(b)* the rest of the United Kingdom.

Mr. Hayhoe: I regret that information is not held centrally in the form requested. The cost of treating patients who have the acquired immune deficiency syndrome—AIDS—varies considerably between patients depending on the course of the disease and the opportunistic infections involved. The limited information which is available suggests that in most cases the cost to the National Health Service is between £10,000 to £20,000 per patient.

Mr. Kirkwood asked the Secretary of State for Social Services which health authorities have implemented plans for the testing and counselling of HTLV—3 carriers and for supporting those diagnosed as having acquired immune deficiency syndrome.

Mr. Hayhoe: My Department wrote to health authorities in July of last year asking them to make arrangements for the provision of testing facilities and for counselling before testing and afterwards where a person was found to be infected. The extent and scale of facilities is a matter for health authorities to consider in the light of local needs.

Benefits (Northern Ireland)

Mr. Frank Field asked the Secretary of State for Social Services if he will estimate the number of claimants who move between Northern Ireland and the rest of the United Kingdom in any one year giving the size of the flow each way and the numbers claiming the long-term rate of benefit.

Mr. Major: I regret that the information on which a reasonable estimate could be based is not available and could be obtained only at disproportionate cost.

Attendance Allowance

Mrs. Beckett asked the Secretary of State for Social Services how many people were receiving attendance allowance *(a)* at the higher rate, and *(b)* at the lower rate, at the latest date for which information is available.

Mr. Major: At 31 March 1985, the latest date for which information is available, an estimated 222,000 people were receiving the higher rate of attendance allowance and 321,000 the lower rate.

Supplementary Benefit

Mr. Clelland asked the Secretary of State for Social Services (1) what was the percentage change in *(a)* staff handling supplementary benefit and *(b)* all staff at his Department's local offices serving Tyne Bridge constituency in the period 1979 to 1985;

(2) how many people claimed supplementary benefit in Tyne Bridge constituency in *(a)* 1979 and *(b)* 1985; and what percentage change that represents.

Mr. Allen McKay asked the Secretary of State for Social Services how many persons claimed supplementary benefit in Barnsley, West and Penistone constituency in *(a)* 1979, *(b)* 1983, *(c)* 1985 and *(d)* 1986 to date; what percentage change that represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at local offices of the Department for the same period.

Dr. Godman asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Greenock and Port Glasgow constituency in *(a)* 1979 and *(b)* 1985; what percentage change that represents; and what was the percentage change in (i) staff handling supplementary benefit and (ii) all staff at the local offices of his Department over the same period.

Mr. Major: I shall let the hon. Members have replies as soon as possible.

Housing Benefit

Sir Brandon Rhys Williams asked the Secretary of State for Social Services how many and what percentage of council tenants receive housing benefit distinguishing between those below and those above retirement age.

Mr. Major: There were an estimated 3·8 million council tenants, of whom 2·1 million were over pension age, receiving housing benefit in autumn 1985. They represented about 64 per cent. and 36 per cent. respectively of all council tenants.

Sir Brandon Rhys Williams asked the Secretary of State for Social Services, pursuant to the reply to the hon. Member for Fulham (Mr. Raynsford), 23 May, *Official Report*, columns *386-90*, if he will publish fresh figures for benefit entitlement taking into account entitlement to family income supplement and family credit.

Mr. Major: I shall let my hon. Friend have a reply as soon as possible.

Social Security Reform

Sir Brandon Rhys Williams asked the Secretary of State for Social Services what would be the extra costs, using the illustrative figures in the technical annex to Cmnd. 9691, social security White Paper, if *(a)* the allowance of £30·60 were available to all single people aged 18 years and over and *(b)* the allowance for a married couple were twice the allowance for single people.

Mr. Newton: It is estimated that the minimum extra cost of paying the £30·60 allowance to all single people aged 18 and over would be of the order of £200 million to £250 million and that of increasing the married couples allowance to £61·20 would be over £1,200 million. Neither estimate takes account of the extra cost arising from the additional claims to benefit that would result from these rates.

State Earnings-related Pensions

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will publish figures, similar to those in table 1 of Cmnd. 9711, and using the same assumptions, setting out the Government Actuary's estimates of anticipated expenditure on the proposed new state earnings-related pension in each year between now and 2003-04.

Mr. Newton: The proposed new arrangements for the state earnings-related pension scheme will not begin to take effect until 1999-2000 and savings will build up slowly at first. The estimated cost of SERPS retirement pensions in 2003-04 under the proposed new arrangements is £4·2 billion compared with an estimated £4·3 billion under the current arrangements. I regret that detailed figures for the years 1999-2000 to 2002-03 are not available.

Benefits

Sir Brandon Rhys Williams asked the Secretary of State for Social Services, pursuant to the reply to the hon. Member for Kensington on 9 June, *Official Report*, column *85*, if he will publish the new estimates of unclaimed housing benefit, supplementary benefit, family income supplement and one-parent benefit as soon as they become available.

Mr. Major: The new estimates of unclaimed benefits will be published as soon as possible.

Sir Brandon Rhys Williams asked the Secretary of State for Social Services if he will give his latest estimate of the number of children living in families dependent on means-tested benefits; and how he expects these figures to be affected by the introduction of family credit, income support and the proposed housing benefit changes.

Mr. Newton: The latest estimate, using data from the Family Expenditure Survey for 1984, is that the number of children living in families in receipt of means-tested benefits is approximately 3·25 million

On the basis of the illustrative assumptions set out in the technical annex accompanying Comn 9691, and assuming a minimum 20 per cent. rates contribution, there would be a net increase in the number of children in families on income related benefits of just over 150,000. The principal factor in this is the substantial increase in the

number of low-paid working families who would be entitled to family credit, but would not at present be entitled to family income supplement.

Visually Handicapped People (Review)

Mr. Carter-Jones asked the Secretary of State for Social Services what is the reason for delay in announcing an outcome to the Government's review of the certification and registration of visually handicapped people; when he expects to be able to reply to a letter dated 3 February from the director general of the Royal National Institute for the Blind; and if he will make a statement.

Mr. Newton: I have replied today to the letter from the director general of the Royal National Institute for the Blind and have apologised to him for the delay in doing so. The review has raised difficult and complex issues which have taken longer to consider than I would have wished, but we will announce our conclusions as soon as possible.

Radiation

Mr. Corbyn asked the Secretary of State for Social Services what advice he has received from the Committee on the Medical Affects of Radiation in the Environment —(COMARE) — following the various reports on cancers and leukaemias around nuclear installations in specific geographical regions; if he will make a statement on his Department's use of this advice.

Mr. Whitney: COMARE has been asked to report on new information on releases from Sellafield. Its conclusions will be published by the Government and any necessary action taken. As regards the other points raised, results of scientific studies and other relevant data will be put before the Committee on the Medical Aspects of Radiation in the Environment when they are available.

Chernobyl Disaster

Mr. Corbyn asked the Secretary of State for Social Services what recent advice he has received from the National Radiological Protection Board, following the problems at Chernobyl and their impact on the United Kingdom; and if he will make a statement on his Department's use of this advice.

Mr. Whitney: The staff of the National Radiological Protection Board have been closely involved in environmental radioactivity monitoring following the accident at Chernobyl and in the Government's review of those events. Their advice has contributed and will continue to contribute to the decisions—and action—taken by the Government.

Doctors and Nurses

Mr. Wareing asked the Secretary of State for Social Services how many *(a)* state registered nurses, and *(b)* medical doctors are currently unemployed.

Mr. Hayhoe: I shall let the hon. Member have a reply as soon as possible.

Single Payments

Mr. Gordon Brown asked the Secretary of State for Social Services how many claims for *(a)* maternity expenses, *(b)* redecoration, *(c)* beds, *(d)* bedding and *(e)* cookers were disclosed in his survey of Scottish single payment applications on 2 July.

Mr. Major: The special count made on 2 July was solely of the number of people whose single payment claims were being processed in local offices in Scotland. Further details, such as the item claimed, were not recorded.

Social Workers

Mr. Meacher asked the Secretary of State for Social Services what information he has for each social service department as to the extent of the shortfall in establishment of *(a)* social workers and *(b)* senior social workers responsible for supervision, in relation to the levels of staffing prescribed for child abuse work.

Mr. Whitney: I refer the hon. Member to my reply to him on 8 April at column *80*.

Child Abuse

Mr. Meacher asked the Secretary of State for Social Services what information he has about the number of children who have been designated as at risk or entered on a child abuse register and who have not been allocated to a social worker either within *(a)* one month, *(b)* three months or *(c)* six months after their name was registered.

Mr. Whitney: This information is not held centrally.

NORTHERN IRELAND

Further Education Colleges

Mr. Hume asked the Secretary of State for Northern Ireland what figures are available to indicate the college establishment-promoted and transferred posts for each further education college in Northern Ireland for the coming academic year.

Dr. Mawhinney: The information is not yet available but figures for 1985-86 are as follows:

College	*Vice-principal (VP)*	*Head of department (HOD)*	*Principal lecturer (PL)*	*Senior lecturer (SL)*	*SL transfer*	*Lecturer II (LII)*	*Youthway LII*
Belfast College of Technology	1	7	12	35	31	76	3
Belfast College of Business Studies	1	6	3	13	13	37	—
Rupert Stanley College	1	6	1	11	2	50	6
Antrim	*1	3	—	1	—	12	1
Ballymena	1	6	1	8	3	36	1
Coleraine	1	4	—	3	—	21	1
Larne	*1	3	—	2	—	18	1

College	Vice-principal (VP)	Head of department (HOD)	Principal lecturer (PL)	Senior lecturer (SL)	SL transfer	Lecturer II (LII)	Youthway LII
Magherafelt	*1	2	—	1	—	14	1
Newtownabbey	1	6	1	9	3	38	2
North Antrim	*1	2	—	1	—	11	1
NI Hotel & Catering	1	—	—	0	—	8	—
Castlereagh	1	5	1	5	7	18	—
Down	1	4	—	3	1	18	1
Lisburn	1	5	1	7	6	30	2
Newcastle	*1	2	—	1	—	8	1
North Down	1	5	1	8	4	40	1
Armagh	1	4	—	6	—	24	—
Banbridge	*1	2	—	1	—	10	—
East Tyrone	1	4	—	4	—	24	—
Lurgan	1	5	—	3	—	19	1
Newry/Kilkeel	1	5	—	6	1	32	2
Portadown	1	8	—	7	2	33	—
Fermanagh	1	4	—	3	—	25	—
Limavady	*1	3	—	2	—	12	—
North-West	1	7	5	17	9	43	3
Omagh	1	4	—	3	—	21	—

Notes:

1. The VP's in those posts marked with an asterisk also carry out the duties of an HEO.
2. Youthways LII posts are additional to those determined as part of the overall staffing entitlement.
3. The above table does not include details of Lecturers I who have satisfied the conditions for transfer from the maximum of the LI scale to point 8 of the LII scale. Such a lecturer continues to be regarded as a lecturer grade I.

Mr. Hume: asked the Secretary of State for Northern Ireland if he will make a statement indicating the information available on the amount of category three, four and five work done in each further education college in Northern Ireland.

Dr. Mawhinney: The information, in respect of the 1984-85 academic year, is as follows:

Number of Hours

College	Category II/III	Category IV	Category V	Total
Belfast College of Technology	420,606	1,032,612	553,702	2,006,920
Belfast College of Business Studies	210,452	816,754	447,585	1,474,791
Rupert Stanley College, Belfast	36,405	357,678	1,444,470	1,838,553
Antrim	—	—	377,961	377,961
Ballymena	35,199	429,113	719,208	1,183,520
Coleraine	9,193	244,771	375,524	629,488
Larne	—	95,964	323,446	419,410
Magherafelt	—	126,869	272,226	399,095
Newtownabbey	41,236	407,888	756,819	1,205,943
North Antrim	—	56,011	269,378	325,389
Northern Ireland Hotel and Catering	—	173,877	153,571	327,448
Castlereagh	32,859	307,652	359,429	699,940
Down	7,853	198,158	411,804	617,815
Lisburn	44,141	321,692	627,682	993,515
Newcastle	779	92,342	240,188	333,309
North Down	46,032	520,828	660,386	1,227,246
Armagh	21,474	491,291	467,389	980,154
Banbridge	—	107,522	247,475	354,997
East Tyrone	3,956	154,288	533,888	692,132
Lurgan	2,455	108,982	618,101	729,538
Newry/Kilkeel	13,254	413,137	688,008	1,114,399
Portadown	32,114	224,781	925,178	1,182,073
Fermanagh	3,092	285,569	429,702	718,363
Limavady	2,347	80,912	408,059	491,318
North West	218,317	530,275	1,004,018	1,752,610
Omagh	4,422	254,346	415,457	674,225

Notes:

1. These figures include YTP students' attendance hours.
2. The total of Category V hours at Rupert Stanley College includes part-time Category IV hours. These have not been included in the Category IV column. A breakdown of the hours into the correct categories is not available.

Mr. Hume asked the Secretary of State for Northern Ireland (1) if he will make a statement outlining the criteria used to determine the number of full-time lecturers on the youth training programme appointed to each further education college in Northern Ireland;

(2) if he will make a statement outlining the criteria used to determine the number of full-time lecturers appointed to each further education college in Northern Ireland.

Dr. Mawhinney: Full-time mainstream staff requirements are determined on the basis of the number of students at the college, the need for specialist teachers arising from the curriculum and in light of available resources.

Full-time youth training programme staff requirements are determined by the number of students enrolled on courses, the need for specialist teachers arising from the curriculum, the amount of day-release provision required by other providers and in light of available resources.

Riots (Portadown)

Mr. Parry asked the Secretary of State for Northern Ireland (1) if he will make a statement on the riots at Portadown, County Armagh on 12 July;

(2) how many plastic bullets were used in the riots at Portadown on 12 July;

(3) how many persons were injured in the riots at Portadown on 12 July.

Mr. Scott: I shall reply to the hon. Member as soon as possible.

Antrim RUC Station

Mr. Proctor asked the Secretary of State for Northern Ireland (1) if any visits to Antrim Royal Ulster Constabulary station by dignitaries were (i) requested and (ii) allowed for Saturday 12 July; and if he will make a statement;

(2) how many times the Royal Ulster Constabulary Chief Constable has visited Antrim Royal Ulster Constabulary station in the years 1980, 1981, 1982, 1983, 1984, 1985 and 1986 to the latest available date; and if he will make a statement;

(3) how many police dogs are based at Antrim Royal Ulster Constabulary station; and what are their ages and breeds;

(4) how many official visits have been made by Royal Ulster Constabulary officers based at Antrim Royal Ulster Constabulary station to schools in the area covered by Antrim Royal Ulster Constabulary station in the years 1980, 1981, 1982, 1983, 1984, 1985 and 1986 to the latest available date; and if he will make a statement.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

RUC (Disciplinary Proceedings)

Mr. Proctor asked the Secretary of State for Northern Ireland (1) how many Royal Ulster Constabulary officers of rank below superintendent have been disciplined or had disciplinary proceedings begun against them in the years 1980, 1981, 1982, 1983, 1984 and 1985, resulting from incidents when hon. Members have gained access to Royal Ulster Constabulary stations, at which those officers were stationed, without those hon. Members having gained the permission of the Chief Constable; and if he will make a statement;

(2) how many Royal Ulster Constabulary officers of rank superintendent or above have been disciplined, or had disciplinary proceedings begun against them in the years 1980, 1981, 1982, 1983, 1984, 1985 and 1986 to date resulting from incidents when hon. Members have gained access to Royal Ulster Constabulary stations under their command without those hon. Members having gained the permission of the Chief Constable; and if he will make a statement.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

RUC (Notification of Events)

Mr. Proctor asked the Secretary of State for Northern Ireland (1) how many notifications of *(a)* parades, *(b)* demonstrations, *(c)* major sporting events and *(d)* other major events the Royal Ulster Constabulary received which were scheduled to take place in Antrim during the afternoon of Saturday 7 June;

(2) how many notifications of *(a)* parades, *(b)* demonstrations, *(c)* major sporting events and *(d)* other major events the Royal Ulster Constabulary received which were scheduled to take place in Antrim during the morning of Saturday 7 June.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

RUC (Visits by Members)

Mr. Proctor asked the Secretary of State for Northern Ireland if he will meet the Chief Constable of the Royal Ulster Constabulary to discuss the procedures covering visits to Royal Ulster Constabulary stations by hon. Members and other dignitaries; and if he will make a statement.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

Council By-elections

Mr. Proctor asked the Secretary of State for Northern Ireland if he will list the council by-elections which have taken place in Northern Ireland since the last local government elections in 1985 and for which electoral areas the by-elections were held, the dates they were held and the number of votes cast for each party contesting each of those by-elections and the number of votes cast for each party contesting those electoral areas at the local government elections in 1985.

Mr. Scott: The information requested is given in the table:

	District Council	District Electoral Area	Date of by-election	First preference votes cast at by-election	First preference votes cast at local government elections 15 May 1985
1.	Banbridge	Knockaveagh	28 August 1985	Ind Unionist 1,584 SDLP .. ..1,265 UUP.. 1,116	UUP.. .. ..2,331 (4 candidates) SDLP .. .. 905 (2 candidates) DUP.. .. .. 873 (2 candidates) Ind Unionist .. 694
2.	Ballymoney	Bann Valley	17 April 1986	Ind .. .. ..1,985 SDLP 876	DUP.. .. ..1,626 (3 candidates) UUP.. .. .. 989 (2 candidates) SDLP .. .. 550 Sinn Fein .. .. 532 Alliance 248
3.	Newtownabbey	Antrim Line	1 May 1986	DUP.. .. ..1,292 Alliance .. .. 882 Other 92	UUP.. .. ..2,063 (3 candidates) DUP.. .. ..1,363 (2 candidates) Alliance .. .. 791 SDLP .. .. 765 (2 candidates) Others (2) 118
4.	Moyle	Giant's Causeway	16 May 1986	Ind Unionist .. 703 UUP.. 535	UUP.. .. ..1,135 (4 candidates) DUP.. .. .. 813 (3 candidates)
5.	Magherafelt	Sperrin	21 May 1986	SDLP .. ..1,837 Sinn Fein .. ..1,763 Workers Party .. 760	SDLP .. ..2,469 (4 candidates) Sinn Fein .. ..1,798 (2 candidates) UUP.. .. .. 935 DUP.. .. .. 652 Workers Party .. 239
6.	Fermanagh	Erne East	21 May 1986	UUP.. .. ..3,210 Sinn Fein .. ..3,082 SDLP 1,269	Sinn Fein .. ..3,086 (4 candidates) UUP.. .. ..2,604 (3 candidates) SDLP .. ..1,425 (2 candidates) DUP.. .. .. 779 (2 candidates) Others 113

Elections (Identification Documents)

Mr. Proctor asked the Secretary of State for Northern Ireland if he will make it his policy that at each election held in Northern Ireland a record is kept of the number of persons who attend at each polling station and who are refused a ballot paper because they are not in possession of one of the documents specified for identification purposes.

Mr. Scott: No. Procedure within polling stations is a matter for the chief electoral officer, who applies the relevant electoral rules prescribed by statute.

Explosives

Mr. Proctor asked the Secretary of State for Northern Ireland (1) whether he has been able to identify *(a)* the make and *(b)* the type of fertiliser used by the Irish Republican Army in explosive mixtures;

(2) what is his estimate of the weight of explosive mixture which has been used by the Irish Republican Army in Northern Ireland in the current year and in 1985;

(3) what information he has as to how much of the fertiliser used by the Irish Republican Army in its explosive mixtures was sold in Northern Ireland in the current year and in 1985.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

Terrorism (Deaths)

Mr. Proctor asked the Secretary of State for Northern Ireland if he will publish a table in the *Official Report* showing for each month from 1 November 1985 to date the number of deaths of *(a)* civilians, *(b)* Regular Army, *(c)* Ulster Defence Regiment, *(d)* Royal Ulster Constabulary and *(e)* Royal Ulster Constabulary Reserve caused by terrorist activity and specify in respect of which terrorist organisation there has been a claim or evidence of responsibility.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

IRA Attacks

Mr. Proctor asked the Secretary of State for Northern Ireland if he will publish a table in the *Official Report* showing for each month from 1 January 1985 to date the number of explosions, punishment shootings, and attacks on the security forces for which the Irish Republican Army claimed responsibility or where there is evidence that it is responsible.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

Medical Cards

Mr. Proctor asked the Secretary of State for Northern Ireland what steps he is taking to ensure that every person in Northern Ireland who is entitled to hold a medical card is issued with a card of the current type.

Mr. Needham: I shall reply to my hon. Friend as soon as possible.

Secretary of State (Interview)

Mr. Proctor asked the Secretary of State for Northern Ireland if he will publish in the *Official Report* the 18 complaints, objections and requests for clarification which the Irish Government have lodged with the Anglo-Irish Secretariat in Belfast about an interview given by him to the *Belfast Telegraph* on Friday 4 July; what responses he is making to each of the 18 items; and if he will make a statement.

Mr. Scott: I shall reply to my hon. Friend as soon as possible.

Irish Foreign Minister (Protests)

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland if he will review the implications for the working of the Anglo-Irish Intergovernmental Conference of recent direct protests by the Foreign Minister of the Irish Republic against the routing by the Northern Ireland authorities of certain Orange parades.

Mr. Tom King: I shall reply to my hon. Friend as soon as possible.

ENVIRONMENT

Cement

Mr. Pawsey asked the Secretary of State for the Environment (1) if he will assess the number of jobs likely to be lost in the United Kingdom cement industry by the import of subsidised Greek cement;

(2) if he will assess the damage to the United Kingdom cement industry likely to be caused by imports of subsidised Greek cement.

Mr. John Patten: It is too early to say.

Mr. Pawsey asked the Secretary of State for the Environment (1) what action he intends to take to ensure that Greek cement imported into the United Kingdom is of an acceptable technical standard;

(2) what steps he takes to ensure that any Greek cement introduced into the United Kingdom conforms in full to the appropriate British standards.

Mr. John Patten: The Government encourage customers to specify British Standard products, but it is up to each customer to decide whether or not a product is of a suitable technical standard for his purposes.

Mr. Pawsey asked the Secretary of State for the Environment what estimate is available to him as to the tonnage of cement used in the United Kingdom construction industry each year since 1980.

Mr. John Patten: The information is given in the following table:

Cement Deliveries

(in thousand tonnes)

	Home deliveries of United Kingdom production	*United Kingdom imports*		
		Portland cement	*Special cement and clinker*	*Total*
1980	14,034	92	26	118
1981	12,417	158	30	188
1982	12,685	209	73	282
1983	13,094	353	76	430
1984	13,337	395	105	500
1985	13,225	388	231	619

Notes:

(1) Imported clinker that has been ground into cement is included in home deliveries although not necessarily in the same year as the year of import.

(2) Not all cement deliveries are used by the construction industry.

Council House Sales

Mr. Leigh asked the Secretary of State for the Environment when he expects residents of local authority flats will be able to exercise the right to buy with the new discounts included in the Housing and Planning Bill.

Mr. John Patten: The Bill provides for the new discount scale for flats purchased under the right to buy to come into operation two months after Royal Assent. If the Bill becomes law in October the change will therefore take effect by the end of the year.

The general consents have been amended to allow local authorities to sell by agreement to sitting tenants at the new discounts now.

Housing Defects Legislation

Mr. Thurnham asked the Secretary of State for the Environment what recent representations he has received about extending the categories of houses eligible for designation under part XVI of the Housing Act 1985; and if he will make a statement.

Mr. John Patten: My Department receives various suggestions and queries concerning designations under the Housing Defects legislation, and these are considered on their merits. If my hon. Friend wishes to write to me on any particular matter I will be pleased to deal with it.

Community Relations Councils

Mr. Shersby asked the Secretary of State for the Environment what information he has concerning the expenditure by local authorities on funding community relations councils; and if he will make an estimate of the total cost to ratepayers for the most recent 12 months period for which figures are available.

Mrs. Rumbold: Details of financial assistance given by local authorities to community relations councils are shown in the annual reports of the Commission for Racial Equality, copies of which are available in the library of the House.

The total cost to ratepayers depends upon how the community relations councils are financed and on individual local authorities' specific and block grant entitlement. The Department does not hold the relevant information in a form which would enable the total cost to be calculated.

Parish Councils

Mr. Baldry asked the Secretary of State for the Environment what would be the effect of his Green Paper proposals "Paying for Local Government" on the funding of parish councils.

Mr. Waldegrave: We intend that town and parish councils should continue to derive their income by precepting on borough or district councils. We shall shortly be consulting the National Association of Local Councils and the local authority associations about the operation of these proposals.

Houses in Multiple Occupation

Mr. Pike asked the Secretary of State for the Environment what action he proposes to take arising from the publication of the first part of his Department's research study of houses in multiple occupation in England and Wales.

Sir George Young: We have already strengthened local authorities' powers in this area and issued relevant guidance. We are considering the need for further measures in the light of current research. We hope to publish the second part of the HMO study by the end of the year.

Planning Decisions (Appeals)

Mr. Franks asked the Secretary of State for the Environment how many appeals against planning decisions by local planning authorities in Cumbria have been made to him for each year since 1974; if he will list these by each local planning authority; and if he will also list the number of appeals allowed against each authority.

Mr. Tracey: The number of appeals against planning decisions by local planning authorities in Cumbria received in the calendar years 1984 and 1985, the earliest period for which information is available, the number decided and the number allowed were:

Local Planning Authority	*Number of Appeals received*		*Number of Appeals decided*		*Number of Appeals allowed*	
	1984	*1985*	*1984*	*1985*	*1984*	*1985*
Allerdale District Council	27	34	21	26	5	9
Barrow in Furness Borough Council	8	26	9	20	3	10
Carlisle City Council	14	23	8	14	0	6
Copeland Borough Council	11	13	9	10	3	5
Eden District Council	11	17	11	7	5	2
South Lakeland District Council	60	46	44	48	14	22

Golf Course (Occombe, Devon)

Mr. Steen asked the Secretary of State for the Environment if he will consider calling in the application to construct a golf course at Occombe, Devon.

Mr. Tracey: Planning permission for this development has been given. I will write to my hon. Friend about this case.

River Kennett (Fish Deaths)

Mr. Corbyn asked the Secretary of State for the Environment what representations he has received on the implications for planning policies of the death of fish in the river Kennett arising from riparian building works.

Mrs. Rumbold: My right hon. Friend has received no representations on this issue.

River Thames (Effluent Control)

Mr. Corbyn asked the Secretary of State for the Environment what representations he has received on the implications for effluent control policy of dead fish found in the Thames on 8 July.

Mrs. Rumbold: My right hon. Friend has not received any representations on the implications for effluent control policy of dead fish found in the Thames on 8 July.

Due to an unusual set of circumstances, including an abnormal storm, many fish died in the upper tidal Thames. Remedial measures were quickly applied by the Thames water authority, which has assured the Department that there is not likely to be any long-term effect on fish stocks.

Radioactive Waste

Mr. Corbyn asked the Secretary of State for the Environment what advice he has received from the Radioactive Waste Management Advisory Committee, following the report of the Environment Committee on nuclear waste, and following the Chernobyl accident; and if he will report his Department's reactions to this advice.

Mrs. Rumbold: Professor Paul Matthews, chairman of the committee, wrote to my right hon. Friend on 6 May setting out the committee's views on the Environment Committee's report. Copies were placed in the Library. That advice and further advice upon the Environment Committee's recommendations that relate to RWMAC is included in the Committee's seventh annual report to be published on 22 July. That advice has been and will be considered carefully.

The Committee is concerned with the management of radioactive waste. It has not been called upon therefore to give advice following the Chernobyl accident.

Merseyside Residuary Body

Mr. Wareing asked the Secretary of State for the Environment what proposals have been made by his Department in respect of borrowing by the Merseyside residuary body.

Mrs. Rumbold: The Merseyside residuary body has requested borrowing consent for various purposes. My right hon. Friend the Secretary of State has approved the payment of staff compensation costs, the recreation of those balances by Merseyside county council which were internally lent by the outgoing council, and the refinancing of debt inherited from Merseyside county council as purposes for which the residuary body may borrow in 1986-87. Other requests are being considered.

Mr. Wareing asked the Secretary of State for the Environment what subjects his Department has discussed with the Merseyside residuary body since its inception.

Mrs. Rumbold: The Department's officials have met members and officers of the Merseyside residuary body on numerous occasions to discuss matters relating to its functions, including property and finance. My noble Friend has also held meetings from time to time with the chairman of all the residuary bodies.

Merseyside Development Corporation

Mr. Wareing asked the Secretary of State for the Environment what plans he has to widen the functions of the Merseyside development corporation.

Mr. John Patten: We have no plans at present to widen the functions of Merseyside development corporation.

Mr. Wareing asked the Secretary of State for the Environment when he last met the chairman of the Merseyside development corporation; and what subjects were discussed.

Mr. John Patten: The Secretary of State has not met the chairman of the Merseyside development corporation. I met Mr. Forster on 9 July. The meeting was one in a normal cycle of meetings to discuss the corporation's progress on their current corporate plan and to look forward to the preparation of the next.

Mr. Wareing asked the Secretary of State for the Environment if he will list the members of the Merseyside development corporation, indicating their occupations and any outside directorships held.

Mr. John Patten: The information is as follows:

Mr. Donald Forster Chairman
Retired chairman of the family textile company. Former chairman Warrington and Runcorn development corporation.
Mr. John Smith, CBE Deputy Chairman
Chairman, Sports Council
Chairman, Liverpool football club
Professor Graham Ashworth, CBE
Professor of urban environmenal studies, Salford university.
Dr. Noel Boaden
Dean of the faculty of social and environment studies, Liverpool university.
Mr. Philip Carter, CBE
Chairman, Everton football club
President, English Football League
Chairman, Merseyside Tourism Board
Former managing director of Littlewoods Organisation plc
Councillor Thomas Glover
Councillor, Sefton BC
Insurance consultant
Councillor John Hale
Leader, Wirral BC
Public finance accountant with the North-West water authority
Mr. John Leigton-Boyce
Director of Pilkingtons, National Westminster bank plc and County Banks limited.
Dr. John Ritchie, MBE
Chief executive of the corporation

Members of the Merseyside development corporation are not required to notify the Department about their directorships. This list is therefore not necessarily complete.

Croxteth Hall and Country Park

Mr. Wareing asked the Secretary of State for the Environment when he plans to make a statement on the future of Croxteth hall and country park, Liverpool.

Mrs. Rumbold: A statement will be made shortly.

Mr. Richard Branson

Mr. Sheerman asked the Secretary of State for the Environment what salary or other emoluments are to be paid to Mr. Richard Branson of the Virgin group of companies for his participation in the Government's new scheme UK 2000.

Mr. Sheerman asked the Secretary of State for the Environment on what date his Department first approached Mr. Richard Branson of the Virgin group of companies to participate in the Government's new scheme UK 2000.

Mrs. Rumbold: 29 April 1986.

Mr. Sheerman asked the Secretary of State for the Environment at what date Richard Branson of the Virgin group of companies agreed to participate in the Government's clean-up scheme as originally announced.

Mrs. Rumbold: Mr. Branson agreed on 15 May 1986 to chair UK 2000.

Mr. Sheerman asked the Secretary of State for the Environment for what period of time Mr. Richard Branson of the Virgin group of companies has agreed to chair the Government's new programme UK 2000.

Mrs. Rumbold: For one year.

Planning Appeals (St. Albans)

Mr. Lilley asked the Secretary of State for the Environment what information he has as to the percentage of planning appeals to him which were successful *(a)* in total and *(b)* expressed as a percentage of the total number of planning applications in the area covered by the St. Albans district council in each of the years from 1983 to 1985.

Mr. Tracey [*pursuant to his reply*, 16 July 1986]: The number of appeals against planning decisions by local planning authorities in England received in the calendar years 1983, 1984 and 1985, the number decided and the number allowed were:

	Number received	*Number decided*	*Number allowed*	*Percentage success rate*
1983	13,699	11,221	3,633	32·4
1984	16,192	11,643	3,773	32·4
1985	17,053	14,639	5,477	37·4

I will write to my hon. Friend about the number of planning appeals relating to the area covered by the St. Albans city council.

Written Answers to Questions

Friday 18 July 1986

HOME DEPARTMENT

Convicted Persons (Children)

Mr. Key asked the Secretary of State for the Home Department what action he proposes to take on the reports of the review of disclosure of criminal convictions of those with access to children; and if he will make a statement.

Mr. Hurd: A joint circular was issued yesterday introducing new arrangements for police checks to be made by local authorities on paid staff and volunteers who apply or transfer to work with children and on adults in the households of those who care for children as foster parents and child minders.

Local authorities are encouraged to make use of this scheme, which will provide for the first time for pre-employment checks to be made with the police on teachers, social workers, probation officers and other staff and volunteers engaged by local authorities who will have substantial access to children in the course of their work.

Similar arrangements for early introduction are being considered by my right hon. Friends the Secretaries of State for Social Services and for Wales in relation to certain staff in the National Health Service and by my right hon. Friend the Secretary of State for Education and Science in relation to those working in the independent schools.

The review body on whose recommendations the circular is based, is considering proposals for an extension of these arrangements to those working in voluntary bodies providing services similar to those provided in the statutory sector for young or otherwise vulnerable children, and an acceptable means of making checking available more widely in the voluntary sector.

The Rehabilitation of Offenders Act 1974 (Exceptions) (Amendment) Order 1986, which comes into effect today, taken with the 1975 Order which it amends, ensures that those seeking positions that give access to children under the joint circular and the further circulars envisaged, will not be entitled for that purpose to withhold the details of previous convictions that are spent under the terms of the 1974 Act.

Copies of the joint circular have been placed in the Library.

Metropolitan Police (N Division)

Mr. Corbyn asked the Secretary of State for the Home Department what action has been taken by N division of the Metropolitan police about reports of racial harassment in the Finsbury park area.

Mr. Giles Shaw: Four racial incidents in the Finsbury Park area have been reported to the police this year; three relating to burglary, grafitti and damage at local schools and the fourth involved threatening language and criminal damage. The police have been making careful inquiries but no arrests have yet been made in connection with any of these offences.

Mr. Corbyn asked the Secretary of State for the Home Department if he will list the number of stop and search operations in Holloway, Highbury Vale, Upper street, Caledonian road and Kings Cross police stations of N division of the Metropolitan police for each year since 1982 and each month for the current year to date.

Mr. Giles Shaw: Separate records are not kept for particular operations but the total numbers of persons or vehicles stopped in N district are as follows:

	Holloway & Highbury Vale	*Kings Cross*	*Islington*
1982	—*	—*	—*
1983	8,591	—*	—*
1984	4,535	3,293	3,756
1985	1,488	725	1,144
1986 January	59	19	30
February	59	11	13
March	45	38	30
April	56	15	18
May	34	17	14
June	34	10	11

* Information not available.

Mr. Corbyn asked the Secretary of State for the Home Department how many reports and complaints have been received about the occupants of 35 Avewall road, London N5 by N division of the Metropolitan police.

Mr. Giles Shaw: The N district community liaison officer received a telephone call alleging that criminal offences were being committed on the premises. Police inquiries have revealed no evidence to support that allegation. The police have also received recent reports of two assaults taking place at the premises. Inquiries into this are continuing.

Overseas Visitors (Sportsmen)

Mr. John Fraser asked the Secretary of State for the Home Department what is the practice of his Department on allowing entry into the United Kingdom in relation to visits by overseas sportsmen to the United Kingdom where the visit has been paid for by charitable organisations in the United Kingdom.

Mr. Waddington: Many sportsmen are admitted under the provisions in the immigration rules relating to visitors but work permits are required if the terms of the engagement amount to employment.

Immigration

Mr. Janner asked the Secretary of State for the Home Department what steps are taken to send letters of reminder before reaching a decision in immigration cases where the applicant must supply evidence to his Department within a reasonable time and the information is not then to hand.

Mr. Waddington: Applicants are allowed a reasonable time in which to provide information we need to resolve their cases. Where it appears that the applicant is taking an undue period to send in this evidence, our practice is to send a standard reminder letter which refers to the

previous request and explains that, if the information sought is not provided within two weeks, the application may be refused.

Mr. Janner asked the Secretary of State for the Home Department whether he will make it his policy not to refuse applications for extension of leave to stay in the United Kingdom on the grounds of unreasonable delay in producing documents or other evidence of support unless a reminder has been sent to the applicant and a further period allowed for reply.

Mr. Waddington: This is already our practice. If the hon. and learned Member has any particular case in mind in which he considers that this has not happened I shall willingly look into it.

Mr. Kaufman asked the Secretary of State for the Home Department if he will make it his policy that any representations by hon. Members in immigration cases may be rejected or refused only on the personal authority of a Minister of the Crown in his Department after personal consideration by such a Minister.

Mr. Hurd: The respective roles of Ministers, their Private Offices and the immigration service are set out in the guidelines on the handling of representations by Members of Parliament in immigration cases, which this House endorsed on 26 March.

Murder Investigations

Mr. John Fraser asked the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to what additional police resources will be made available to the Brixton division to assist in the present wave of murder investigations.

Mr. Giles Shaw: The deployment of his officers is a matter for the Commissioner but I understand that, as a result of these inquiries, 106 officers are currently on loan to No. 4 Area which includes Brixton division.

Juveniles (Alcohol Purchases)

Mr. Colvin asked the Secretary of State for the Home Department how many prosecutions there have been during the last five years for which records are available in cases relating to juveniles purchasing alcohol from *(a)* supermarkets and *(b)* home brew outlets.

Mr. Mellor: The information available to me, which may be incomplete to a varying extent in different years, is shown in the following table. The information collected centrally does not include details of the circumstances of the offence.

Persons proceeded against for selling intoxicating liquor to persons under 18 and persons under 18 proceeded against for buying or consuming intoxicating liquor in licensed premises.

England and Wales	*Number of defendants*		
	Total	Selling liquor	Buying liquor
1980	4,506	439	4,067
1981	3,175	410	2,765
1982	2,254	323	1,931
1983	1,934	307	1,627
1984	1,485	314	1,171

Licensing (Occasional Permissions) Act 1983

Mr. Colvin asked the Secretary of State for the Home Department if he has any plans to review the operation of the Licensing (Occasional Permissions) Act 1983; and if he will make a statement.

Mr. Mellor: We have no present plans to do so. The introduction of occasional permissions was a welcome development and we have no evidence to suggest that a review is necessary.

Civil Defence

Mr. Meadowcroft asked the Secretary of State for the Home Department which elements of the north-west's pilot study on home defence planning would not be included in civil defence planning.

Mr. Giles Shaw: The pilot study is concerned with the regional co-ordination of all civil home defence planning. It includes therefore planning for civil support to the military as well as civil defence.

Mr. Meadowcroft asked the Secretary of State for the Home Department (1) which civil organisations with responsibilities in a war crisis have been invited to take part in the regional civil defence exercise in the north-west at the end of November;

(2) which civil defence organisations in the south-east have been invited, and which have been instructed, to take part in the regional civil defence exercise at the end of November; and which of these have agreed to participate;

(3) which district and county councils have been invited, and which have been instructed, in accordance with the 1983 civil defence regulations, to take part in the regional civil defence exercise at the end of November; and of these, which have agreed to participate.

Mr. Giles Shaw: I refer the hon. Member to the reply given to a question from the hon. Member for Edinburgh, East (Mr. Strang) on 30 June at column *369*.

Mr. Meadowcroft asked the Secretary of State for the Home Department if he will place in the Library the scenarios to be used in the regional civil defence exercises in the south-east and north-west at the end of November.

Mr. Giles Shaw Yes, nearer the time when they have been finalised.

PRIME MINISTER

South Africa

Mr. Hancock asked the Prime Minister which Commonwealth countries have indicated support for current Government policy towards South Africa.

The Prime Minister: All Commonwealth Governments subscribe to the policy with regard to South Africa agreed at the Nassau summit in October 1985.

Official Visits

Mr. Tom Clarke asked the Prime Minister, pursuant to the answer of 10 July, *Official Report*, column *218*, if she will specify the reason for each of the official visits abroad listed in that answer and in the earlier answers of 10 December 1985, *Official Report*, columns *575-77*, and 7 July, *Official Report*, column *5*.

The Prime Minister: The purpose of my official visits overseas has been primarily to take part in multilateral and bilateral meetings including those of the European Community, the annual economic summits, and Commonwealth Heads of Government. I have also had the pleasure of taking up a number of invitations I have received to pay official visits to overseas countries.

Mr. Tom Clarke asked the Prime Minister, pursuant to her answer of 10 July, *Official Report*, column *218*, if she will specify the countries included in the following official visits abroad: April 1981 middle east, September/October 1981 middle east, September 1982 far east and April 1985 south-east Asia.

The Prime Minister: The information is as follows:

April 1981
Saudi Arabia
Abu Dhabi
Dubai
Oman
Qatar

September 1981
Kuwait
Bahrain

September 1982
Hong Kong
China
Japan

April 1985
Malaysia
Brunei
Indonesia
Singapore
Sri Lanka
India

On my return journey I also visited Saudi Arabia.

TRADE AND INDUSTRY

Vickers plc

Dr. Hampson asked the Secretary of State for Trade and Industry how much financial aid Her Majesty's Government have given to Vickers plc to support its business in north-east England ; and how much has been given by local authorities.

Mr. Peter Morrison: The Department of Trade and Industry has given £3·579 million financial aid (regional development grants (old style) and regional selective assistance) to Vickers companies in north-east England since 1 May 1979. It would require a disproportionate use of resources to attempt to assemble information about any aid given by local authorities.

Notes:

(a) Any support for innovation assistance provided under the Science and Technology Act cannot be disclosed without consent of the applicant.

(b) The figure for regional development grant consists of individual payments of £25K or more of old style RDG as published in "British Business".

(c) The figure for regional selective assistance consists of offers as published in "British Business".

(d) Aid given means offered in respect of RSA and paid in respect of RDG.

EUREKA

Mr. Andrew F. Bennett asked the Secretary of State for Trade and Industry why Yugoslavia was excluded from the EUREKA programme; and what are the criteria for EUREKA membership.

Mr. Pattie: EUREKA is a framework to encourage commercial collaboration between European firms on market-oriented high technology projects. The EUREKA members have agreed that membership of EUREKA will not be increased for the present, but participation in projects by firms from non-EUREKA countries at the invitation of the participating companies is not excluded.

Mr. Andrew F. Bennett asked the Secretary of State for Trade and Industry what alterations have been made to the support for innovation scheme to allow EUREKA projects to become eligible for support.

Mr. Pattie: Under the support for innovation scheme, United Kingdom firms participating in EUREKA are eligible for support of up to 50 per cent. of their share of the applied research costs and up to 25 per cent. of their share of development costs. For the purpose of participating in EUREKA, only one United Kingdom firm (as opposed to three) need be involved in a project to qualify for assistance at the higher level. In other respects, the terms of assistance in each case will be determined under the normal SFI criteria.

Trade Statistics

Mr. Hancock asked the Secretary of State for Trade and Industry what is the estimated United Kingdom trade with *(a)* the rest of the Commonwealth, *(b)* the New Commonwealth and *(c)* South Africa in the last year for which figures are available.

Mr. Alan Clark: The information is in the following table.

United Kingdom Trade—Year Ending May 1986

	£ million, OTS Basis	
	Exports	*Imports*
Commonwealth	8,301	6,959
New Commonwealth*	4,902	4,250
South Africa	873	917

* Commonwealth excluding Canada, Australia and New Zealand.
Source: United Kingdom Overseas Trade Statistics

India and Pakistan (Rice)

Mr. Janner asked the Secretary of State for Trade and Industry what changes are proposed concerning the importation into the United Kingdom and the European Economic Community of basmati rice from India and Pakistan; and if he will make a statement.

Mr. Alan Clark: The Commission has proposed a 50 per cent. reduction in the levy for imports of 15,000 tons of basmati rice. The proposal is intended to help both India and Pakistan but in its present form appears unlikely to do so. The Commission has been asked to reconsider its proposal to improve benefits to India and Pakistan and to minimise any damage to the Community rice milling industry.

NORTHERN IRELAND

Portadown (Injuries)

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many members of the security forces and civilians were injured during civil unrest in Portadown in the period 1 to 14 July in each of the years 1984, 1985 and 1986.

Mr. Scott: I shall reply to the right hon. Gentleman as soon as possible.

Portadown (Plastic Bullets)

Mr. John David Taylor asked the Secretary of State for Northern Ireland how many plastic bullets were fired by security forces in Portadown in the period 1 to 14 July in each of the years 1984, 1985 and 1986.

Mr. Scott: I shall reply to the right hon. Gentleman as soon as possible.

Portadown (Orange Parade)

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he has received any representations from the Government of the Republic of Ireland in the aftermath of the Orange parade in Portadown; and if he will make a statement.

Mr. Tom King: I shall reply to the right hon. Gentleman as soon as possible.

Strangford (Public Order)

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he will make a statement about the level of public order maintained during the recent Orange celebrations in the Ards and Castlereagh districts within the constituency of Strangford; and what estimate the police have made of the numbers taking part.

Mr. Scott: I shall reply to the right hon. Gentleman as soon as possible.

Drugs

Mr. John David Taylor asked the Secretary of State for Northern Ireland what assessment he has made of the extent of involvement of paramilitary organisations in the misuse of drugs and drug trading; and if he will make a statement.

Mr. Scott: I shall reply to the right hon. Gentleman as soon as possible.

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he will make a statement on the level and trends of misuse of drugs in Northern Ireland.

Mr. Needham: I shall reply to the right hon. Gentleman as soon as possible.

Anglo-Irish Agreement

Mr. John David Taylor asked the Secretary of State for Northern Ireland if he will make a statement on his policy with regard to possible changes in the Anglo-Irish Agreement; and what discussions he has had with the Government of the Republic of Ireland about that possibility.

Mr. Mason asked the Secretary of State for Northern Ireland if he will list the 18 complaints, objections and requests for clarification that have been called for by the Irish Government on the Anglo-Irish Agreement as a result of his press interview released on Friday, 4 July; and if he will make a statement.

Mr. Tom King [*pursuant to his reply*, 14 July 1986, c. *371*]: The Anglo-Irish Agreement provides under article 11 that the working of the Intergovernmental Conference shall be reviewed after three years and that it may be reviewed earlier if either the United Kingdom or the Irish Government wish. The Government have made it clear that if there were agreement upon proposals for devolved government we should need to review the implications of any such proposals for the working of the Intergovernmental Conference. I can foresee no other circumstances in which we might need to review the working of the conference before the end of the three year period and I have not discussed any proposals with the Irish Government.

Sir John Biggs-Davison asked the Secretary of State for Northern Ireland if he will review the implications for the working of the Anglo-Irish Intergovernmental Conference of recent direct protests by the Foreign Minister of the Irish Republic against the routing by the Northern Ireland authorities of certain Orange parades.

Mr. Tom King [*pursuant to his reply*, 17 July 1986]: I see no grounds at present to justify a review.

Orange Marches

Mr. John David Taylor asked the Secretary of State for Northern Ireland what representations he has received from the Republic of Ireland about traditional Orange Marches during July; and if he will make a statement.

Mr. Tom King [*pursuant to his reply*, 14 July 1986, c. *367*]: Decisions on the routes of individual marches are the responsibility of the Chief Constable. After he had made public his decision in respect of the march at Portadown on 12 July to allow a limited number of Orange lodges, subject to strict conditions, to parade along Garvaghy road but not Obins street, the Irish Government communicated their strong views on that decision. They have made no representations about other particular routes for Orange parades, but they have conveyed to me very clearly their views on the general issues of marches, including especially the safety of the minority community.

"Belfast Telegraph" (Ministerial Interview)

Mr. John David Taylor asked the Secretary of State for Northern Ireland what representations he has received from the Government of the Republic of Ireland arising from his interview in the *Belfast Telegraph* on Friday 4 July; and if he will make a statement on each of the issues involved in these representations.

Mr. Tom King [*pursuant to his reply*, 14 July 1986, c. *367*]: Mr. Barry has expressed views on the article in the *Belfast Telegraph*. I hope in due course to be able to discuss with him the issues with which it dealt.

Members' Correspondence

Mr. Chope asked the Secretary of State for Northern Ireland how many letters from hon. Members to his

Department still awaiting a substantive reply were received more than *(a)* one month ago, *(b)* two months ago, *(c)* three months ago and *(d)* four months ago; and if he will make a statement.

Mr. Tom King [*pursuant to his reply*, 14 July 1986, c. *368*]: The information is as follows:

Category	*Number outstanding*
(a)	2
(b)	2
(c)	—
(d)	2

The majority of letters are answered within seven working days. The six outstanding letters raise complex issues which require further detailed investigation or need to await the outcome of statutory procedures, before substantive replies can be given.

Medical Cards

Mr. Proctor asked the Secretary of State for Northern Ireland what steps he is taking to ensure that every person in Northern Ireland who is entitled to hold a medical card is issued with a card of the current type.

Mr. Needham [*pursuant to his reply*, 17 July 1986]: It is the responsibility of the individual to apply to the Central Services Agency for issue or replacement of a medical card.

NATIONAL FINANCE

Financial Statistics

Mr. Austin Mitchell asked the Chancellor of the Exchequer (1) whether he will publish in the *Official Report* a table showing for each year from 1956 the increase in the national debt and in the cost of servicing it, together with the ratio of the national debt to gross domestic product at the end of each year;

(2) whether he will publish in the *Official Report* a table showing for each year from 1956 the net increase in the floating debt in terms of sterling and as a percentage to one place of decimal of gross domestic product showing separately the value of money market instruments held by the Bank of England;

(3) whether he will publish in the *Official Report* a table showing the expansion of domestic credit (DCE) each year since 1970, in the current year to date and in terms of sterling and as a percentage of sterling M3 at the beginning of the year and also for each period the percentage increase in sterling M3 and in the gross domestic product deflator;

(4) whether he will publish in the *Official Report* a table showing for each year from 1956 imports of United Kingdom finished manufactures as a percentage of gross domestic product to one place of decimals;

(5) whether he will publish in the *Official Report* a table showing for each year from 1970 and in the current year to date the difference in the percentage increase in earnings and, respectively, the increase in retail prices and the gross domestic product deflator, to one place of decimals;

(6) whether he will publish in the *Official Report* a table showing for each year from 1956 and in the current year to date the increase in wholesale prices of manufactures as a percentage of the increase in unit value of *(a)* imports and *(b)* exports of finished manufactures;

(7) whether he will publish in the *Official Report* a table showing for each year from 1977 and in the current year to date the velocity of circulation for narrow and broad money, respectively, together with the percentage change to one place of decimals;

(8) whether he will publish in the *Official Report* the annual increases in output per head, wages and salaries per unit of output in manufacturing, rate of unemployment and increase in retail prices since 1981.

Mr. Austin Mitchell asked the Chancellor of the Exchequer whether he will bring up to date the information on the increase in the real money supply in certain countries given in the written reply to the hon. Member for Great Grimsby dated 5 March 1985, *Official Report*, columns *450-2*; and if he will include comparable figures for 1964 to 1973.

Mr. Ian Stewart [*pursuant to his reply*, 14 July 1986, c. *434*]: No. The *Official Report* is not a statistical abstract.

Available information can be found in the following publications:

International Financial Statistics.
Annual Consolidated Funds and National Loans Fund Accounts since 1968-69; Supplementary Statements.
Finance Accounts of the UK pre 1968-69.
Central Statistical Office databank
Bank of England Quarterly Bulletin June 1983 (page 172)
Banl of England Quarterly Bulletin June 1986 (table 11.1)
Economic Trends Annual Supplement 1982 (page 148)
Economic Trends Annual Supplement 1986 (pages 4, 146 and 147)
Economic Trends May 1986 (page 6)
Financial Statistics (tables 6.1 and 11.5)
UK National Accounts 1985 (pages 2 and 3)
Economic Trends July 1986
Employment Gazette (table 5.1)
Economic Trends Annual Supplement 1986 (pages 4 and 110)
Monthly Digest of Statistics (table 18.3)
Gross Domestic Product—Press Notice Q1 1986
Monthly Review of External Trade Statistics May 1986
Monthly Digest of Statistics May 1986 (table 15.9)
Economic Trends Annual Supplement 1983 (page 114)
Economic Trends May 1986 (page 42)
Economic Trends Annual Supplement 1986 (page 114)
Economic Progress Report May-June 1986
Financial Statistics (table 11.2)
Economic Trends April 1986 (pages 34, 36, 40 and 42).

European Communities (Own Resources Payments)

Mr. Robert B. Jones asked the Chancellor of the Exchequer if he will make a statement about the early payment of non-value added tax own resources to the European Communities in July.

Mr. Brooke: In accordance with article 10(2) of Council Regulation 2891/77, the Commission has invited member states to advance from August the payment of own resources other than VAT in respect of agricultural, sugar and isoglucose levies and customs duties collected by the Government on its behalf.

In accordance with this request, the Government propose to make an advance payment of some £118 million on 21 July. this will be financed initially by a repayable advance from the Contingencies Fund, pending Royal Assent for the Estimate approved by the House on 10 July. The payment of levies and duties on the due date will be reduced by the amount of the advance. There will, therefore, be no net addition to public expenditure.

EC Budget

Mr. Deakins asked the Chancellor of the Exchequer if he will tabulate information available to him on the assessed base, in mecu and pound sterling, for each of the 12 member states of the European Economic Community for the year 1986, together with the unadjusted rate of that base levied, to three places of decimals, together with the equivalent sum, in mecu and pound sterling, to be paid by Her Majesty's Government to the European Economic Community, on the basis of the Council budget, expressing that sum as an approximate percentage of income likely to accrue from domestic value added tax in 1986.

Mr. Brooke [*pursuant to his reply*, 9 July 1986, c. *194-5*]: the VAT base of each member state in 1986 is given in the table. On the basis of the recently agreed budget for 1986, adopted on 10 July, the unadjusted (or uniform) VAT rate is 1·2505 per cent. The United Kingdom's VAT contribution is 4,140 mecu before abatement (£2,572 million at the budget exchange rate), and 2,240 mecu after abatement (£1,392 million). £1,392 million is 6·7 per cent. of the expected VAT yield in 1986-87.

1 per cent. VAT Base—1986

	*mecu**	*Pound sterling million† (equivalent)*
Belgium	518·5	322·1
Denmark	345·2	214·5
Germany	4,603·0	2,859·7
Greece	360·0	223·7
Spain	1,509·0	937·5
France	3,658·0	2,272·3
Ireland	150·0	93·2
Italy	2,502·8	1,554·9
Luxembourg	42·0	26·1
Netherlands	817·0	507·6
United Kingdom	3,310·6	2,056·8
Portugal	150·7	93·6

* Mecu figures applicable to the budget for 1986 adopted on 10 July.

† Sterling figures calculated using the budget exchange rates for 1986.

DEFENCE

Challenger Tank Regiment

Mr. Best asked the Secretary of State for Defence, further to his statement on 1 July, *Official Report*, column *862*, when he anticipates he will be in a position to announce his decision as to a seventh Chanllenger regiment; what representations he has received from suppliers as to the implications of further delay; and if he will make a statement.

Mr. Lee: As regards timing of a further order for Challenger tanks I have nothing to add to the answer I gave to my hon. Friend the Member for Elmet (Mr. Batiste) on 11 July 1986 at column *305*. As the House is aware, we are in discussion with Royal Ordnance and Vickers plc, which are potential suppliers of Challengers tanks. Some suppliers of tank components have also inquired about the prospects for future orders.

COD Donnington

Mr. Corbett asked the Secretary of State for Defence what measures are planned to maintain present levels of security clearance of those working at COD Donnington after the planned putting out to contract of security services.

Mr. Lee [*pursuant to his reply*, 14 July 1986, c. *427*]: The feasibility study into contracting-out of administrative functions at COD Donnington and its associated Garrison will not be complete until the end of November 1986. However, security considerations would be fully taken into account when arriving at the eventual decision.

Royal Ordnance Factory Barnbow

Mr. Batiste asked the Secretary of State for Defence how many employees of Royal Ordnance plc now employed at royal ordnance factor Barnbow in Leeds are in mobile grades with the right to transfer elsewhere in the group in the event of the sale of royal ordnance factory Barnbow to an outside purchaser.

Mr. Lee [*pursuant to his reply*, 11 July 1986, c. *305*]: I am advised that there are about 380 people in mobile grades at royal ordnance, Leeds. As regards mobility, in the event of a sale to an outside purchaser, all employees at Leeds would be in no different position from the one they were in at the time they were transferred from the Civil Service to Royal Ordnance plc.

FOREIGN AND COMMONWEALTH AFFAIRS

Human Rights

Mr. Robert B. Jones asked the Secretary of State for Foreign and Commonwealth Affairs what information he has about violations of human rights in Tanzania; and what steps he has taken in response.

Mrs. Chalker: We have no recent reports of human rights violations in Tanzania.

Mr. Robert B. Jones asked the Secretary of State for Foreign and Commonwealth Affairs what information he has about violations of human rights in Uganda; and what steps he has taken in response.

Mrs. Chalker: The situation in Uganda is much improved. President Museveni's administration is committed to full respect for human rights. The United Kingdom is providing substantial economic assistance, training for Ugandan army instructors, and assistance to the police force to help in establishing stability in Uganda and encouraging respect for human rights.

Mr. Robert B. Jones asked the Secretary of State for Foreign and Commonwealth Affairs what information he has about violations of human rights in Kenya; and what steps he has taken in response.

Mrs. Chalker: We are aware of only a very limited number of detainees held without trial under the Preservation of Public Security Act. The general policy of the Kenyan Government is to bring such cases to trial at the earliest opportunity.

Mr. Robert B. Jones asked the Secretary of State for Foreign and Commonwealth Affairs what information he has about violations of human rights in Ghana; and what steps he has taken in response.

Mrs. Chalker: In general the human rights situation in Ghana has improved over the last few years. A small numbe: of political dissidents remain in detention under the Preventive Custody Law 1982.

We continue to monitor human rights on a worldwide basis and regularly make clear in appropriate fora our view that human rights must be respected in accordance with internationally agreed standards.

Mr. Robert B. Jones asked the Secretary of State for Foreign and Commonwealth Affairs what information he has about violations of human rights in Nigeria; and what steps he has taken in response.

Mrs. Chalker: The present Nigerian Government, who came to power in August 1985, have taken a number of steps to demonstrate their commitment to human rights, including the release of former political detainees and the restoration of press freedom. The Government have also announced a return to civilian rule by 1990.

We continue to monitor human rights on a worldwide basis and regularly make clear in appropriate fora our view that human rights must be respected in accordance with internationally agreed standards.

Penguins (Radiation)

Mr. Dalyell asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the result of the examination of the 15 penguin carcases being examined at the veterinary investigation centre in Norwich; what radiation levels were found in the penguins; and what action he proposes to take.

Mr. Eggar: I refer the hon. Member to the answer that my hon. Friend, the Minister of State for Foreign and Commonwealth Affairs, the Member for Wallasey (Mrs. Chalker) gave to the hon. Member for Newham, North-West (Mr. Banks) on 3 July at column *640*.

Foreign Minister (USSR)

Mr. Parry asked the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on recent meetings with the Foreign Minister of the Union of Soviet Socialist Republics.

Mrs. Chalker: Our talks with Mr. Shevardnadze were useful and businesslike. My right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign and Commonwealth Secretary discussed with him a full range of East-West issues including arms control and regional questions. The Soviet Union were urged to resume the summit process with the United States. In the course of a wideranging discussion of current arms control and disarmament issues, the importance was stressed of reaching agreement in the conference on disarmament in Europe at Stockholm and urged support for a British initiative in Geneva proposing a way forward towards a global and verifiable ban on chemical weapons. We also urged the withdrawal of Soviet troops from Afghanistan and pressed for progress in resolving human rights cases and cases of divided families. We signed agreements on long-term economic co-operation; on the prevention of incidents at sea; and on the settlement of the long standing question of pre-1939 claims. Both my right hon. Friend the Prime Minister and my right hon. and learned Friend the Foreign and Commonwealth Secretary have accepted invitations to visit the Soviet Union.

South Africa

Mr. Hancock asked the Secretary of State for Foreign and Commonwealth Affairs which Commonwealth countries have made representations to Her Majesty's Government concerning South Africa in the last two months.

Mrs. Chalker: Policy towards South Africa is one of the subjects regularly discussed in our exchanges with other Commonwealth Governments.

Mr. Alex Carlile asked the Secretary of State for Foreign and Commonwealth Affairs (1) if he will make representations to the South African Government for the release of the following individuals who have been detained without charge, namely Lizz Mayisa, Emily Ntuli, Joyce Ntuli, Ephraim Nkosi, Maurise Ngwena, Elizabeth Ngwena, Wiza Mabena, Stanley Mtshali, Zephamia Matuebula, Deluve Mayaba and Sarah Ngubeni from Leandra township, Reverend Bikisha Njimbuwea, Dunuisa Nthuli, Mr. or Mrs. Khanyile and Dolly Mateza from Thokoza township, Reverend Sipho Masemola from Radfontein township, Reverend Joseph Mcilougo from Khutsong township, Bishop Sigisbert Ndwandwe from Jouberton township, Joseph Thobela and Lephina Thobela from Duduza township and Zacharia Mohutsioa from Katlehoug township; and if he will make a statement;

(2) if he will make representations to the South African Government for the release of the following individuals who have been detained without charge, namely Reverend Peter Hortop, Ames Mahlangu, British Sxabai, Duke More, Cyril Jautjies, Philip Mazusa, Mauda Motsweni and Nora Mitchell from Kwa Thema township, Nat Ramokgopa, Pat Lepouya, Vusi Khanyile, Isaac Mogafe, Ishmail Mkhabela, Dr. Abu Asvat, Moses Mayekiso, Aza Cachalia, Azir Cachalia and Cauzi Lisa from Soweto township, Reverend Aaron Mdoi from Tembisa township, Kempton Nhlapho, Sello Nhlapho, Suiuon Mayisa, Mama Mayisa and Joshua Mayisa from Leandra township; and if he will make a statement;

(3) if he will make representations to the South African Government for the release of the following individuals who have been detained without charge, namely: Collie Hayward, Victor Sibaude, Percy Dladla, Charles Dladla, Sipho Mageta, Whiza Dladla, Doctor Mthobeni, Dad Maseko, Jabulani Shinini, Mbuzini Mahlangn, Oupa Mobatha, Harry Yeude, Bheki Khosa, Alan Manwele Nthinunye, Luidsay Sibaude, Kenneth Nkosi and Makabuza Yeued from Bethnal township; and if he will make a statement;

(4) if he will make representations to the South African Government concerning an incident at the Ecumenical Fellowship Centre, Wilgespruit, near Johannesburg, on the evening of 26 June, when police raided the centre and took away five children whose whereabouts are now unknown; and if he will make a statement.

Mrs. Chalker: As my right hon. Friend the Prime Minister said in her reply of 26 June to the hon. Member for Newham, North-West (Mr. Banks) at column 265 we have made representations to the South African Government about detentions under the state of emergency. Acting on behalf of the Twelve, the then Netherlands presidency had previously made representations to the South African Government about the

imposition of the state of emergency. The presidency protested at the indiscriminate arrests of church, community and trade union leaders. We remain ready to make further representations where appropriate.

China (Government Bonds)

Dr. Glyn asked the Secretary of State for Foreign and Commonwealth Affairs what progress is being made in the negotiations between Her Majesty's Government and the Government of the People's Republic of China for the settlement of capital and income from bonds issued by the Government prior to 1948; and if he will make a statement.

Mr. Eggar: A first round of claims negotiations was held in Peking from 5 to 10 May 1986. They took place in a friendly and frank atmosphere. We are currently discussing with the Chinese authorities the dates and venue for a second round of talks.

WALES

Radioactivity

Mr. Best asked the Secretary of State for Wales what other animals, materials or crops and silage he is using for the purpose of monitoring levels of radiocaesium besides sheep on Anglesey; what are the results; and if he will make a statement.

Mr. Nicholas Edwards: General data relating to agricultural produce and animals throughout Wales since the Chernobyl accident are being published today. A copy is being placed in the Library of the House.

Housing

Mr. Wigley asked the Secretary of State for Wales if he will make it his policy to authorise local housing authorities who, as a result of circular 30/86, perceive a shortage of houses in their area considered to be sufficiently attractive for senior managers and senior technical staff, to acquire by compulsory purchase second or holiday homes in order to make them available for such purposes.

Mr. Mark Robinson: It is not my intention to consider such a policy.

Welsh Water Consumer Committee

Mr. Gareth Wardell asked the Secretary of State for Wales if he will expand the length of time that a member may serve on the Welsh water consumer committee to 10 years; and if he will make a statement.

Mr. Mark Robinson: The Committee on Welsh Affairs recommended in its report "Establishment of Local Consumer Advisory Committees" (HCP335, Session 1981-82) that the maximum period of continuous service for a member of a local consumer advisory committee in Wales should be six years. This was accepted by the Government when the committees were established in November 1982 and there are no plans to extend the period significantly.

Water and Sewerage

Mr. Gareth Wardell asked the Secretary of State for Wales if he intends to proceed with alterations in the water and sewerage law so that private sewers are adopted by the Welsh water authority; and if he will make a statement.

Mr. Mark Robinson: The Government are currently considering the responses to the water and sewerage law consultation paper. No decision has yet been made on the question whether private sewers should be adopted by water authorities.

O and A-Level Examinations

Mr. Barry Jones asked the Secretary of State for Wales how many Welsh students took A-level and O-level examinations this year.

Mr. Wyn Roberts: Information for 1986 is not yet available. The figures for 1985 summer examinations, as provided by the Welsh joint education committee, are 11,583 and 56,522 respectively.

ATTORNEY-GENERAL

Judicial Review (Single Judge)

Sir Brandon Rhys Williams asked the Attorney-General if it is now the invariable practice for the single judge, in refusing an application for a judicial review, to state his reasons; and if he will make a statement.

The Attorney-General: Where an application for leave to apply for judicial review is refused without a hearing, it is the practice of the judge to state his reasons in writing, concisely, on the prescribed form of notice of his decision. Where there is a hearing the court indicates its reasons when announcing its decision to refuse leave.

EMPLOYMENT

Community Programmes (Managing Agents)

Ms. Clare Short asked the Paymaster General how many managing agents appointed under the community programme or the community enterprise programme, have been excluded from the schemes since their start; and what were the reasons for exclusion or curtailment of their activities.

Mr. Lang: I refer the hon. Member to my reply to the hon. Member for Kingston upon Hull, East (Mr. Prescott) on 4 July 1986 at column *622*.

Restart Programme

Ms. Clare Short asked the Paymaster General how many individual claimants have been disqualified from receiving benefit as a result of restart interviews of long-term unemployed claimants in each of the nine pilot areas, giving the reasons for disqualification; whether a standard form of questions is asked of individual claimants; and whether the responses of claimants are to be collated and the results made available.

Mr. Lang: People interviewed under the restart programme may subsequently be disqualified by the benefit authorities from receiving unemployment related benefits for two reasons:

(i) if they are not available for work or are imposing such restrictions on the kind of work they are prepared to accept that they have no reasonable prospects of securing employment; or

(ii) if they refuse without good cause a suitable job or training opportunity.

These conditions apply to anyone receiving unemployment related benefits and not just to those interviewed under restart. The information requested for each pilot area is as follows:

Number of cases in which unemployment and/or supplementary benefit was disallowed (up to 27 June)

Pilot area	Reason	
	Availability for work	*Refusal of suitable employment or training*
Billingham	1	1
Crawley	1	11
Dundee	3	—
Ealing	20	1
Huddersfield	1	—
Plymouth	6	—
Port Talbot	14	4
Preston	1	1
Stoke-on-Trent	13	—
Total	60	18

In cases of doubt about availability for work, the unemployment benefit office will ask the claimant to answer certain standard questions, under long-standing procedures for inquiring into availability for work. The responses to these questions are used to consider an individual claimant's entitlement to benefit, and they will not be collated.

Mr. Thurnham asked the Paymaster General what proportion of people interviewed on the restart programme are referred to Department of Health and Social Security benefits offices on the grounds that they are earning more than £4 a week.

Mr. Lang [*pursuant to his reply*, 16 July]: The prime objective of the restart programme is to help long-term unemployed people back into jobs. Interviews are conducted with this aim in mind and the information requested by my hon. Friend is not therefore available from this particular source.

Labour Statistics

Mr. Pike asked the Paymaster General (1) how many vacancies exist by industrial classification in *(a)* the north-west and *(b)* Lancashire;

(2) what is the total number of vacancies by industrial classification currently known at his offices in *(a)* the Burnley constituency, *(b)* the Pendle constituency, *(c)* the Hyndburn constituency and *(d)* the Rossendale constituency.

Mr. Lang: The following information is in the Library. The table shows the number of unfilled vacancies at jobcentres in the north-west region and in Lancashire as at 2 May 1986, analysed by the 1980 standard industrial classification. The table also gives figures for those jobcentres which cover areas closely corresponding to the parliamentary constituencies requested.

1980 Standard Industrial Classification	*North West Region*	*Lancashire*	*Best fits to Parliamentary Constituencies*			
			*Burnley**	*Pendle†*	*Hyndburn‡*	*Rossendale and Darwen‖*
Agriculture, forestry and fishing	55	15	0	1	3	0
Energy/water supply industries	158	52	0	0	1	1
Extraction/manufacture: minerals/metals	287	70	11	5	3	18
Metal goods/vehicle industries, etc	966	233	23	13	28	29
Other manufacturing industries	1,757	478	41	37	49	81
Construction	955	230	7	15	7	21
Distribution, hotels/catering; repairs	5,993	1,636	74	57	82	50
Transport/communication	749	211	5	5	7	23
Banking, finance, insurance, leasing etc	1,566	285	14	14	8	11
Other services	6,014	1,765	81	49	70	85
Total vacancies at jobcentres	18,500	4,975	256	196	258	319

* Burnley and Pidiham jobcentres.
† Nelson, Colne and Barnoldswick jobcentres.
‡ Accrington and Great Harwood jobcentres.
‖ Haslington, Rawtenstall, Bacup and Darwen jobcentres.

Supplementary and Unemployment Benefit

Mr. Ron Davies asked the Paymaster General (1) whether the attendance of a person offered a place on the Manpower Services Commission's voluntary projects programme or wider opportunities programme, available under the Government's restart programme, will be monitored for the purposes of eligibility for unemployment benefit, if in receipt of such benefit; and if he will make a statement;

(2) whether the attendance of a person offered a place on any of the education courses available under the Government's restart programme will be monitored for the purposes of eligibility for unemployment benefit, if in receipt of such benefit; and if he will make a statement.

Mr. Lang: Consideration of disqualification from receiving unemployment benefit for up to six weeks is considered where the Manpower Services Commission reports to the unemployment benefit service that a person interviewed by jobcentre staff (under restart or otherwise) has without good cause refused an opportunity of a suitable job or training approved by the Secretary of State. Those who decline places on the voluntary projects programme, the wider opportunities programme or education courses, and also the restart course itself, are not so reported.

National Council for Vocational Qualifications

Mr. Thurnham asked the Paymaster General what arrangements have been made for the financing of the National Council for Vocational Qualifications; and if he will make a statement.

Mr. Kenneth Clarke: My right hon. and noble Friend and my right hon. Friends the Secretaries of State for Education and Science, for Northern Ireland and for Wales announced the setting up of the National Council for Vocational Qualifications in the White Paper "Working Together: Education and Training" presented to this House and in another place on 2 July. The council will be established initially as a controlled non-departmental public body in receipt of a grant-in-aid from the Department of Employment with contributions from the Department of Education and Science and the Northern Ireland and Welsh Offices. From the beginning of financial year 1990-91 we shall expect the council to be self-supporting.

Legislative authority for this Government expenditure is provided by sections 2 and 3 of the Employment and Training Act 1973. Financial provision will be sought in a Supplementary Supply Estimate for the labour market services vote (class VII, vote 1). Pending Parliament's approval, urgent expenditure estimated at £300,000 will be met by repayable advances from the Contingencies Fund.

SCOTLAND

Torness Power Station

Mr. Home Robertson asked the Secretary of State for Scotland (1) what are the projected capital costs, fuel costs and other operation costs in pence/kwh at March 1986 prices for the first four years of the operation of Torness power station;

(2) if he will give an estimate of the cost of interest and borrowing charges arising from the construction of Torness power station.

Mr. Allan Stewart: I shall ask the chairman of the South of Scotland Electricity Board to write to the hon. Member.

Mr. Home Robertson asked the Secretary of State for Scotland what are his Department's current forecasts for the costs of coal, oil, and nuclear fuel, respectively, in pence/kwh during the lifetime of Torness power station.

Mr. Allan Stewart: The Industry Department for Scotland makes no such forecasts.

Electricity Tariff

Mr. Home Robertson asked the Secretary of State for Scotland what is the average electricity tariff in the South of Scotland.

Mr. Allan Stewart: I shall ask the chairman of the South of Scotland Electricity Board to write to the hon. Member.

Power Station Costs

Mr. Home Robertson asked the Secretary of State for Scotland (1) if he will give the capital costs, fuel costs and other operational costs in pence/kwh at March 1986 prices, for the power stations at Inverkip, Longannet and Hunterston B;

(2) what price per tonne is currently being paid for new supplies of oil fuel for Inverkip power station;

(3) what percentage increase there has been in each year since 1980 in fuel costs at the power stations at Inverkip, Longannet and Hunterston B, respectively.

Mr. Allan Stewart: I shall ask the chairman of the South of Scotland Electricity Board to write to the hon. Member.

Mr. Home Robertson asked the Secretary of State for Scotland what information he has on the price per tonne of power station coal under the new agreement between the South of Scotland electricity board and British Coal.

Mr. Allan Stewart: Costs of coal are the subject of confidential agreement between the SSEB and its suppliers.

Superior Court

Mr. Pollock asked the Secretary of State for Scotland whether he has received the report of the review body on the use of judicial time in the superior courts in Scotland; and if he will make a statement.

Mr. Rifkind: On Tuesday 23 July 1985, the First Standing Committee on Statutory Instruments considered the Draft Maximum Number of Judges (Scotland) Order 1985, the purpose of which was to increase the maximum number of judges of the Court of Session from 22 to 23. During the proceedings, my hon. Friend, the Parliamentary Under-Secretary of State for Scotland with responsibility for home affairs, health and social work, the hon. Member for Edinburgh, South (Mr. Ancram) announced the setting up of a review body under Lord Maxwell's chairmanship wth the following terms of reference:—

"To investigate means by which judicial time in the Superior Courts may be organised more effectively in order to secure earlier disposal of cases sent to the appropriate rolls of the Court of Session for proof, debate and appellate court hearings: and to report with recommendations."

The review body was set up with the agreement of the Lord President of the Court of Session and it was asked to report as quickly as possible.

Lord Maxwell submitted his report to me on 25 April and since then its recommendations have been the subject of consultation between the Lord President and myself. The report is being published today. Copies have been placed in the Libraries of both Houses and will be made available to representative bodies who made submissions

to Lord Maxwell's review body. Copies of the report are available from the Scottish Courts Administration at a price of £7·50.

EDUCATION AND SCIENCE

South African Observatory

Mr. Caborn asked the Secretary of State for Education and Science (1) if he will provide an estimate of the value of equipment to which the Science and Engineering Research Council has title at the South African astronomical observatory;

(2) if he will direct the Science and Engineering Research Council to terminate its inter-agency agreement with the South African Council for Scientific and Industrial Research and arrange for the repatriation of the Science and Engineering Research Council's equipment at the South African astronomical observatory.

Mr. Walden: The SERC has already suspended the inter-agency agreement for financial reasons. The SERC-owned equipment at the South African astronomical observatory comprises the equipment from the former Cape observatory, the principal items of which were valued at R750,000 at the time of the agreement in 1972, together with equipment purchased over the period 1972-83 for about R200,000. In addition, SERC holds joint title to library and archival material acquired by SAAO since its establishment. With the exception of some small items of electronic equipment the cost of repatriating the equipment to which SERC has title would almost certainly exceed its value.

School Buildings (Toilets)

Mr. Tom Cox asked the Secretary of State for Education and Science, pursuant to his answer of 4 March, *Official Report*, column 105, if the sample survey of the improvement needs of the existing stock of school building has yet produced any fresh estimate of the number of schools which still have only outside toilets; and if he will make a statement.

Mr. Dunn: The survey of school improvement needs, when complete, should provide information on the improvements needed to toilet accommodation where this is below the standards of the Education (School Premises) Regulations 1981 (SI 909). As the regulations do not prohibit outside toilets as such, the survey will not yield information on the extent of their provision.

Primary and Secondary Schools

Mr. Andrew F. Bennett asked the Secretary of State for Education and Science what is the current figure for the number of surplus places in primary and in secondary schools; and what further number he expects to be taken out of use in the next five years.

Mr. Dunn: There are currently around 1,000,000 surplus pupil places in primary schools and 670,000 in secondary schools. It is estimated that 273,000 pupil places in primary schools and 730,000 in secondary schools could be taken out of use by 1991-92.

School Attendance

Mr. Heddle asked the Secretary of State for Education and Science, further to his reply to the hon. Member for Mid Staffordshire of 8 July, *Official Report*, column 130, about school attendance, if he will list in the *Official Report* which local education authorities did not reply to his Department's circular "School Attendance and Education Welfare Services" by 31 May last; and what steps he proposes to take to ensure that these authorities take steps to reply.

Mr. Chris Patten: Sixty three local education authorities have replied to the circular. Those whose replies are still outstanding have been asked to reply as soon as possible.

Teachers and Lecturers (Pay)

Mr. Hancock asked the Secretary of State for Education and Science if he will give the maximum and minimum salaries of *(a)* a senior teacher in a school and *(b)* a lecturer on the career scale lecturer II senior lecturer in a polytechnic at (i) 1 April 1979, (ii) 1 September 1980, following the comparability study under the chairmanship of Professor Clegg and (iii) 1 April 1986 all expressed in terms of 1 April 1986, as corrected by the index of average earnings and the decrease in comparable terms between 1 September 1980 and 1 April 1986 following the recent interim award.

Mr. Chris Patten: I shall reply as soon as possible.

Capital Expenditure

Mr. Ron Davies asked the Secretary of State for Education and Science if he will provide figures for the years 1979-80 to 1986-87 for the level of capital expenditure, broken down into major and minor works, purchase of items costing over £100,000, other teaching and research equipment, furniture/plant/machinery/vehicles, unrelated to new building work, land acquisition, design fees, and any other expenditure, and showing the relative scale of expenditure in *(a)* the university sector and *(b)* the public sector of advanced further education.

Mr. Walden: I regret that the information in the form requested is not readily available. I shall write to the hon. Member as soon as possible.

16 to 17-year-olds

Mr. Ron Davies asked the Secretary of State for Education and Science if he will give the percentage of the population aged 16 to 17 years in full-time and part-time education in school and in further education in each local education authority for the years 1979-80 to 1984-85.

Mr. Dunn: The readily available information was published in April in the Department's Statistical Bulletin 9/86, copies of which are available in the Library.

Hampshire

Mr. Viggers asked the Secretary of State for Education and Science what information he has as to how many teachers were employed, and pupils were enrolled in *(a)* secondary schools and *(b)* primary schools in the county of Hampshire in each of the last 10 years, and to the teacher-pupil ratio in each case for each year.

Mr. Dunn [*pursuant to his reply*, 16 July 1986]: The number of pupils and qualified teachers in maintained

primary and secondary schools and the pupil-teacher ratio within each type of school in each year between 1976 and 1985 are given below.

Hampshire

	Maintained primary schools (including middle deemed primary)			*Maintained secondary schools (including middle deemed secondary)*		
January	*Teachers*	*Pupils*	*PTR*	*Teachers*	*Pupils*	*PTR*
1976	6,051	152,098	25·1	6,423	107,453	16·7
1977	5,972	149,822	25·1	6,637	111,437	16·8
1978	5,886	146,416	24·9	6,762	113,657	16·8
1979	6,007	147,590	24·6	6,769	113,328	16·7
1980	5,979	142,712	23·9	6,636	112,133	16·9
1981	5,593	136,611	24·4	6,424	111,331	17·3
1982	5,358	130,912	24·4	6,324	109,556	17·3
1983	5,200	124,814	24·0	6,349	107,912	17·0
1984	5,047	121,294	24·0	6,153	104,964	17·1
1985	4,972	119,768	24·1	5,846	100,302	17·2

AGRICULTURE, FISHERIES AND FOOD

Butter

Sir Peter Mills asked the Minister of Agriculture, Fisheries and Food what discussions he has had with *(a)* the European Community Commission, *(b)* the French Government and *(c)* the New Zealand Government about proposals for increased butter imports from New Zealand into the European Community following the agreement between France and New Zealand on the Rainbow Warrior incident; and what quantities will be imported (i) into the United Kingdom and (ii) into France.

Mr. Gummer: We have had thorough discussions on this subject with our colleagues in the European Community, in particular during the Agriculture Council which my right hon. Friend the Minister chaired on 14-15 July. We have also discussed the question with visiting New Zealand Ministers in recent months.

The Council has to decide by 1 August 1986 on the quantities of butter which can be imported into the United Kingdom on special terms in 1987 and 1988. The Commission has proposed that the 1986 quantity of 79,000 tonnes should be reduced to 77,000 tonnes in 1987 and 75,000 tonnes in 1988. The question will be considered further by the Foreign Affairs Council next week.

Radioactivity

Mr. Heddle asked the Minister of Agriculture, Fisheries and Food if he will make a statement about the latest results of testing undertaken by his Department on foodstuffs other than sheepmeat following the accident at Chernobyl.

Mr. Jopling: In addition to monitoring sheep and lambs from Cumbria, my Department has continued to test other foodstuffs which could have been affected by the Chernobyl accident. I am arranging for a copy of the data available since such information was last published on 20 June to be placed in the Library of the House.

The data shows that radio-iodine is no longer of radiological significance and amounts of radiocaesium, which takes rather longer to decay, are continuing to fall steadily in all food products including sheep. The special measures I have taken in Cumbria will ensure that all sheep being marketed are within internationally acceptable levels.

I can, therefore, report on the basis of current and previous monitoring results that the position on foodstuffs produced in this country for home consumption and export is entirely satisfactory.

North-West Atlantic Fisheries Organisation

Mr. Heddle asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the adoption of commission document 8000/86 concerning the NAFO joint international enforcement scheme and commission document 8001/86 concerning a scientific observation programme in the NAFO regulatory area.

Mr. Jopling: Commission document 8000/86 contains a draft decision concerning the scheme of joint international enforcement of the North-West Fisheries Atlantic Organisation and commission document 8001/86 contains a draft decision on the arrangements in the form of an exchange of letters between the Community and the Government of Canada on the establishment of a scientific observation programme in the regulatory area of the NAFO convention. In both cases the draft decisions were intended to authorise the Commission to withdraw from or terminate the existing schemes which had not in the Commission's view been working satisfactorily and to renegotiate successor arrangements.

At the meeting of the Fisheries Council on 25 June it was agreed these two international agreements should be renegotiated. Exceptionally, I agreed to the adoption of the two decisions in advance of the deposit of the documents in both Houses and the completion of the normal scrutiny procedures, so as not to delay the required notice of withdrawal from the current NAFO joint enforcement scheme by 30 June 1987 and termination of the scientific observation programme by 31 December 1986, as requested by the Commission.

Hedges (Grants)

Mr. Steen asked the Minister of Agriculture, Fisheries and Food (1) when the grant for removal of hedges in order to amalgamate fields was introduced; and when it was discontinued;

(2) what level of grant was paid to farmers in each of the last three years to assist them in removing hedges in order to amalgamate fields; and if he will make a statement.

Mrs. Fenner [*pursuant to her reply*, 17 July 1986]: Grants for the removal of hedges to facilitate field amalgamation were introduced in 1957. They were discontinued in 1974 and no grants have been paid for this purpose since 1976. The agriculture inmprovement scheme, which was introduced on 1 October 1985, now encourages the provision, replacement or improvement of hedges through grants at rates of 60 per cent. in the less-favoured areas and 30 per cent. elsewhere. These high rates of grant reflect our concern for the conservation of the environment.

Faroe Islands

Dr. Godman asked the Minister of Agriculture, Fisheries and Food what was the value of fish and fish products, respectively, imported from the Faroe Islands in each of the last five years.

Mr. Gummer [*pursuant to his reply*, 17 July 1986]: The information is as follows:

United Kingdom imports of Fish and Fish Products: Faroe Islands 1981-85

(£ million)

	1981	*1982*	*1983*	*1984*	*1985**
Total fish	6·8	4·9	9·4	11·4	14·4
Total fish products	5·4	3·7	6·1	6·1	6·1

* Provisional.
Source: HM Customs and Excise.
Total fish = Fresh or chilled and frozen.
Fish products = Cured fish, prepared and preserved, shellfish, fishmeal oils and fats.

Iceland and Norway

Dr. Godman asked the Minister of Agriculture, Fisheries and Food what was the value of fish and fish products, respectively, imported from *(a)* Iceland and *(b)* Norway in each of the last five years.

Mr. Gummer [*pursuant to his reply*, 17 July 1986]: The information requested is as follows:

United Kingdom imports of Fish and Fish Products: 1981-85

(£ million)

	1981	*1982*	*1983*	*1984*	*1985**
Total fish					
Iceland	31·4	30·8	33·8	32·8	58·8
Norway	37·2	43·8	44·4	47·6	54·2
Total fish products					
Iceland	24·2	15·7	14·4	27·5	41·4
Norway	32·8	41·2	54·0	55·5	59·0

* Provisional.
Source: HM Customs and Excise
Total fish = Fresh or chilled and frozen.
Fish products = Cured fish, prepared and preserved, shellfish, fishmeal, oils and fats.

TRANSPORT

Airships (Noise)

Mr. Murphy asked the Secretary of State for Transport if he will list the controls on airships overflying the metropolis, particularly in terms of permitted noise levels.

Mr. Michael Spicer: An airship has to comply with the Air Navigation Order 1985 and the rules of the air and obey air traffic control instructions. There are no noise regulations for airships. Recently a number of people have been disturbed by repeated overflights and I am considering whether there are any steps that can sensibly be taken to alleviate the nuisance.

Safety Barriers

Mr. Coombs asked the Secretary of State for Transport, pursuant to his answer to the hon. Member for Wellingborough (Mr. Fry) of 4 July *Official Report*, column *653*, on motorway and trunk road safety barriers what was the number of deaths and injuries occasioned by the accidents listed.

Mr. Peter Bottomley: The numbers of deaths and injuries in accidents in which at last one vehicle crossed the central reservation and hit a crash barrier, detailed in my reply to the hon. Member for Wellingborough (Mr. Fry) on 4 July, *Official Report*, column *653* are given in the table below:

Year	*Motorways*		*Class 'A' Dual Carriageways*	
	Killed	*Injured*	*Killed*	*Injured*
1980	1	51	3	47
1981	5	75	1	46
1982	3	39	7	61
1983	14	97	8	89
1984	8	46	7	116

In 1984 these accidents accounted for some 4 per cent. of deaths and less than ½ per cent. of injuries on motorways; and 1 per cent. of deaths and less than 1 per cent. of injuries on class A dual carriageways.

Arundel Bypass

Mr. Michael Marshall asked the Secretary of State for Transport whether, pursuant to the letter to the hon. Member for Arundel from the Parliamentary Under-Secretary of State for Transport dated 13 June, he is now in a position to announce what progress has been made in implementing an agreed work programme for the Crossbush section of the proposed Arundel bypass.

Mr. Peter Bottomley: We have not yet completed investigations into the possibility of building the eastern section of the Arundel bypass ahead of the rest. Work is proceeding as quickly as possible. I will make an announcement as soon as I can.

"Tomorrow's Buses"

Mr. Pike asked the Secretary of State for Transport if he will state the cost of the series of leaflets entitled "Tomorrow's Buses", produced by his Department; and what is the total projected cost of this campaign.

Mr. David Mitchell: So far a total of £81,000 has been spent. A further leaflet and accompanying booklet for those thinking of running local bus services for the first time are in preparation. The total cost will depend on demand.

Greater Manchester PTA

Mr. Pike asked the Secretary of State for Transport what financial allocation has been made for 1987-88 and 1988-89 for the Greater Manchester passenger transport authority; and what is the current figure.

Mr. David Mitchell: The capital allocation for the Greater Manchester passenger transport authority for 1986-87 is £8·734 million. Allocations in respect of 1987-88 and 1988-89 have not yet been made. As to current expenditure, I refer the hon. Gentlemen to my reply given at column *666* on 20 June to my hon. Friend the Member for Manchester, Withington (Mr. Silvester). Expenditure levels for passenger transport authorities for 1987-88 will be determined and announced later this month.

Heathrow Airport

Dr. Glyn asked the Secretary of State for Transport if he will list the undertakings given by his Department to the hon. Member for Windsor and Maidenhead since May 1979 regarding the Government's policy towards the construction of a fifth terminal at Heathrow airport; what is Her Majesty's Government's current policy on this matter; and if he will make a statement.

Mr. Michael Spicer: The Government's current policy remains that set out in paragraph 5.19 of the June 1985 White Paper "Airports Policy" (Cmnd. 9542). A listing of the many times that this policy has been reiterated would involve a search incurring a disproportionate cost to the Department.

ENVIRONMENT

UK 2000

Mr. Madden asked the Secretary of State for the Environment how people in Bradford interested in joining projects within the UK 2000 scheme should apply; how many places are expected to become available to people in Bradford; how firms in Bradford interested in participating in UK 2000 become involved; and if he will make a statement.

Mrs. Rumbold: Individuals and firms interested in participating in UK 2000 should contact the secretariat at 95-99 Ladbroke Grove, London W11 1PG, or contact one of the voluntary organisations that are a part of the scheme. UK 2000 community programme places have not been allocated to particular areas and we hope that Bradford will be able to take full advantage of the opportunities available.

Development Corporations

Mr. Evans asked the Secretary of State for the Environment (1) if he has had any discussions with local authorities about the possibility of development corporations being appointed in some areas to take over certain local government functions; and if he will make a statement;

(2) if he has any plans to introduce a development corporation into the metropolitan district of St. Helens; and if he will make a statement.

Sir George Young: I shall answer these questions shortly.

Hippy Convoys and Encampments

Mr. Colvin asked the Secretary of State for the Environment if he will make it is his policy to adjust the rate support grant 1986-87 to take account of the costs incurred by district councils in dealing with the hippy convoys and encampments; and if he will make a statement.

Mrs. Rumbold: Rate support grant is unhypothecated grant paid to support local authority expenditure in general. I do not think that it would be appropriate to adjust RSG in 1986-87 to take account of these costs.

Homes Insulation Scheme

Mr. Evans asked the Secretary of State for the Environment (1) pursuant to his answer of 14 July concerning grants available to local authorities under the homes insulation scheme, what criteria he used in reaching the level of funding available to St. Helens district council for 1984-85 and 1985-86; and if he will make a statement;

(2) what were the outturn figures for spending by St. Helens district council under the homes insulation scheme in 1984-85 and 1985-86.

Sir George Young I shall answer these questions shortly.

Homelessness

Mr. Boyes asked the Secretary of State for the Environment (1) if he will publish estimates prepared by his Department comparing the public expenditure implications of maintaining homeless households in receipt of supplementary benefit in commercial board and lodging accommodation, with providing such households with local authority rented accommodation by building new dwellings for them; and if he will publish separate estimates assuming the household concerned is *(a)* a single person, *(b)* a couple without children, *(c)* a single parent with one dependent child and *(d)* a couple with two dependent children accepted as homeless and in priority need of accommodation by (i) a London borough and (ii) a non-metropolitan local authority.;

(2) pursuant to his statement on 20 December 1985, *Official Report*, column 709, if he intends to announce further measures to help relieve homelessness;

(3) what was the number of homeless households placed by (i) local authorities in Greater London and (ii) local authorities in the non-metropolitan areas in bed and breakfast accommodation (a) at the end of 1984 and *(b)* at end of 1985;

(4) what is his Department's explanation of the increase in the number of homeless households placed by (i) local authorities in Greater London and (ii) local authorities in the non-metropolitan areas in bed and breakfast accommodation at the end of 1985 over that at the end of 1984;

(5) what is his Department's explanation of the higher percentage increase in the number of homeless households placed by (i) local authorities in the non-metropolitan areas, compared with (ii) local authorities in Greater London in bed and breakfast accommodation at the end of 1985 over the number of households placed in bed and breakfast accommodation at the end of 1984.

Sir George Young: I shall answer this question shortly.

SOCIAL SERVICES

Mental Illness

Mr. Irving asked the Secretary of State for Social Services what guidance his Department has issued about accommodation for patients now receiving in-patient care in district general hospital psychiatric departments.

Mr. Whitney: Current departmental guidance is contained in hospital building note 35 published in 1973. As indicated in my reply to my hon. Friend on 26 June at column *293*, this guidance will be superseded by a revised publication early next year. The Department has also produced a series of reports and a pamphlet in the mental health buildings evaluation series, aimed at evaluating the buildings provided under the DHSS-sponsored and

funded Worcester development project to test a new pattern of services of the kind envisaged in the 1975 White Paper—"Better Services for the Mentally Ill".

Mr. Irving asked the Secretary of State for Social Services what are the most recent figures for places for the mentally ill in *(a)* day hospitals and *(b)* local authority day centres analysed by (i) region and (ii) local authority.

Mr. Whitney: The most recent figures for places for mentally ill people in local authority day centres analysed by local authority were given in my reply to the hon. Member for St. Helens, South (Mr. Bermingham) on 21 February at columns *392-394*. The numbers of places in National Health Service mental illness day hospitals are given in the table by regional health authority.

Places in NHS mental illness day hospitals on 31 December 1985

Regional health authority	*Number*
England	17,887
Northern	1,069
Yorkshire	1,186
Trent	1,700
East Anglian	434
North-West Thames	1,278
North-East Thames	1,487
South-East Thames	1,051
South-West Thames	1,279
Wessex	1,031
Oxford	613
South Western	1,048
West Midlands	2,089
Mersey	876
North-Western	2,601
Special Health Authorities	145

Mr. Irving asked the Secretary of State for Social Services if he will initiate an inquiry into the causes of high readmission rates among patients admitted to hospital annually with a diagnosis of schizophrenic psychosis.

Mr. Whitney: Schizophrenia is an illness which, for many sufferers, follows an episodic pattern; periods of acute mental disturbance alternate with periods of relative well-being. It is during a period of acute disturbance that the person with schizophrenia may require admission to hospital — mainly on a voluntary basis — for intensive specialised treatment. Effective modern treatments mean that the patient is often well enough to leave within a few weeks. Understandably, most patients suffering from schizophrenia choose to spend as little time as possible in hospital, preferring to return to their own environment at the earliest opportunity and receive any further treatment on an out-patient or day-patient basis. Many experts now believe that an important part of recovery from episodes of schizophrenia is for the patient to resume the normal responsibilities of life outside hospital as soon as he is able. From the nature of the illness itself therefore and from the pattern of care now considered most appropriate it is to be expected that readmissions will often occur.

Mr. Irving asked the Secretary of State for Social Services when the study of bed usage in district general hospital psychiatric departments undertaken by the Royal College of Psychiatrists and the hospital advisory service will be available.

Mr. Whitney: The study referred to was undertaken by a working party set up for the purpose by the social and community psychiatry section of the Royal College of Psychiatry. I understand that the college has accepted the working party's report, and that a paper based on it will be published in the next few months.

Mr. Irving asked the Secretary of State for Social Services if research into the role of mental health centres in local mental health services has begun; and if there is a planned date for publication.

Mr. Whitney: A few studies of English mental health centres, not funded by the Department, have already been published; one by Dr. F. Hutton appeared in the British Journal of Psychiatry in 1985. However, more descriptive and evaluative research into different patterns of community-orientated psychiatric care is needed. The mental illness research liaison group considered community mental health centres at its meeting in February this year and plans to commission a full literature review. When this has been carried out the group and the Department will be better placed to decide on further research plans. In addition one particular centre has recently volunteered a draft project for an evaluative study of its work, and we are now considering whether to fund this.

Legionnaire's Disease

Mr. Hannam asked the Secretary of State for Social Services if he will give details of the number of cases of pneumonia in 1985; and how many of these can be attributed to Legionnaire's disease.

Mr. Hayhoe: Legionnaire's disease is a form of pneumonia. In 1985 in England and Wales there were an estimated 218·5 newly diagnosed episodes of pneumonia per 100,000 population, and a total of 210 reported cases of Legionnaire's disease.

Mr. Hannam asked the Secretary of State for Social Services what evidence the Health and Safety Executive has received of clusters of two or more deaths from Legionnaire's disease during 1983 and 1984; and if he will give details of the work being carried out to register these numbers.

Mr. Hayhoe: There were no clusters of two or more deaths from Legionnaire's disease in England and Wales during 1983 and 1984. The communicable disease surveillance centre receives laboratory reports on all incidents and cases where Legionnaire's disease has been positively diagnosed. Further inquiries are made and a report for health authorities is prepared every four weeks. Annual summary figures are prepared jointly by the Office of Population Censuses and Surveys and the public health laboratory service and are published by Her Majesty's Stationery Office.

Pharmacists (Contract)

Mr. Michael Morris asked the Secretary of State for Social Services what were the views of the Office of Fair Trading in relation to competition policy when it was consulted about the proposed new contract for retail pharmacists.

Mr. Hayhoe: During the discussions on the proposed new contract for retail pharmacists officials of the Office of Fair Trading expressed some reservations about the possible effect of the new contract on competition in the supply of National Health Service pharmaceutical

services. The Government's view however is that the revised new contract strikes a balance between competition, the need to control National Health Service dispensing costs, and, above all, the need to provide adequate services to National Health Service patients.

London Teaching Hospitals

Mr. Kirkwood asked the Secretary of State for Social Services if he will make a statement on the meeting with representatives of London teaching hospitals on 10 July.

Mr. Fowler: I met three London teaching hospital consultants on 10 July, and I listened to the points they put to me. I agreed to study some documents which they promised to send me, and to meet them again once I had had the opportunity of considering their points fully.

Domestic Assistance Addition

Mr. Andrew Bowden asked the Secretary of State for Social Services how many retirement pensioners are in receipt of domestic assistance addition; and if he will give the figures for *(a)* the average weekly payments made, *(b)* the range of weekly payments made and *(c)* the total amount involved.

Mr. Newton: At December 1984, it is provisionally estimated that some 2,000 retirement pensioners were in receipt of a supplementary benefit domestic assistance addition with an average weekly payment of around £2·70. This would be equivalent, using December 1984 numbers and rates, to total annual expenditure of around £300,000. These amounts take no account of the available scale margin. The available data are not sufficiently reliable to enable a breakdown by range of payment to retirement pensioners to be given, but I refer my hon. Friend to my reply to the hon. Member for Caernarfon (Mr. Wigley) on 3 June at column *531*, which showed the range of payments to all recipients of the addition.

Supplementary Benefit

Mrs. Beckett asked the Secretary of State for Social Services how many supplementary benefit claimants are estimated to be eligible for severe disablement allowance, but do not claim it.

Mr. Major: I regret that reliable estimates are not available.

Mr. Tom Cox asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Tooting constituency in (i) 1979 and (ii) 1985; what percentage change that represents; and what was the percentage change in *(a)* staff handling supplementary benefit and *(b)* all staff in his Department's local offices for the same period.

Mr. Alfred Morris asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Manchester, Wythenshawe constituency and the city of Manchester, respectively, in *(a)* 1979 and *(b)* 1985; what percentage change the figures represent; and what were the percentage changes in (i) staff handling supplementary benefit and (ii) all staff at his Department's local offices for the same period.

Mr. Geoffrey Robinson asked the Secretary of State for Social Services how many people claimed supplementary benefit in the Coventry, North-West constituency in *(a)* 1979 and *(b)* 1985; what percentage change that represents; and what was the percentage change in (i) staffing handling supplementary benefit and (ii) all staff at the local offices of his Department over the same period.

Mr. Major: I shall let the right hon. and hon. Members have replies as soon as possible.

Operating Department Assistants

Mr. D. E. Thomas asked the Secretary of State for Social Services if he will set up a special pay review board to review the salary scales for operating department assistants.

Mr. Whitney: No. The pay of operating department assistants is a matter for the professional and technical staffs B Whitley council.

Patient Costs

Mr. Knox asked the Secretary of State for Social Services what is the average daily cost of administration to the National Health Service of one hospital patient and the equivalent average daily amount paid by a private patient in a private clinic or hospital.

Mr. Hayhoe: The costing returns for 1984-85 submitted to the Department by health authorities give an average cost for hospital administration (including medical records) of £4·35 per in-patient day. This average includes hospitals of all types except those administered by the special health authorities for the London postgraduate teaching hospitals, for which equivalent figures are not readily available. It does not include the administration costs of regional and district headquarters, as these are not apportioned between hospital services and the other services for which health authorities are responsible. I regret that information is not available on amounts paid in private clinics or hospitals.

Abortions

Mr. Knox asked the Secretary of State for Social Services how many abortions were performed in the United Kingdom in 1975 and 1985.

Mr. Hayhoe: The numbers of notifications of legal abortions carried out under the Abortion Act 1967 in the United Kingdom in 1975 and 1985 were 147,029 and 180,983 respectively. The Act does not apply in Northern Ireland.

Infant Mortality (Staffordshire)

Mr. Knox asked the Secretary of State for Social Services what is the rate of infant mortality in the Staffordshire, Moorlands district in the most recent year for which figures are available; and what is the comparable rate for England.

Mr. Whitney: The infant mortality rate, that is the number of deaths under one year of age per 1,000 livebirths, for Staffordshire Moorlands county district for 1985 is 8·9, and the corresponding rate for England is 9·2 per 1,000 live births.

Cervical Cancer

Mr. Pike asked the Secretary of State for Social Services how many women have died from cervical cancer in each year from 1981 to 1985 in the Burnley, Pendle and Rossendale district health authority area.

Mr. Hayhoe: The information is shown in the table.

Numbers of deaths with underlying cause as malignant neoplasm of cervix uteri (ICD(9) 180) to women usually resident in Burnley, Pendle and Rossendale health area 1981-1985*

Area of usual residence	*Year*	*Number of deaths*
Burnley Health District	1981	16
Burnley, Pendle and Rossendale	1982	13
District Health Authority	1983	16
	1984	12
	1985	8

* International Classification of Diseases 9th revision

Mobility Allowance

Mrs. Beckett asked the Secretary of State for Social Services how many people were receiving mobility allowance at the latest date for which information is available.

Mr. Major: The figure was 434,000 as at 11 July 1986.

Speech Therapists

Mr. Nicholls asked the Secretary of State for Social Services what progress there has been on the Whitley Council negotiations on speech therapists' pay; and if he will make a statement.

Mr. Whitney: I understand that when the management side of the scientific and professional staffs council met the staff side representatives of speech therapists on 19 June an offer representing an increase of 5·5 per cent. of the pay bill was rejected. Negotiations were adjourned and a further meeting has yet to be arranged.

Severe Weather Payments

Dr. Godman asked the Secretary of State for Social Services (1) how many exceptionally severe weather payments were made for the month of February in England and Wales; what was the average payment; and what was the total amount paid to claimants;

(2) how many exceptionally severe weather payments were made for the month of February in *(a)* Greenock and Port Glasgow, *(b)* Strathclyde and *(c)* Scotland; what was the average payment; and what was the total amount paid to claimants in (i) Greenock and Port Glasgow, (ii) Strathclyde and (iii) Scotland.

Mr. Major: The information is not yet available. When the period during which payments are likely to be made is over, local offices will be asked to make a return so that the number of payments and amounts paid can be calculated.

Hospital Closures

Mr. Wareing asked the Secretary of State for Social Services what actions he is planning to ensure that some hospitals do not close a proportion of their beds during the winter months because of difficulties in recruiting nursing staff and as a result of the possible overflow of acute medical cases during those months.

Mr. Hayhoe: Although there are from time to time nursing recruitment difficulties in particular locations or in specific specialisms, overall the numbers of nursing and midwifery staff continue to increase—by a further 3,500 to 401,000 whole-time equivalents between September 1984 and September 1985. The recent increase in the pay of nursing staff should also help to aid recruitment. Responsibility for recruiting staff to meet local needs and priorities and for planning to deal with peaks in workload must rest with individual health authorities. Only they have the detailed local knowledge necessary to make these judgements; their performance is, of course, monitored and reviewed through the accountability review process.

Pharmacy

Mr. Neil Hamilton asked the Secretary of State for Social Services if he proposes that pharmacists on the proposed new pharmacy practices sub-committees and appeal bodies therefrom should give guidance only but have no vote upon applications.

Mr. Hayhoe: I am not proposing change of any kind in the composition or voting arrangements for pharmacy practices sub-committees. However, after careful consideration of points raised by hon. Members during proceedings on the NHS (Amendment) Bill, I intend that pharmacists should retain membership of the bodies which will consider any appeals from pharmacy practices sub-committees in order to give guidance and advice but without a power to vote. I also intend that the membership of these appelate bodies should be drawn from a national list approved by my right hon. Friend the Secretary of State for Social Services. I expect similar arrangements to apply to Scotland and Wales.

Mentally Handicapped Persons

Mr. Fisher asked the Secretary of State for Social Services (1) how many mentally handicapped people *(a)* live in institutional care or *(b)* are cared for in the community, in the United Kingdom.

(2) what is the annual funding for *(a)* institutionally based care and *(b)* community based care, for mentally handicapped people in Britain.

Mr. Whitney: I shall let the hon. Member have replies as soon as possible.

Maternity Allowance

Mr. Clay asked the Secretary of State for Social Services if he will estimate the gross and net cost of increasing the single person's rate of maternity allowance by £7·35.

Mr. Major: The cost of increasing the basic rate of maternity allowance by £7·35 per week would be about £47 million in a full year, with a saving of about £2 million on supplementary benefit expenditure. If the increase was confined to single women only, the cost would be about £6 million.

Low Income Families

Dr. McDonald asked the Secretary of State for Social Services (1)if he will publish a table showing for 1983 *(a)* the numbers of families with one, two, three, four or more children living below, at, and up to 140 per cent. of the supplementary benefit level on the latest basis and a basis comparable with 1981 and 1979, *(b)* how many of these families were in work or out of work and *(c)* the total number of families with one, two, three, four or more children, on the same basis as his reply of 16 May 1985 to the hon. Member for Thurrock, *Official Report*, column *224*;

(2) if he will provide a breakdown from the low income families 1983 table of the main reasons for people falling below the supplementary benefit level on the same basis as his reply of 14 December 1983 to the hon. Member for Kensington (Sir B. Rhys Williams), *Official Report*, column *517*;

(3) how many children were living in families below supplementary benefit level, on supplementary benefit, with incomes up to 140 per cent. of supplementary benefit level, classified by employment status, and whether they were in one- or two-parent families in 1983 on the latest basis and on a basis comparable with 1981 and 1979; and what proportion these children make up of the total number of children.

Mr. Major: I refer the hon. Member to my reply to my hon. Friend the Member for Kensington (Sir B. Rhys Williams) on 8 July at column *157*. When the tables are published, I will then be in a position to reply to the hon. Member's questions.

Leukaemia

Mr. Ashdown asked the Secretary of State for Social Services (1) when the Committee on the Medical Aspects of Radiation in the Environment will consider the preliminary study by the information services division of the Scottish Health Service into the incidence of leukaemia in Scotland in the birth to 24 years age group; and if he will make a statement;

(2) if, in the light of uncertainties about the completion date of the final study and difficulties met with in case control studies recommended by the Black report, he will commission immediately the case control studies recommended in the preliminary study by the information services division of the Scottish Health Service into the incidence of leukaemia in Scotland in the 0-24 year age group; and if he will make a statement.

Mr. John MacKay: I have been asked to reply.

I expect the full study of the incidence of leukaemia in Scotland in under 25-year-olds undertaken by the information services division of the Common Services Agency of the Scottish Health Service to be published in the autumn. Thereafter the Committee on the Medical Aspects of Radiation in the Environment will be asked to consider this full report. It is not intended to commission new studies until the committee's guidance on the need for and nature of further investigative work has been obtained.

INDEX TO THE

PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 101**

SESSION 1985-86

7th July—18th July 1986

SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc., between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

Oral and Written Parliamentary Questions are indexed under subject headings and the names of Members asking and Ministers replying to them. Questions are not listed under the names of Departments replying. Departmental listings can be arrived at indirectly by looking under the names of the Minister(s) of that Department. There are, however, the headings 'Northern Ireland', 'Scotland', and 'Wales' under which one can find not only most Questions answered by the Northern Ireland Office, Scottish Office, Welsh Office but also Questions about these areas of the United Kingdom which are answered by other Departments. Ministerial statements are indexed under subject headings, under 'Ministerial statements' and the names of Ministers making them and Members speaking on them. General debates are indexed under broad subject headings and under the names of all Members and Ministers taking part. Debates on legislation (Bills, Orders, Regulations etc.) are indexed under the name of the Bill, Statutory Instrument etc., under subject headings and under the names of those taking part.

Rulings and Statements by Mr. Speaker and his deputies are brought together under the heading Speakers rulings and statements.

Other contributions by Mr. Speaker and his deputies appear under the heading Speaker.

Opposition Day Debates, Estimates Day Debates and Standing Order No. 10 applications are listed under those respective headings and under subject headings too.

The date of each item except Parliamentary Questions is inserted immediately before the reference.

Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates etc.* (to include interventions on statements, points of order and so on) or *Questions*.

Abbreviations

Bills 1R = first reading, 2R = second reading, Money res = money resolution, Com = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

Column numbers followed by the letter W refer to Written Questions. These appear at the end of each daily part or volume with their own sequence of column numbers printed in italics.

Aberystwyth Harbour Bill 1985/86
3R* (10.07.86) 429

Abolition of Vehicle Registration Prefix Bill 1985/86
1R (16.07.86) 1012

Abortion 296w, 667w

Accidents
Parachuting 400-1w
Safety measures 393w
Sports 171-2w

Accountants
Government departments 88-9w

Acid rain
Agriculture 258w

Acquittals
Juries 307-8, 308-9

Act Now 14

Action for Jobs campaign
Northern Ireland 193w

Acute beds 115w, 557-8w, 559w
Cost benefit analysis 559w
North Western Regional Health Authority 557-8w
Scottish health boards 115w

Adams, Mr Allen
Questions
Oil fired power stations, Central Electricity Generating Board 26w
Waite, Terry, South Africa 200w

Adjournment debates
Speakers rulings & statements (14.07.86) 692, (18.07.86) 1406

Adley, Mr Robert
Debates etc
Education, Population 157
Educational publications, Copyright 151
Nuclear power stations, Daya 440w
Road humps, Local authorities 593-4w
Road safety, Buses 672
Road traffic control, Local authorities 593w
South Africa, Defence equipment 440w
South Africa, Economic sanctions 289, 440w
Tourism 289-90w

Administrative costs
Firearms certificates 567w
Hospital patients 667w

Administrative delays
Ashford, Sparkes & Harward 185-6w
Commercial court 675-6
Damages 17w
Drugs 557w
Exceptional needs payments 68-9w, 271-2w, 274w
Legal aid 15-6w, 100-1w, 318w
Members correspondence 325w, 338w, 346w, 349-50w, 355w, 363w, 365w, 367w, 372w, 383w, 390w, 401w, 419w, 420w, 428w, 613-4w, 642-3w
Passport Office 337w
School administration 131w
Social security claims 171-2w
War pensions 403w

Admission charges
Museums & galleries 86w, 304w
Natural History Museum 282w

Adult education
Civil servants 235w
Dept of Education & Science 235w
Skilled workers 133-4w

Advisory Conciliation & Arbitration Service
Teachers 356w

Advisory services
AIDS 616w
Handicapped drivers 672-3

Afghanistan
EC action 202w
USSR 202w, 372-3w

Africa
Bilateral aid 680
Debts 608w, 680
Disaster relief 167-8w
Overseas aid 99w
UNICEF 368w
World Bank 680

African National Congress 208w
Howe, Geoffrey 22, 293-4
Tambo, Oliver 208w
Violence 164-5

Age
Audio equipment 8-9w
Cervical cancer 70-1w

Age allowances
Handicapped 403w
War widows pensions 403w

Agency nurses
Regional health authorities 72-4w

Agricultural & Food Research Council
Research finance 107w

Agricultural Development & Advisory Service 107w
Manpower 107w

Agricultural Holdings Act 1984 258-9w

Agricultural land
Planning permission 260w
Rates & rating 275w

Agricultural production
EC countries 42w, (08.07.86) 267-81

Agricultural products
Product liability 532w
Radioactivity 649w

Agricultural rates
Farm incomes 195-6w

Agricultural research
Mergers 517w

Agricultural subsidies
Butter 42w
Livestock 435
Sheep 228w

Agricultural surpluses (14.07.86) 694-733
Food aid from EC 440
Intervention stocks 365w

Agriculture
Acid rain 258w
EC Presidency 255w, 259w
Environment protection (08.07.86) 267-81
Expenditure 215-6w
Farmers 258w
Private Members motions (14.07.86) 694-733
Private sector borrowing 255w
Subsidence 435

Aid financed trade 21-2w
China 10w

AIDS 72w, 412w, 616w
Advisory services 616w
Body Positive 72w
Costs 616w
Insects 412w
Joint financing 412w
Local government social services 412w
Medical treatments 616w
Research finance 412w
Screening 616w

Aids for handicapped
Annual reports 159w

Air fares
USA 398w

Air force
Defence procurement 493w
Woolwich Arsenal 497w

Air force bases
F19 aircraft 426w
Nuclear weapons 428-9w

Air force flying
Costs 7w
Nimrod aircraft 92w
Virgin Atlantic Challenger 304w

Air force reserves 842, 843

Air Navigation (Noise Certification) Order 1986 (08.07.86) 168, (17.07.86) 1331

Air routes
Brussels 402w
Contracts 603w
Falkland Islands 603w
Highlands of Scotland 2w
South Africa 397w

Air services
Brussels 313w

Air traffic
Greater London 249w
Regional airports 249w

"Air Traffic Distribution in the London Area" 249-50w
Civil service manpower 249w
Costs 249w
Regional airports 249w

Aircraft noise
Airships 660w

Airlines
Self-regulatory system 250w

Airport security 393w
European Economic Community 393w

Airports (08.07.86) 149
Heathrow 661-2w

Airports Act 1986 563w

Airports Bill 1985/86
Royal Assent (08.07.86) 149

Airships
Aircraft noise 660w
Greater London 660w

Aish & Company
Profits 844

Aitken, Mr Jonathan
Debates etc
Channel tunnel, Roads (17.07.86) 1324-8, 1330
European Communities (Amendment) Bill, Rem stages (10.07.86) 505
Questions
Business statement 455
Channel tunnel, Finance 669

Albert Dock 481w
Employment opportunities 481w
Liverpool 481w

Albert Street 383-4w
Housing associations 383-4w

Alcoholic drinks
Prosecutions 637w
Young people 415w, 637w

Alcoholics Anonymous (Dispositions) Bill (HL) 1985/86
Rep* (15.07.86) 835

Alcoholism
Prisoners 58w
Young people 415w

Alexander, Mr Richard
Questions
Radioactive waste disposal 94w

"All Our Tomorrows" 161w

Allied Lyons 453w
Elders IXL 453w
Takeovers 453w

Alternative energy 23w
Energy research 386-8w

Alton, Mr David
Questions
Arts finance, Merseyside 14
Blackburn House School, Liverpool 356w
Board & lodging charges, Northern Ireland 503w
Business statement 449

Coal, Energy 23w
Fish, Food contamination 459w
Fish, Liverpool bay 365w
General Certificate of Secondary Education, Teacher training 132w
Gurkhas 492w
Housing benefits, Landlords 266w
Housing benefits, Members correspondence 266w
Housing benefits, Private rented housing 155w
Ministers domestic visits, Merseyside 96w
Nepal, Christianity 205w
Northern Ireland Housing Executive, Housing subsidies 503-4w
Nunan, Nimus, Recorders 317w
Q ray compresses, Radiography 323w
Radiation hazards, Ionizing radiation 309-10w
Radioactivity, Domestic appliances 324w
Radioactivity, Emergency planning 309w, 310w
Rent control, Departmental circulars 69w
River Mersey, River pollution 324w
Sheep, Radioactivity 256w

Alyn & Deeside
Supplementary benefits 447-8w

"Ambulance Alert" 559-60w

Ambulance services
Greater London 559-60w
Greater Manchester 445-6w
Privatisation 413w

Amendments & new clauses
Speakers rulings & statements (17.07.86) 1273-4

Amery, Rt Hon Julian
Debates etc
South Africa (16.07.86) 1025, 1031
Questions
Anglo-Irish Agreement, Northern Ireland government 1006
Commonwealth Games 861

Amess, Mr David
Debates etc
Medical research, Babies (11.07.86) 656-8
Questions
Consumer protection 539w
Driving tests, Basildon 666
Magistrates courts, Basildon 566w
Premium bonds, Prize money 1164
Rover 800, Design 850

Analgesics
Children 263-4w
Reyes syndrome 263-4w, 422w

Ancram, Mr Michael, Parliamentary Under-Secretary Scottish Office
Questions
Buchanan Street Housing Association 383-4w
Conservation, Highlands of Scotland 576w
Dogs, Health hazards 298w
Dogs, Liability for animals 298w
Housing & elderly, Scotland 299-300w
Ombudsman, Scotland 380-2w
"Paying for Local Government Consultation Paper", Scotland 174w
Pipelines, Tain 576-7w
Regional parks, Pentland 31w
Sites of special scientific interest, Morrich More 577w
Sites of special scientific interest, Scotland 374-80w
Urban planning, Highlands of Scotland 577w
Urban programme, Scotland 244-5w

Anderson, Mr Donald
Debates etc
South Africa (16.07.86) 1037, 1045, 1052-4, 1057
Questions
South Africa, Foreign policy 201w

Anglesey
Sheep 482-3w

Anglo-Irish Agreement 367w, 504-6w, 641-2w, 1005
Northern Ireland government 1005, 1006-7
Republic of Ireland 642w
Royal Ulster Constabulary 1006
Violence 552w

Anglo-Irish Intergovernmental Conference 642w

Angola
Arms embargoes 204w

Animal breeding
Beef & veal 257w
Horses 293w
Testing 257w

Animal diseases
Penguins 371w

Animal feed 196w
Butter 254w
Common farm prices 583w
Co-responsibility levy 434, 438-9

Animal husbandry
Cereals 253w

Animals (Scientific Procedures) Act 1986 221w

Animals (Scientific Procedures) Bill (HL) 1985/86 221w

Anniversaries
Heath, Edward 166

Annual reports 159w, 168w, 322w
Aids for handicapped 159w
Health Service Commissioner 168w
Radioactive Waste Management Advisory Committee 322w

Antismoking campaign
World Health Organisation 76w

Antrim
Demonstrations 624w
Police dogs 623w
Royal Ulster Constabulary 114w, 623w

Apartheid
Economic sanctions 24
Political refugees 335w, 370w
South Africa 25, 320w, 440-1

Appeals
Fair Employment Agency 366-7w
Industrial diseases benefits 413w
Pneumoconiosis 413-4w

Apple & Pear Development Council Order 1986 (10.07.86) 573

Arafat, Yasser 301-2
Palestine Liberation Organisation 301-2

Archaeological sites
Countryside 309w
Urban areas 309w

Archer, Rt Hon Peter
Questions
Northern Ireland civil service, Employment discrimination 85w

Argentina
Diplomatic immunity 63-4w
Diplomatic service 63w

Armed forces 842-3
Courts martial 306w
Dismissal 306w
Drug abuse 495-6w
Early retirement 841
EC nationals 370w
Ethnic monitoring 496w

Armed forces civilians
Manpower 164w
Redundancy 164w
Redundancy pay 89w

Armed forces deployment
Backfire aircraft 87w
Northern Ireland 492w
Royal festivals & state occasions 90w, 306-7w, 490w
South Africa 209w

Armed forces discharges
Homosexuality 305-6w

Armed forces housing
Empty housing 524w
North Yorkshire 524w

Armed forces pay
Armed forces pensions 217-8w

Armed forces pensions
Armed forces pay 217-8w
Prisoners 247-8w

Armed forces retirement 841

Armed forces storage depots 497w

Armed forces strength
Warsaw Pact 495w

Armed forces training
El Salvador 605w
South Africa 837

Arms control
Strategic Defence Initiative 494w

Arms control treaties 204w
FB111 aircraft 64-5w
USSR 204w

Arms embargoes
Angola 204w
South Africa 440w, 524w, 525w, 845

Arms exports
South Africa 525w

Arms trade
Iran 287w
Iraq 287w
Sri Lanka 90w

Army
Early retirement 842
Pay systems 842
Racial discrimination 491w, 842

Army bases
Construction 493w

Army in Northern Ireland 304w, 492w

Arnold, Mr Tom
Questions
Peter Cameron Webb Syndicate, Inquiries 16-7w

Arnott Road Clinic
Public petitions (18.07.86) 1339

Arrests
Military police 426w
RAF Caerwent 426w
Road accidents 339w
Young people 180w

Arts
VAT 293w

Arts Council
Merseyside 13-4

Arts Council grants
Music 85-6w

Arts finance
Merseyside 13-4, 615w
Music 86w
Sadlers Wells Theatre 86w

Arts sponsorship
Business sponsorship incentive scheme 87w

Arundel bypass 661w
Road construction 661w

Ashby, Mr David
Questions
Juries 307

Ashdown, Mr Paddy
Debates etc
High technology (15.07.86) 873-7, 879, 882, 909
Questions
Adult education, Skilled workers 133-4w
HMS Intrepid, Warships 190w
Ilminster bypass, Road construction 395w
Leukaemia, Young people 670w

Magnox reactors, Nuclear safety 28w, 442w
Milk, Production quotas 259w
Radioactive Waste Management Advisory Committee, Annual reports 322w
Radioactive Waste Management Advisory Committee, Public appointments 321w
Radioactive Waste Management Advisory Committee, Research 321-2w
RAF Fylingdales, Strategic nuclear weapons 166w
RAF Fylingdales, USA 166w

Ashford, Sparkes & Harward 185-6w
Administrative delays 185-6w

Ashley, Rt Hon Jack
Questions
Analgesics, Children 264w, 422w
Cervical cancer, Age 70-1w
Cervical cancer, Death 70w
Cervical cancer, Health education 71w
Cervical cancer, Industrial diseases 71w
Cervical cancer, Screening 69w, 71w
Committee on Safety of Medicines 267w
Committee on Safety of Medicines, Disclosure of information 425w
Committee on Safety of Medicines, Drug industry 424w
Committee on Safety of Medicines, Drug side effects 422-3w
Committee on Safety of Medicines, Official secrets 268w
Committee on Safety of Medicines, Official Secrets Acts 268w, 425w
Committee on Safety of Medicines, Zantac 268w
Conductive education 157w, 158w
Conductive education, Special education 146-7w
Conductive education, Teacher training 147w
Dangerous drugs 267w
Drug side effects 423w
Drugs, Official secrets 267-8w
Drugs, Safety 267w
Hospital admissions, Gynaecology 70w
Open government 424-5w
Rapid Action for Conductive Education 158w
Special education, Deaf 140w
Tranquillisers, Prescriptions 70w
War pensions, Prisoners 162w
Well woman clinics, Doctors 70w
Well woman clinics, Health services 70w

Ashton, Mr Joseph
Questions
Charities, Free school meals 1159
HM Inspectorate of Schools, Local government expenditure 127w
Inflation, House prices 585-6w
South Africa, EC action 198w

Ashton under Lyne 97-9w
Magistrates 97-9w

Asian immigrants
Immigration 205w

Aspinwall, Mr Jack
Debates etc
Agriculture (14.07.86) 715-9
Questions
Cervical cancer, Bristol & Western Health Authority 407w
Cervical cancer, South Western Regional Health Authority 407w
Drug crimes, Avon 508-10w
Examinations, Avon 519-22w
Higher education, Avon Education Authority 351w

Association of University Teachers 137-8w
University finance 137-8w

Astronomy
Science Research Council 522w, 655w
South Africa 522w, 523w

Atkins, Mr Robert
Questions
Air force, Defence procurement 493w
Bristow, Alan, Honours 215w
Leyland Vehicles 532w

Atkinson, Mr David
Questions
Bus services, Transport Act 1985 395w
Elgin marbles 14-5
M3, Road works 2w
Prime Minister domestic visits, Bournemouth 583w
Romania, Foreign policy 202w
School buildings, Leisure facilities 153
VAT, EC action 293w

Atkinson, Mr Norman
Debates etc
Metropolitan Police (11.07.86) 622-6
Questions
Body searches, Complaints against police 223-4w
Body searches, Haringey 223w
Council housing, Greater London 39-40w
South Africa, European Council 206w

Attendance allowance
Pearce, W 269w
Social security benefits rates 617w
Social security recipients 617w

Attorney-General
Crown Prosecution Service 677

Audio equipment
Age 8-9w

Audio recordings
Taxation 534w

Austin Rover 534w

Availability for work
Unemployed 361-2w

Average earnings 180w
Income tax 609w, 1159-60
Low pay 610w
Married men 611-2w
Married people 124-5w
National insurance contributions 1159-60
Single people 124-5w, 611-2w

Avewall Road
Complaints 636w

Avon
Drug crimes 508-10w
Examinations 519-22w
Higher education 519-22w

Avon Education Authority 351w
Higher education 351w
Student grants 351w

Axle weights
Lorries 399w

A1 116-7w
Road works 116-7w

A4 564w

A19
Road works 591-2w

A45
Road works 1w

A49
Hereford bypass 3w

A59
Road works 118-9w

A65
Cottingley Bar 117w

A140
Roads (09.07.86) 420-8

A595
Cumbria 119-20w
Road works 119-20w

A650 117w

Babies
Medical research (11.07.86) 656-62
Prisoners 180-1w

Baby care units
Hospital beds 68w

Backfire aircraft 87w
Armed forces deployment 87w
Industrial production 87w
USSR 87w

Bail
Drug crimes 102w
Homelessness 62w

Bail hostels 59-60w, 60-1w

Baker, Rt Hon Kenneth, Secretary of State for Education & Science
Questions
Bus services, School transport 580w
Higher education, Mature students 137w
Higher education, Public expenditure 45-6w
Mathematics education, Inner London boroughs 155
Mathematics education, Teachers 154-5, 155-6
Members correspondence, Dept of Education & Science 355w
Nene College, Northampton 152
Polytechnics, Cost per student 152
Polytechnics, Educational finance 152-3, 398
Polytechnics, Postgraduate education 152
Polytechnics, Student numbers 151-2
School administration 161
Science & technology, Research finance 517-8w
Teachers, Pay 580-2w
Teachers, Science education 140w
Universities, Part-time education 145w
University finance 138-9w
Workers Educational Association, Government grants to voluntary organisations 49w

Baker, Mr Nicholas
Questions
Common land, Land registration 321w
Drug crimes, Bail 102w
Police powers, Litter 104w
Road construction, Tunnels 1w

Balance of payments 606-7w

Balance of trade
Confederation of British Industry 534w
Manufactured goods 528w, 535w, 1165-6
Multifibre arrangement 340w
Tax allowances 1163
UK trade with EC 343-4w

Baldry, Mr Tony
Debates etc
Manufacturing industries (07.07.86) 49
Questions
Cereals, Co-responsibility levy 40-1w
EC Presidency, EC Industry Council 533w
Home Service Force, Civil defence 491-2w
Juries 310
Labour Party, Privatisation 848
Local government finance, Rates & rating 629w

Balnave, Captain
War pensions 171w, 449w

Bank notes
Scotland (08.07.86) 169-71

Bankruptcy 528w

Banks, Mr Robert
Debates etc
Tourism (09.07.86) 364, 381-3

Banks, Mr Tony
Debates etc
Metropolitan Police (11.07.86) 590, 592, 597, 612, 635, 639, 645, 646, 650, 653-4
Oral question time intervention (14.07.86) 674
UK 2000 (14.07.86) 687
Questions
British Rail, Rolling stock 458w
Bus lanes, Greater London 314w, 400w
Bus services, Greater London 314w, 673
Bus services, London Buses 313w
Buses, Greater London 313w

Business statement 457-8, 1182
Channel tunnel, Customs 396w
Channel tunnel, Waterloo station 314w, 400w
Customs officers, Civil service manpower 435w, 502w
Cycleways, Greater London 668
Drug abuse, Housing estates 105w
Drug crimes 337w
Drug crimes, Metropolitan Police 337w
Drug crimes, Prosecutions 336-7w
Drug seizures, Customs 435w
Drug seizures, Metropolitan Police 337w
Drug squads, Criminal investigation 336-7w
Drug squads, Ethnic minorities 336-7w
Drug squads, Manpower 336-7w
Drug squads, National Drugs Intelligence Unit 336w
Drug squads, Police 336-7w
Drug squads, Police training 336-7w
Falkland Islands, Penguins 370-1w
Greater London Council, Seaside & country homes scheme 312w, 332w
Helicopters, Metropolitan Police 338w
HM Inspectorate of Schools, Local government expenditure 127w
Household Cavalry, Racial discrimination 248w
London Regional Transport 400w
London Regional Transport, Directors 313w
London Residuary Body, County hall 311w, 549w
London Residuary Body, Government grants to local authorities 548-9w
London Residuary Body, Greater London Council 310-1w
London Residuary Body, Local government borrowing 549w
London Residuary Body, London boroughs 310w
London Residuary Body, London marathon 548w
London Residuary Body, Public sector borrowing 311w
London Residuary Body, Trust for London 311w
Lorry routes, Greater London 314w, 400w
Metropolitan Police, Police patrolling 105w
Metropolitan Police, Public order policing 105w
Mobile police stations, Metropolitan Police 224w
Museums & galleries, Admission charges 86w, 304w
Natural History Museum, Admission charges 282w
Non-departmental public bodies 20
Offices, Metropolitan Police 338w
One man buses, London Regional Passengers Committee 314w
Pedestrian crossings, Greater London 315-6w
Police equipment, Helicopters 511-2w
Prisoners, Confessions 513w
Railway industry, Government grants 315w
Residuary bodies, Local government property 312w
Road accidents, Arrests 339w
Road construction, Earls Court 313w
Road traffic control, Metropolitan Police 338w
Roads, Police patrolling 339w
Sea pollution, Plastics 250w
Shields, Neil, London Regional Transport 313w
South Africa, Military attaches 207w
South Africa, Voting rights 339w
Transport Act 1985, Publicity 313w
Trust for London, Finance 549w

BAOR
Nuclear artillery shells 427w

Barnbow
Royal ordnance factories 646w, 845

Barnett, Mr Guy
Debates etc
Felixstowe Dock & Railway Bill, Rep (15.07.86) 944-6
South Africa (16.07.86) 1042-6, 1049
Questions
South Africa, Economic sanctions 201w, 292-3

Barnsley
Dept of Health & Social Security local offices 617w
Supplementary benefits 269w, 410w
Unemployment 230w

Barristers
Pay 677-8

Barron, Mr Kevin
Debates etc
Poverty, Elderly (16.07.86) 1068
Questions
Museums & galleries, Insurance 85w
National Coal Board, Coal mining 24w

Barry, Peter 642w
Belfast Telegraph 642w

Basildon
Dept of Health & Social Security local offices 418w
Driving tests 666
Magistrates courts 566w

Bath
Bypasses 666-7
Listed buildings 96w

Batiste, Mr Spencer
Questions
Challenger tanks, Defence procurement 305w
Royal ordnance factories, Barnbow 646w
Royal ordnance factories, Factory closures 305w
Royal ordnance factories, Intellectual property 305w
Royal ordnance factories, Labour mobility 305w
Royal ordnance factories, Vickers Shipbuilding & Engineering 305w
Schools, Propaganda 1172
Sex education, Family & Youth Concern 130w
Tourist industry, Employment opportunities 527w

Batley
Prime Minister domestic visits 459w

BBC
South Africa 165-6

BBC Advertising & Sponsorship Review
512-3w

Beaumont-Dark, Mr Anthony
Debates etc
Heads of state (09.07.86) 312

Beckett, Mrs Margaret
Debates etc
Poverty, Elderly (16.07.86) 1069, 1072, 1080-1, 1087, 1091-5
Questions
Attendance allowance, Social security recipients 617w
HM Inspectorate of Schools, Local government expenditure 127w
Hostels, Social Security Policy Inspectorate 68w
Mobility allowance, Social security recipients 668w
Multiple occupation, Slums 261-3w
Severe disablement allowance 666w

Bed & breakfast accommodation
Homelessness 663w
Local government expenditure 663w

Bedding
Expenditure 68w
NHS 68w

Beef & veal
Animal breeding 257w

Beith, Mr A J
Debates etc
South Africa (16.07.86) 1035-40
Questions
Castington youth custody centre, Overtime 54w
Chile, Foreign policy 208w
Graduates, Industry 129w
House of Commons, Temporary staff 279w
Opencast mining, Planning permission 548w
South Africa, Economic sanctions 289
USSR, Human rights 301
World Bank, Developing countries 679-80

Belfast Telegraph 642w
Barry, Peter 642w
Interviews 367w, 627w, 642w
Republic of Ireland 367w

Belgium
Export subsidies 106w

Bell, Mr Stuart
Debates etc
Criminal Justice (Northern Ireland) Order 1986 (09.07.86) 412-5
Housing (Northern Ireland) Order 1986 (09.7.86) 401-3
Questions
Employment discrimination, Northern Ireland 192-3w
Fair Employment Agency, Appeals 366-7w
Fair Employment Agency, Companies 81w
Fair Employment Agency, Complaints 81w
Fair Employment Agency, Public sector 365-6w
Fair Employment Agency, Vocational organisations 366w
Royal Ulster Constabulary, Public order policing 1008

Bellingham, Mr Henry
Questions
General Certificate of Secondary Education, Norfolk County Council 132w
USSR, Arms control treaties 204w

Bennett, Mr Andrew F
Debates etc
Education (No 2) Bill, Rep & 3R (07.07.86) 136-8, 139-40
Felixstowe Dock & Railway Bill, Rep (14.07.86) 735, 744, 746, 754, (15.07.86) 916, 920-6, 927, 931-2, 935
Questions
Ambulance services, Greater Manchester 445-6w
Backfire aircraft, USSR 87w
Concessionary television licences, Pensioners 319w
Council of Ministers, EC Presidency 209w
Discretionary student grants, Scotland 173-4w
Economic summit conferences, Economic policy 1158
Education, Cost per pupil 281w
Education, Public expenditure 140-1w
Educational finance, National income 578-9w
EUREKA, Support for innovation scheme 640w
EUREKA, Yugoslavia 640w
Game, Radioactivity 560w
HM Inspectorate of Schools, Schools 47-9w
Income tax, Unpaid taxes 79w
Magistrates, Ashton under Lyne 97-9w
Mature students, Higher education 174-6w
Mature students, Student grants 54w
Mortuaries, Tameside 445w
Open University, Government grants 134w
Polytechnics, Educational finance 152-3, 398
Primary education, School population 655w
Schools, Expenditure 518-20w
Tax yields, Unpaid taxes 78-9w
Teachers, In-service training 146w
Teachers, Manpower 521-2w
Teachers, Pay 353w
University finance 232-4w

VAT, Unpaid taxes 78w

Bennett, Sir Frederic
Debates etc
South Africa (16.07.86) 1046-50
Questions
South Africa, Economic sanctions 300
USSR, Economic sanctions 372-3w

Benyon, Mr W
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1368, 1369-71, 1379
Open College (18.07.86) 1361

Bermingham, Mr Gerald
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1250, 1252-6, 1269, 1270, 1273-5
Questions
Bail, Homelessness 62w
Bail hostels 59-60w, 60-1w
Cereals, Co-responsibility levy 253w
Drug abuse, Prisoners 58w
Fine defaulters, Prison sentences 58w
Lloyds of London, Fraud 676-7
Prison administration, Special category prisoners 489w
Prison education services 59-60w
Prison employment 59w
Prison employment, Working hours 490w
Prison visits 489w
Prisoners mail, Censorship 489-90w
Prisoners release, Prison population 57w
Prisons, Construction 488-9w
Prisons, Construction costs 488-9w
Prisons, Crown immunity 489w
Supplementary benefits, St Helens 447-8w

Best, Mr Keith
Questions
Agricultural products, Radioactivity 649w
Challenger tanks, Defence contracts 645w
Helicopters, Coastguard 425-6w
Marines, Warships 165w
Sheep, Agricultural subsidies 228w
Sheep, Anglesey 482-3w
Sheep, Radioactivity 3-4w, 229w, 507w
Sheep meat, Wales 611-2w, 612-3w
South Africa, Political parties 1170
S90 design, Industrial design 88w
Warships 190w

Betting & gaming duties
Bingo (08.07.86) 235-43

Bexley Health Authority 162w
NHS finance 162w

Bexley London Borough Council Bill 1985/86
2R order read (10.07.86) 429, (17.07.86) 1155

Bibby Edible Oils 586w
Redundancy fund 586w

Bicycles
Greater London Council 668
Road accidents 667-8
Road safety 667, 668
Roads 668

Bidwell, Mr Sydney
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 966-8
Poverty, Elderly (16.07.86) 1063
Questions
Lorry drivers, Working hours 665

Biffen, Rt Hon John, Lord Privy Seal and Leader of the House of Commons
Debates etc
Members allowances (16.07.86) 1130-3, 1139
Questions
Business statement 447-59, 1173-83
House of Commons division of time, Northern Ireland 484w
House of Commons Select Committees 484w
Lobbying 514w
Members allowances 227-8w
Members travel, Buses 485w
Ministerial statements 514w
Parliamentary recess 279w

Biggs-Davison, Sir John
Debates etc
Adjournment debates, Dalyell, Tam (18.07.86) 1406
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1375
Questions
Anglo-Irish Agreement, Republic of Ireland 642w
Anglo-Irish Agreement, Violence 552w
Army in Northern Ireland 304w
Commonwealth, Operating costs 605w
Commonwealth, Overseas trade 526w
Demonstrations, Northern Ireland 627w
Divis flats 367w
Employment schemes, Northern Ireland 193w
Front line states, Overseas aid 682
Ministers visits abroad, South Africa 25
Ministers visits abroad, West Germany 550w
Northern Ireland Assembly, Libraries 280w
Royal Ulster Constabulary, Public order policing 1006
School choice, Single sex schools 141-2w
Schools, Collective worship 146w
South Africa, Apartheid 440-1
South Africa, Foreign policy 201w
South Africa, Tutu, Bishop 164-5
South Africa, USSR 524w, 525w
Ulster Defence Regiment 492w

Bilateral aid 20-2w, 368w, 508w
Africa 680
Commonwealth 508w
Industry 369w
Nicaragua 681

Billing
Defence contracts 497w
Small businesses 497w
Telephone charges 9w

Binary chemical weapons 491w

Bingo
Betting & gaming duties (08.07.86) 235-43

Birds
Severn barrage 570w

Birkbeck College 130w

Birkenhead
Dept of Health & Social Security local offices 157w

Birmingham
Bombings 57w

Birmingham City Council
Ministers 5w

Black Committee see Sellafield District Cancer Levels Inquiry

Black Country 358w, 359w
Unemployment 358w
Vacancies 359w

Blackburn
M6 117-8w

Blackburn, Dr John G
Debates etc
Poverty, Elderly (16.07.86) 1075, 1078-82

Blackburn House School
Liverpool 356w
School choice 356w

Blair, Mr Tony
Debates etc
Finance Bill, Rep (08.07.86) 192-5, 200, 201-2, 205-7, 214
Finance Bill, Rep & 3R (17.07.86) 1295-7
Fishburn coke works, Standing Order No 10 applications (16.07.86) 1010
Questions
Unemployment, Economic policy 1157
University finance, Association of University Teachers 138w
Wages councils, Northern region 587-8w

Blaker, Rt Hon Sir Peter
Questions
Zimbabwe 288

Blind
Certification 619w
Special education 140w
Spectacles 555w

Blyth Harbour Bill (HL) 1985/86
2R* (08.07.86) 149

Board & lodging charges (09.07.86) 318-57, 503w
EC nationals 420w
Northern Ireland 503w
Supplementary benefits 503w

Body Positive 72w
AIDS 72w
Government grants 72w

Body searches 223-4w, 487w, 504w
Complaints against police 223-4w
Haringey 223w
Northern Ireland 504w
Prisoners 487w
Women 487w, 504w

Bomb disposal
Falkland Islands 845-6

Bombings
Birmingham 57w
Dance halls 99w
Forensic science 512w
Libyan Arab Republic 319w
Mullin, Christopher 224w
Public houses 57w, 512w
West Germany 99w, 319w

Books
Gays the Word 437-8w

Boothroyd, Miss Betty
Questions
Polytechnics, National Advisory Body for Public Sector Higher Education 128w
South Africa, Voting rights 847-8

Borders region (14.07.86) 826-34
Old peoples homes (14.07.86) 826-34

Borders Regional Council (14.07.86) 826-34

Bothwell, Commander
Trials 318w

Bottomley, Mr Peter, Under-Secretary of State for Transport
Debates etc
A140, Suffolk (09.07.86) 423-8
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 953-6, 971-3
Road transport workers, Working hours (15.07.86) 953-75
Questions
Accidents, Safety measures 393w
Arundel bypass, Road construction 661w
A1, Road works 116-7w
A19, Road works 591-2w
A45, Road works 1w
A49, Hereford bypass 3w
A59, Road works 118-9w
A65, Cottingley Bar 117w
A595, Cumbria 119-20w
Bus lanes, Greater London 314w, 400w
Buses, Greater London 313w
Bypasses, Bath 666-7
Bypasses, Planning permission 395-6w
Bypasses, Private investment 249w
Bypasses, Road construction 121-2w
Bypasses, Road mileage 395w
Community transport, Voluntary organisations 249w
Dalton-in-Furness 211w
Drinking & driving, Breathalysers 664
Drinking & driving, Evidence 664
Drinking & driving, Publicity 395w, 663

Drinking & driving, Transport Act 1981 395w
Driving tests, Basildon 666
Driving tests, Members correspondence 666
Exhaust emissions, Pollution control 96-7w
Handicapped drivers, Advisory services 672-3
Handicapped drivers, Orange badge scheme 122w, 673
Heathrow, Road traffic 564w
Ilminster bypass, Road construction 395w
Lorries 211w
Lorries, Road accidents 211w
Lorry drivers, English language 211w
Lorry routes, Greater London 314w, 400w
Motorcycles, EC action 397-8w
Motorcycles, Lighting 458w
Motorway service areas, Marketing 589-90w
Motorways, Cones 671
Motorways, Road construction 120-2w, 592w
Motorways, Road safety 399w
Motorways, Road works 670-1
Motorways, Safety barriers 212-3w
M3, Road works 2w
M4, Motorway service areas 564w
M6, Morecambe 118w
M6, Road traffic 117-8w
M25, Road traffic 212w, 250w
M25, Road works 212w, 564w
M62, Road works 671-2
M180, Road construction 118w
Okehampton bypass, Spoil heaps 123w
Pedestrian crossings, Greater London 315-6w
River Severn, Bridges 394w
Road accidents, Casualties 394w
Road accidents, Motor insurance 663-4
Road accidents, Road safety barriers 660-1w
Road accidents, Transport of hazardous materials 594-5w
Road construction, Cheshire 592-4w
Road construction, Dearne towns 122w
Road construction, Dual carriageways 121w
Road construction, Earls Court 313w
Road construction, Tunnels 1w
Road construction, Yorkshire & Humberside 121w
Road humps, Local authorities 593-4w
Road safety, Rural areas 595w
Road traffic control, Local authorities 593w
Road works 562-3w
Road works, Bradford City Council 122w
Road works, Expenditure 122-3w
Road works, Public expenditure 1w
Roads, Northern region 121w
Roads, South Yorkshire 117w
Widnes bypass, Road construction 117w
Woolwich ferry 2w

Bottomley, Mrs Virginia
Questions
Cycling, Highway code 667
English Industrial Estates Corporation, Finance 280w
"Family & Domestic Jurisdiction Consultation Paper" 318w
Profit sharing 610w
Unemployment 456w

Bournemouth
Prime Minister domestic visits 583w

Bovine mastitis 364w

Bowden, Mr Andrew
Questions
Extradition, Republic of Ireland 486w
Pensioners, Exceptional circumstances additions 666w
Retirement pensions, British residents abroad 264w

Bowden, Mr Gerald
Debates etc
Arnott Road Clinic, Public petitions (18.07.86) 1339
Questions
Mathematics education, Inner London boroughs 155
Organ donors, Codes of practice 554-5w

Boyes, Mr Roland
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1350-7, 1379, 1394-5
Questions
Animals (Scientific Procedures) Act 1986 221w
Business statement 1181
Disabled Persons (Employment) Act 1944, Prosecutions 457w
European Social Fund 589w
Homelessness 663w
Homelessness, Bed & breakfast accommodation 663w
Homelessness, Greater London 663w
Quota of handicapped workers 588w
Quota of handicapped workers, Companies 457w
Quota of handicapped workers, Government departments 441w
Unemployment, Costs 1155-6
Unemployment, Handicapped 588-9w

Boyson, Dr Rhodes, Minister of State for Northern Ireland
Questions
Company registration, Northern Ireland 193w
Employment schemes, Northern Ireland 193w
Fair Employment Agency, Appeals 366-7w
Fair Employment Agency, Companies 81w
Fair Employment Agency, Complaints 81w
Fair Employment Agency, Public sector 365-6w
Fair Employment Agency, Vocational organisations 366w
Further education colleges, Youth training programme 551w
Lost working days, Northern Ireland 84w
Ministers visits abroad, West Germany 550w
Unemployment, Northern Ireland 84-5w
Youth training programme, Northern Ireland 552w

Bradford
Community programme 187w
UK 2000 662w

Bradford City Council 122w
Road works 122w

Brain death
Codes of practice 554-5w

Brandon-Bravo, Mr Martin M
Questions
British Steel Corporation, Profits 530w
Channel tunnel, Projects 194w
Education support grants, Crime prevention 156

Branson, Richard 632w, (14.07.86) 683-9
Pay 632w

Bray, Dr Jeremy
Debates etc
Manufacturing industries (07.07.86) 36
Questions
Royal Greenwich Observatory 159
Supplementary benefits, Motherwell 409-10w

Brazil
Debts 209w
Landing rights 374w, 429w

Breast cancer
Screening 171w

Breathalysers
Diplomatic service 61w
Drinking & driving 664

Bridges
River Severn 394w

Bright, Mr Graham
Questions
Ministers visits abroad, West Germany 542w

Brighton
Cervical cancer 407w, 408w
Detection rates 486w
Housing construction 321w
Unemployment 291-2w, 360-2w

Brinton, Mr Tim
Debates etc
Tin (07.07.86) 106-7

Bristol & Western Health Authority 407w
Cervical cancer 407w

Bristow, Alan 215w, 318w
Honours 215w, 318w
Westland Helicopters 318w

British Aerospace
Early warning systems 843, 846
Nimrod aircraft 846

British Airways
Compensation 398w

British Coal Corporation 6-7, 246w, 302w, 654w
Coal prices 654w
Productivity 6-7

British Council
Expenditure 604w
Government grants 371w, 604-6w
Occupational pensions (16.07.86) 1143
Security 371w
Western Europe 371w

British Council & Commonwealth Institute Superannuation Bill 1985/86
2R* (09.07.86) 419
Money res (09.07.86) 419
Rem stages* (16.07.86) 1143

British Gas Corporation
Connection charges 12
Consumer protection 12, 570-3w
Fees & charges 245-6w
Gas explosions 28w
Gas tariffs 26w
Privatisation 10, 11, 12, 23w, 245-6w, 570-3w
Resources exploration 12
Shares 10, 245w, 1164-5

British Geological Survey 40w
Government grants 40w

British Leyland 529w, 534w
Day, Graham 985
Privatisation 986, 994, 995-6
Public sector assets 994
Trade unions 995

British Library
Food Advisory Committee 197w

British Medical Association
Elderly 161w

British nationality
South Africa 236-7w

British overseas citizenship 63w

British Rail 396w
Public service obligation grant 316w
Railway travel 402w
Rolling stock 458w

British residents abroad
Libyan Arab Republic 604w
Retirement pensions 264w
Voting rights 286-7w
World Cup 584-5w

British Shipbuilders
Shipbuilding 1001

British Steel Corporation
Clydesdale 998
Profitability 997-8
Profits 190w, 530w
Redundancy 998

Brixton
Homicide 637w

Broadcasting
Finance (08.07.86) 171

Broadcasting Act 1981 (08.07.86) 171

Broadcasting Complaints Commission
Ministers 99-100w

Broadcasting controls
Community radio 185w

Broadcasting finance
Independent television levy (17.07.86) 1198-1205, 1205-11

Broadcasting licences
Radio Thamesmead 185w

Brooks, Mr Peter, Minister of State at the Treasury
Debates etc
EC budget, Ministerial statements (11.07.86) 613-21
EC budget, Points of order (11.07.86) 604
Finance Bill, Rep & 3R (17.07.86) 1240-2, 1247, 1303-4
Questions
Customs officers, Civil service manpower 435w, 502w
Customs officers, Liverpool 435-6w
Drug seizures, Customs 435w
EC budget 294w, 431w, 502w
EC budget, Own resources 644w
EC internal trade 193-4w
Gays the Word, Compensation 80w
Gays the Word, Customs & Excise 437-8w
Gays the Word, Legal costs 79w
Gays the Word, Prosecutions 79w, 80w
Hydrocarbon oil duties, Customs & Excise 609w
Lead free petrol, Indirect taxation 431-2w
Lead free petrol, Tax allowances 125w, 294-5w
Official report, Manpower 294w
Profit sharing 610w
VAT, Arts 293w
VAT, Defence equipment 294w
VAT, EC action 293w
VAT, EC budget 194-5w, 643w
VAT, Horses 293w
VAT, Punishment 607w
VAT registration, Tax yields 436-7w
Wass, Sir Douglas, Open government 294w

Brown, Mr Gordon
Debates etc
Manufacturing industries (07.07.86) 51, 59-65
Questions
Coal mining, Dismissal 246w
Coal mining, Redundancy pay 246w
Exceptional needs payments 69-70w
Exceptional needs payments, Administrative delays 271-2w, 274w
Exceptional needs payments, Civil service manpower 273w
Exceptional needs payments, Scotland 68-9w, 155w, 273-4w, 417-8w, 620w
Gas explosions, Rutherglen 28w
Gibraltar dockyard, Managing agents 568w
Gibraltar dockyard, Operating costs 603w
Gibraltar dockyard, Profits 568w
Gibraltar dockyard, Shipbuilding 603w
Low incomes, Families 418w
Manufacturing industries, Manpower 15-6w
Manufacturing industries, Redundancy 13-5w
Social security abuse, Scotland 554w
South Africa, Apartheid 320w
Supplementary benefits, Scotland 409w

Brown, Mr Michael
Questions
British Gas Corporation, Privatisation 570-3w
Inflation 606w
Powers of entry, Dept of Health & Social Security 615w
Save Our Schools, Educational finance 1171

Brown, Mr Nicholas
Debates etc
Latent Damage Bill (HL), Rep & 3R (07.07.86) 120, 124-7, 128, 133-4, 135
Questions
Business statement 451
Crown Prosecution Service, House of Commons questions 677
Drinking & driving, Evidence 664
Drinking & driving, Transport Act 1981 395w
Navy, Defence procurement 491w
Royal fleet auxiliary, Harland & Wolff 164, 838
Type 23 frigates, Defence contracts 854
VAT, Punishment 607w
Westland Helicopters, Disclosure of information 675

Brown, Mr Robert C
Questions
Channel tunnel 669
Home Service Force 840-1
Polytechnics, National Advisory Body for Public Sector Higher Education 160
South Africa, Economic sanctions 850
Type 23 frigates, Defence contracts 857-8

Brown, Mr Ron
Questions
Bankruptcy 528w
Buchanan Street Housing Association 383-4w
Commonwealth Games 866
Home Service Force 840
Land reclamation, East Sands 577-8w
Leith Hospital, Hospital closures 514w
Overseas students, Libyan Arab Republic 62w
O'Dowd, George, Drug crimes 336w
Portugal, Foreign relations 294
Western Sahara, Foreign policy 373w

Browne, Mr John
Questions
Business statement 457

Bruce, Mr Malcolm
Debates etc
Energy Conservation Bill, 1R (09.07.86) 314-6
Questions
Alternative energy 23w
Bilateral aid 368w
British Gas Corporation, Privatisation 12
Discounts, Retail trade 993
Electricity supply industry, Privatisation 9-10
Iron & steel industry, Scotland 999
Macaulay Institute for Soil Research 238w
North Sea oil, Offshore suppliers 398-9w
Scottish Development Agency, Gardens 238w
Scottish Development Agency, Industry 237w
Scottish Development Agency, Privatisation 237-8w
University finance, Scotland 131w

Bruinvels, Mr Peter
Questions
Breathalysers, Diplomatic service 61w
Business statement 455-6, 1179
Civil servants, Political affiliations 87w, 562w
Civil & Public Services Association, Trade union officials 87w
Company registration, Northern Ireland 193w
Drinking & driving, Breathalysers 664
Drinking & driving, Publicity 395w
Dyslexia, Special educational needs 50w
EC Presidency, Costs 124w
EC Presidency, EC Foreign Affairs Council 63-4w
EC Presidency, EC Industry Council 533-4w
Fleming, Juan Eduardo, Diplomatic immunity 63-4w
Fleming, Juan Eduardo, Diplomatic service 63w
Gas tariffs, Energy analysis 11
Juries, Acquittals 308, 542
Lost working days, Northern Ireland 84w
Mattresses, Fire resistant materials 227w
Ministerial statements 514w
Ministry of Defence, Trade union officials 91w
Motor vehicle registration 593w
Numeracy, mathematics education 233-4w
Petrol, Prices 23w
Prime Minister official engagements 218w, 479w, 585w
School year 147w
Subversion, Civil service 17-8
Unemployment, Northern Ireland 84-5w

Brussels
Air routes 402w
Air services 313w
Northern region 402w

Bryan, Sir Paul
Questions
Hong Kong, Container terminals 526w
Hong Kong, Law enforcement 525-6w

Buchan, Mr Norman
Questions
Commonwealth Games 867
Elgin Marbles 15
Ministers visits abroad, South Africa 24-5
Public libraries, Fees & charges 16
South Africa, Economic sanctions 200w

Buchanan Street Housing Association 383-4w

Buchanan-Smith, Rt Hon Alick, Minister of State for Energy
Questions
British Gas Corporation, Gas tariffs 26w
British Gas Corporation, Privatisation 23w, 245-6w
Gas explosions, Rutherglen 28w
Gas levy 25w
Gas tariffs 11
Gas tariffs, Energy analysis 11
Gas tariffs, Privatisation 11
North Sea oil, Oil prices 25w
Oil exports, Export controls 192w
Oil exports, Israel 25w
Oil exports, North Sea oil 441w
Petrol, Prices 23w
Petroleum exploration, Merseyside 1-2
Petroleum exploration, North Sea 303w
Petroleum exploration, Oil prices 2
Petroleum production, National income 113w
Petroleum production licences, Offshore drilling 442-3w

Buck, Sir Antony
Questions
Armed forces training, South Africa 837
NATO, Publicity 839
Type 23 frigates, Defence contracts 854

Budgen, Mr Nicholas
Debates etc
EC budget (10.07.86) 463, 465, 475, 484, 498, (11.07.86) 621
European Communities (Amendment) Bill, Rem stages (10.07.86) 526, 531, 552, 558

Budget
Employment 609w

Building alterations
Handicapped workers (08.07.86) 205-18

Building industry
Cement 627-8w
Unemployment 1170-1
Playing fields 309w

Building repairs
Prisons 488-9w

Building societies (08.07.86) 171

Bureaucracy
Planning 93w

Burnley
Cervical cancer 667-8w

Burt, Mr Alistair

Questions
Dept of Health & Social Security, Statistics 274-6w
Soft loans, Indonesia 570w

Bus & Coach Council 672

Bus lanes
Greater London 314w, 400w
Planning permission 400w

Bus services
Competition 314w, 402w
Concessionary fares 211-2w
Greater London 314w, 673-4
Hampshire 402w
Local authorities 393-4w
London Buses 313w
London docklands 674
London Regional Transport 673-4
Merseyside 595w
School transport 580w
Tenders 393w
Transport Act 1985 395w
Transport subsidies 393-4w

Buses
Greater London 313w
Members travel 485w
Road accidents 672
Road safety 672

Business expansion scheme 80-1w
Shipping 80-1w

Business motions (07.07.86) 118, 141, (08.07.86) 260, (10.07.86) 542, (11.07.86) 654-5, (14.07.86) 825, (15.07.86) 975
Speakers rulings & statements (14.07.86) 825

Business on own account scheme 292w

Business questions
Speakers rulings & statements (17.07.86) 1180

Business sponsorship incentive scheme 87w
Arts sponsorship 87w

Business statement 447-59, 1173-83

***Butcher, Mr John,** Under-Secretary of State for Trade and Industry*
Debates etc
Manufacturing industries (07.07.86) 45-52, 60-1
Patents Designs & Marks Bill (HL) (08.07.86) 263
Questions
Call routing apparatus 9w
Dept of Trade & Industry, Employment discrimination 539-40w
Dept of Trade & Industry, Research finance 341w
Design, Curriculum 1002-3
EC Presidency, EC internal trade 534w
Electronics industry, Government contracts 10w, 106w
EUREKA, Companies 996
EUREKA, Research finance 996-7
Gentleman, Brian, Civil servants 347w
Industrial training, Skilled workers 1003-4
Iron & steel industry, Redundancy 532w
Manufactured goods, Balance of trade 535w
Manufactured goods, Confederation of British Industry 534w
Ministers domestic visits, Cleveland 988-90
Multifibre arrangement 530w, 990-1
Multifibre arrangement, EC action 992-3
Multifibre arrangement, Social Democratic Party 991-2
Multifibre arrangement, Textile industry 990-1, 992
Multifibre arrangement, Unfair trading practices 992
Nationalised industries, Procurement 8w
Pension funds 10-1w
Pension funds, Companies 11w
Regional aid, Northern region 988
Regional development grants, Cleveland 987-8
Science & technology, Schools 529w
South Africa, Export credit 529w
South Africa, Strategic minerals 11-2w
Sub post offices 535w
Telephone charges, Billing 9w
Textiles, Import duties 528w
UK trade with EC, Exports 529w
UK trade with EC, Manufactured goods 528w

Butler, Rt Hon Sir Adam
Questions
Sheep, Radioactivity 364w

Butter
Agricultural subsidies 42w
Animal feed 254w
Food surpluses 41-2w, 254w
Intervention stocks 254w
New Zealand 436, 442, 560-1w, 657w

Butterfill, Mr John
Debates etc
European Communities (Amendment) Bill, Rem stages (10.07.86) 508, 509-10, 511, 550

Buy British
Defence procurement 844-5

By elections
Northern Ireland district councils 624-6w

Bypasses
Bath 666-7
Environmental impact assessment 395-6w
Historic buildings 666-7
Planning permission 395-6w
Private investment 249w
Road construction 121-2w, 395w
Road mileage 395w
Shipley 117w
Wigan 121-2w

Cabinet Office
Departmental records 460w

Caborn, Mr Richard
Debates etc
South Africa (16.07.86) 1050-2
Questions
Astronomy, Science Research Council 655w
Export controls, South Africa 453w
Food standards 258w
Iron & steel industry 532w
Krugerrands, Import controls 453w
Namibia, South Africa 209w
Science Research Council, Astronomy 522w
Science Research Council, Government grants 523w
South Africa, Arms embargoes 524w, 525w
South Africa, Arms exports 525w
South Africa, Commonwealth 523w
South Africa, Economic sanctions 11w
South Africa, Overseas loans 460w
South Africa, Strategic minerals 11-2w
South Africa, Tourism 460w
South Africa, Trade missions 541w
South Africa, Visas 524w

"Cadaveric Organs for Transplantation" 554-5w

Caerphilly
Dept of Health & Social Security local offices 410w
Social security recipients 410w
Supplementary benefits 410w

Caesium
Sheep 45

Calder Hall 388w

Call routing apparatus 9w

Callaghan, Mr Jim
Questions
South Africa, Economic sanctions 201w

Calling of Members
Speakers rulings & statements (07.07.86) 26, (09.07.86) 291, 310, 311, (17.07.86) 1197, (18.07.86) 1366, 1368

Camberwell Health Authority (18.07.86) 1339

Campbell-Savours, Mr D N
Debates etc
Control of Pesticides Regulations 1986 (16.07.86) 1112
MI5, House of Commons procedure (14.07.86) 692
Oral question time intervention (17.07.86) 1161
Oral question time point of order (14.07.86) 682
Questions
Brazil, Landing rights 374w
Business statement 458-9, 1175-6
Debts, Developing countries 1158
Falkland Islands 202w
Falkland Islands, Census 373-4w
Falkland Islands, Military aircraft 429w
Leyland Bus, Privatisation 994-5
Motor insurance, Unemployed 347w
Pitman, Donald, Thorn EMI 844
Radioactivity, Pollution monitoring 438
Royal Ulster Constabulary, Public order policing 1007
Sheep, Radioactivity 256w
Skillcentres, Maryport 157

Canavan, Mr Dennis
Debates etc
Scottish Bank Notes Bill, 1R (08.07.86) 169-71
Standing Order No 10 applications, Commonwealth Games (14.07.86) 690-1
Questions
Food imports, South Africa 435-6
Food surpluses, European Economic Community 42w
Royal family, Marriage 4w, 57w, 90w, 306-7w, 490w
Security, Festivals & special occasions 166w
South Africa, Foreign policy 123w
Supplementary benefits, Falkirk 409-10w

Cancer
Children 245w
Scotland 245w

Cancer hazards
Scotland 670w
Sellafield 619w

Cannock
Prime Minister domestic visits 583w

Capital assets 226-8w
Rolls-Royce Aeroengines 226-8w

Capital gains tax
Tax yields 294w, 609-10w

Capital investment
Clothing industry 189-90w
Defective housing 35-8w
Educational finance 656w
Government grants to local authorities (14.07.86) 826-34
Rolls-Royce Aeroengines 226w
Textile industry 189-90w

Capital transfer tax
Objects in lieu of tax 97w

Capitation allowances
Wales 350w

Car allowances
Hospital staff 68w

Caravan sites
Local government land 347-8w

Caravan Sites Act 1968 347-8w, 348-9w
Wales 348-9w

Caravans
Greater London 34w

Careers development 356-7w
Teachers 356-7w

Carlile, Mr Alex
Debates etc
Latent Damage Bill (HL), Rep & 3R (07.07.86) 120, 126
Questions
Defence procurement 843

Illegal immigrants 285-6w
Marsland, Lynne, Childbirth 104w
School buildings 143w
South Africa, Political prisoners 648-9w
Stalker, John, Inquiries 318-9w
Transport of radioactive materials, Environment Select Committee 397w
Tree planting 173w

Carlisle, Mr John
Debates etc
Commonwealth Games, Standing Order No 10 applications (14.07.86) 691
Control of Pesticides Regulations 1986 (16.07.86) 1109, 1110, 1122-4
Oral question time point of order (09.07.86) 290
South Africa (16.07.86) 1023, 1032, 1038, 1039, 1042, 1044
Questions
Central Council for Physical Recreation, Sports 94w
Playing fields, Building land 309w
Playing fields, Schools 53w
South Africa, Economic sanctions 290
Zambia, Robinson, John 369w

Carlisle, Mr Kenneth
Debates etc
Manufacturing industries (07.07.86) 27-31, 64
Questions
Environmentally sensitive areas 256w
Falkland Islands, Fishery agreements 202w

Carlisle, Rt Hon Mark
Questions
Juries 306
South Africa, Howe, Geoffrey 293

Carpet industry
France 340w
Unfair trading practices 340w

Cars
Insurance 590w

Carter-Jones, Mr Lewis
Debates etc
Finance Bill, Rep (08.07.86) 208-9, 213
Questions
"All Our Tomorrows" 161w
Blind, Certification 619w
Commercial court, Administrative delays 676
Common Land Forum, Law reform 34w
Elderly, Hypothermia 161w
Furniture, Codes of practice 987
Glaucoma, Eye tests 447w
Housing & elderly, Housing insulation 95w
M62, Road works 671
Open University, Vocational education 526w
Rolls-Royce Aeroengines, RTM322 engines 836
Royal Greenwich Observatory 144w
School teachers, Retirement pensions 234w
Science Research Council, Public appointments 51-2w
Village schools, Community development 153

Carter Street police station 224-5w
Disciplinary proceedings 224-5w

Cartwright, Mr John
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 963-4
Questions
Airport security 393w
Armed forces retirement 841
Caravans, Greater London 34w
Community radio, Broadcasting controls 185w
Planning permission, Greenbelt 33w
Radio Thamesmead, Broadcasting licences 185w
South Africa, EC action 200w
Thamesmead Town, London Residuary Body 34w
Woolwich ferry 2w

Carvalho, Otelo
Prisoners release 294

Cash, Mr William
Debates etc
European Communities (Amendment) Bill, Rem stages (10.07.86) 525, 527, 557-8, 561, 565-6
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1341-2, 1344, 1376-7, 1386, 1388-91
Open College (18.07.86) 1366
Questions
Agriculture, EC Presidency 255w

Castington Youth Custody Centre 54w
Overtime 54w

Castle Huntly Young Offenders Institution 578w

Castlehill mine
Productivity 7

Casualties
Road accidents 394w

Category A prisoners 485w
Milton Keynes Prison 511w

Catering
Wormwood Scrubs 104w, 184-5w

Cattle diseases 364w

Cement 342w, 452w
Building industry 627-8w
Dumping 342w
EC action 341w
Greece 342w, 627w
Imports 341w, 342w, 451-2w, 627-8w
Manpower 323w
Redundancy 627w
Standards enforcement 627w
Subsidies 341w, 342w

Censorship
Prisoners mail 489-90w
South Africa 296-7

Census
Falkland Islands 373-4w

Census of population
Gaelic language 500w

Central America
European Development Fund 681
Overseas aid 680-1
Peace negotiations 208w
USA 209w

Central Council for Physical recreation 94w
Sports 94w

Central Electricity Generating Board
Coal 3
Coal prices 23w, 25w
Oil fired power stations 26w

Central institutions 300-2w

Central Manchester Health Authority 557-8w
Health services 558w

Cereals
Animal husbandry 253w
Common farm prices 40w
Co-responsibility levy 40-1w, 108w, 197-8w, 253w, 433-4, 435, 438-9, 595-6w
Food surpluses 256-7w

Certification
Blind 619w

Cervical cancer
Age 70-1w
Brighton 407w, 408w
Bristol & Western Health Authority 407w
Burnley 667-8w
Coventry 295w
Death 70w, 295w, 667-8w
Health education 71w
Industrial diseases 71w
Leicester 407w, 408w
Screening 69w, 71w, 407w, 448w
Social class 70-1w
South Western Regional Health Authority 407w

Chadley Hill mine
Productivity 8

Chairman of Committee of the Whole House
Debates etc
Amendments & new clauses (10.07.86) 520, 533, 560
Committee of the Whole House, House of Commons procedure (10.07.86) 505
Guillotine (10.07.86) 542
Points of order (10.07.86) 520, 521

Chalker, Mrs Lynda, Minister of State for Foreign and Commonwealth Affairs
Debates etc
European Communities (Amendment) Bill, Rem stages (10.07.86) 516-8, 529-32, 538-42, 545, 550-4, 558-9, 564, 568-71
South Africa (16.07.86) 1054-7
Questions
Angola, Arms embargoes 204w
Brazil, Debts 209w
Commonwealth 294-5
Council of Ministers, EC Presidency 209w
EC external relations, EC integration 207w
EC law, Harmonisation of legislation 64w
EC Presidency, Costs 124w
EC Presidency, EC Foreign Affairs Council 63-4w
Economic sanctions 203w
Economic sanctions, Foreign policy 202-3w
European Assembly, EC Presidency 371w
European Coal & Steel Community, UK contributions 369-70w
Foreign policy, Terrorism 295
Ghana, Foreign policy 124w
Ghana, Human rights 646-7w
Intergovernmental Agreement, 1984 123w, 124w
Kenya, Human rights 646w
Mandela, Nelson, Political prisoners 303
Mandela, Nelson, Prisoners release 303-4
Ministers visits abroad, South Africa 199-200w, 288-9, 605w
Namibia, South Africa 209w
Namibia, SWAPO 65w
Nigeria, Human rights 647w
Political refugees, UN resolutions 370w
Single European Act, EC reform 210w
South Africa, Arms embargoes 524w
South Africa, Codes of practice 200-1w
South Africa, Commonwealth 206w, 296, 648w
South Africa, Defence equipment 440w
South Africa, Diplomatic service 296-7
South Africa, EC action 198-9w, 200w
South Africa, EC nationals 370w
South Africa, Economic sanctions 199w, 200w, 201w, 287-8, 289, 290, 291-3, 299-300, 440w
South Africa, Emergency powers 199w
South Africa, European Council 206w
South Africa, Foreign policy 123w, 199w, 201w, 292
South Africa, Howe, Geoffrey 293-4, 304
South Africa, Military attaches 207w
South Africa, Overseas aid 297
South Africa, Political prisoners 648-9w
South Africa, Prime Minister 291, 295-6
South Africa, USSR 524w, 525w
South Africa, Visas 524w
South Africa, Zimbabwe 524-5w
Tambo, Oliver, African National Congress 208w
Tanzania, Human rights 646w
Treaties, EC countries 124w
Uganda, Human rights 646w
USSR, Foreign policy 647w
Waite, Terry, South Africa 200w
Zimbabwe 288
Zimbabwe, Economy 205w

Challenger tanks 305w, 645w
Defence contracts 645w
Defence procurement 305w

Channel tunnel 669
Customs 396w
Environmental impact assessment 400w
Finance 396w, 669
Immigration controls 396w
Kent 396w, 668-9
Northern region 674-5
Projects 194w
Railway network 314w, 674-5
Roads (17.07.86) 1313-31
Taxation 194w
Waterloo station 314w, 400w

Channel Tunnel Bill 1985/86 (17.07.86) 1313-31

Channon, Rt Hon Paul, *Secretary of State for Trade & Industry*
Debates etc
Tin (07.07.86) 72-9
Questions
Audio recordings, Taxation 534w
British Steel Corporation, Profits 190w, 530w
EC Presidency, Dept of Trade & Industry 527w
EC Presidency, EC Industry Council 533-4w
EUREKA, International conferences 535-6w
Iron & steel industry 532w
Manufacturing industries, Investment 999-1000
Members correspondence, Dept of Trade & Industry 346w
Ministers visits abroad, West Germany 542w
Nationalised industries, Privatisation 527w
Science & technology research, Government grants 527w
Soft loans, Indonesia 570w
Unfair trading practices 534w
Westland Helicopters, Higher civil servants 989

Chapelcross power station 174w, 388w
Licensing 174w
Nuclear Installations Inspectorate 174w
Nuclear weapons 174w
Plutonium 174w

Chapman, Mr Sydney
Questions
Average earnings, Income tax 1159-60
Bypasses, Bath 666-7
Ethiopia, Overseas aid 678-9
Listed buildings 96w
Listed buildings, Bath 96w
Motorway service areas, Marketing 589-90w
NHS finance, Pay 162w, 298w
Pharmacists, Whitley councils 161w
Unfair trading practices 534w

Charitable donations 1159
Companies 1159
Tax allowances 1159

Charities
Free school meals 1159
Speaker 985-6
Sports competitors 636w

Cheese
Exports 260w, 307-8w

Chemical weapons
NATO 491w
USA 491w
USSR 851

Cheshire
Road construction 592-4w
Road mileage 592-4w

Chief Medical Officer 554-5w

Chief Registrar of Friendly Societies 502-3w
Scottish Trustees Savings Bank Depositors Association 437w
Trustee savings banks 502-3w

Child care
Disclosure of information 635w

Child prostitution 55w

Childbirth
Marsland, Lynne 61-2w, 104w

Children
Analgesics 264w, 422w
Cancer 245w
Means tested benefits 618-9w
Prisons 578w
Psychosurgery 416w
Social security reform 618-9w
Vaccination 160w

Children & Young Persons (Amendment) Bill 1985/86
Royal Assent (08.07.86) 149

Chile
Foreign policy 208w
Violence 208w

China
Aid financed trade 10w
Government securities 649w
Soft loans 10w

Chope, Mr Christopher
Questions
Bus services, Hampshire 402w
Council house sales, Discounts 323-4w
Frigates, Pakistan 837-8
Members correspondence, Dept of Education & Science 355w
Members correspondence, Dept of Employment 363w
Members correspondence, Dept of Energy 390w
Members correspondence, Dept of Health & Social Security local offices 419w
Members correspondence, Dept of the Environment 325w
Members correspondence, Dept of Trade & Industry 346w
Members correspondence, Dept of Transport 401w
Members correspondence, Foreign & Commonwealth Office 372w
Members correspondence, Home Office 338w
Members correspondence, Ministry of Agriculture, Fisheries & Food 365w
Members correspondence, Ministry of Defence 428w
Members correspondence, Northern Ireland Office 367w, 642-3w
Members correspondence, Scottish Office 383w
Members correspondence, Welsh Office 349-50w, 613-4w
Personal equity plans, Investment 610-1w
Punjab, Human rights 206w
Sea transport, South Africa 401-2w

Christianity
Nepal 205w

Chronically Sick & Disabled Persons Act 1970 159w, 170w
Local government maladministration 170w

Churchill, Mr Winston
Questions
Home Service Force, Rifles 841
Type 23 frigates, Defence contracts 857

Citizens advice bureaux
Government grants to voluntary organisations 535w

Citizens band radio
Prosecutions 453w

City of London
Fraud 511w

Civil & Public Services Association 87w, 507-8w
Macreadie, John 17, 163
Trade union elections 17, 507-8w
Trade union officials 87w

Civil defence
Home Service Force 491-2w
North West region 638w
South East region 638w

Civil disorder
Portadown 641w

Civil liability
Road accidents 17w

Civil servants
Adult education 235w
Early retirement 19-20
Gaelic language 500w
Gentleman, Brian 347w
Handicapped workers 441w
Pharmacists 161-2w
Political affiliations 87w, 562w
Powers of entry 615w

Civil service
Employment discrimination 539-40w
Equal opportunities officers 17
Security 17-8
Subversion 17-8

Civil service dispersal
Property Services Agency 39w

Civil service manpower 77-8w
"Air Traffic Distribution in the London Area" 249w
Customs officers 435-6w, 502w
Dept of Health & Social Security 409-10w
Dept of Health & Social Security local offices 409-10w, 418w
Exceptional needs payments 273w
Foreign & Commonwealth Office 65-6w
Medicines Inspectorate 76w, 410-1w
Nuclear Installations Inspectorate 112-3w, 363w
Supplementary benefits 447-8w

Civil service recruitment
Executive officers 97w
Nuclear Installations Inspectorate 112-3w

Civil service retirement
Early retirement 19-20

Civil service unions 16-7

Clark, Mr Alan, *Minister of State for Employment*
Questions
Aid financed trade, China 10w
Balance of trade, UK trade with EC 343-4w
Carpet industry, Unfair trading practices 340w
Cement 452w
Cement, Imports 341w, 342w, 451-2w
Clothing, Overseas trade 341w
Clothing, Turkey 540-1w
Dumping 342w
EC Presidency, EC internal trade 188-9w
Export controls, Iran 7-8w
Export controls, South Africa 453w
Export Credits Guarantee Department, South Africa 569w
Export promotion, South Africa 569w
Export subsidies, Belgium 106w
Hosiery, Imports 340w
Import controls, Rice 640w
Krugerrands, Import controls 453w
Multifibre arrangement 531w
Multifibre arrangement, Balance of trade 340w
Multifibre arrangement, Developing countries 531w
Multifibre arrangement, EC action 340w
Multifibre arrangement, Import quotas 531w
Multifibre arrangement, Redundancy 531w
Multifibre arrangement, USA 530-1w
Overseas trade, Commonwealth 640w
Overseas trade, South Africa 569w
South Africa, Arms embargoes 525w
South Africa, Arms exports 525w
South Africa, Economic sanctions 11w
South Africa, Overseas trade 188w
South Africa, Trade missions 541w
South Africa, UK companies abroad 225-6w

Clark, Dr David
Debates etc

Control of Pesticides Regulations 1986 (16.07.86) 1124-5
Felixstowe Dock & Railway Bill, Rep (14.07.86) 741, 762-5, (15.07.86) 923, 928-30, 932-3, 941
Questions
Grass, Radioactivity 252w
Lead free petrol, Publicity 96w
Lead free petrol, Tax allowances 125w, 294-5w
Okehampton bypass, Spoil heaps 123w
Shipbuilding, Tyneside 856

Clark, Dr Michael
Questions
Polytechnics, Student numbers 128-9w

Clark, Sir William
Debates etc
Finance Bill, Rep (08.07.86) 228-31, 232, 235
Questions
Shipping, Business expansion scheme 80-1w
Shipping, Tax allowances 80w

Clarke, Rt Hon Kenneth, Paymaster General
Debates etc
Open College, Ministerial statements (18.07.86) 1358-67
Questions
Gaelic language, Dept of Employment 457w
Government Communications Headquarters, Trade unions 456w
Industrial tribunals, Fees & charges 455w
Industrial tribunals, Unfair dismissal 455-6w
Manpower Services Commission, Finance 586-7w
Members correspondence, Dept of Employment 363w
National Council for Vocational Qualifications, Finance 653w
Retail Price Index Advisory Committee 457w
Tourist industry, Employment opportunities 527w
Unemployment 358w, 456w
Unemployment, Black Country 358w
Unemployment, Walsall 359w
Vacancies, West Midlands 359w

Clarke, Mr Tom
Debates etc
Mentally ill, Prisoners (16.07.86) 1146-9, 1150
Questions
Africa, Bilateral aid 680
Africa, UNICEF 368w
Aid financed trade 21-2w
Aid financed trade, China 10w
Arms control treaties 204w
Arms trade, Sri Lanka 90w
Bilateral aid 20-2w
Business statement 1181-2
Cereals, Co-responsibility levy 253w
Commonwealth Games 863
Debts, Developing countries 608w
Disabled Persons (Services Consultation & Representation) Act 1986 380w, 416-7w
Foreign & Commonwealth Office, Civil service manpower 65-6w
Handicapped, Scottish health boards 239w
Handicapped children, Scottish health boards 239w, 242w
Hospital waiting lists, Glasgow 242-3w
Iron & steel industry, Redundancy 532w
Iron & steel industry, Scotland 280w, 347w
Medical education, Geriatrics 236w
Mentally handicapped, Scotland 240-2w
Mentally handicapped, Strathclyde 239-40w
Ministers visits abroad, Foreign & Commonwealth Office 236w
Ministers visits abroad, South Africa 23
Oil fired power stations, Scotland 29w
Prime Minister official engagements 100w, 218w, 479w
Prime Minister visits abroad 218w, 638-9w
South Africa, Prime Minister 295-6
Speech therapists, Scotland 238-40w
University finance, Association of University Teachers 137-8w

Classification Packaging & Labelling of Dangerous Substances Regulations 1984 594w

Clay, Mr Bob
Questions
Bombings, Public houses 57w
British Shipbuilders, Shipbuilding 1001
Export controls, Iran 7-8w
Handicap benefits, Costs 419w
Maternity benefits 669w
Mullin, Christopher, Bombings 224w
Personal tax allowances, Tax yields 437w
Severe disablement allowance, Costs 419w
Severe disablement allowance, Married women 419w
Skuse, Frank, Expert evidence 56w
Unemployment benefits, Costs 419-20w

Clearance services
Stamp duties (17.07.86) 1211-7

Clearing banks
Greater London 431w
Profitability 431w

Clelland, Mr David
Debates etc
Immigration appeals (08.07.86) 282-4
Questions
Exceptional needs payments, Departmental circulars 553w
Navigational aids, Fishing crews 248w
Plugs & sockets, Orders & regulations 568w
Polytechnics, National Advisory Body for Public Sector Higher Education 128w
Supplementary benefits, Tyne Bridge 617w

Cleveland
Industrial development 988
Ministers domestic visits 988-90
New businesses 987-8
Regional development grants 987-8, 988-90

Clifton Suspension Bridge Bill (HL) 1985/86
3R* (07.07.86) 1
Royal Assent (08.07.86) 149

Clinical trials 556w
Drugs 556w

Clothing
Overseas trade 341w
Turkey 540-1w

Clothing industry
Capital investment 189-90w
Industrial production 189w

Clwyd
Local Government Boundary Commission for Wales 186w
Local government constituencies 186w

Clwyd, Mrs Ann
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 738, 740, 746, (15.07.86) 917-20
Questions
Coal mining, Employment 25w
NATO, Chemical weapons 491w
Privatisation, Tax yields 1164-5
Sheep, Radioactivity 196w
South Africa, EC action 199w

Clydesdale
British Steel Corporation 998

Coal
Central Electricity Generating Board 3
Electricity supply industry 7
Energy 23w
Import controls 444
Imports 2-3, 3-4, 4-5, 7, 23w, 28w, 303w, 390-2w
South Africa 303w

Coal fired power stations
Power station closures 246w
Radioactivity 570w
South of Scotland Electricity Board 22-3w

Coal mine closures 302w
Productivity 8

Coal mining
Dismissals 246w
Employment 25w
European Economic Community 4
Industrial disputes 6, 246w
Industrial production 25w
Industrial safety 301w
National Coal Board 24w
Private sector 3-4, 7
Productivity 6-7, 7-8
Redundancy 4
Redundancy pay 246w
Safety standards 13
Subsidence 21w
Wales 7-8

Coal Mining Subsidence Compensation Independent Review 21w

Coal prices
British Coal Corporation 654w
Central Electricity Generating Board 23w, 25w

Coal reserves
Northumberland 22w

Coal stocks
South of Scotland Electricity Board 22-3w

Coastguard
Commercial aircraft 425-6w
Costs 425w
Helicopters 425-6w

Cockeram, Mr Eric
Debates etc
EC budget (10.07.86) 490-1
Questions
Furniture, Retail trade 986-7
Trustee savings banks 432-4w
Urban programme 278w

Cocks, Rt Hon Michael
Debates etc
Finance Bill, Rep (08.07.86) 243-6, 251-2
Questions
Monopolies & Mergers Commission, Mergers 454w
Takeovers, Allied Lyons 453w

COD Donnington 428w, 646w
Contracts for services 428w
Security vetting 428w, 646w

"Code of Practice for Companies with Interests in South Africa" 7w, 200-1w, 225-6w

Codes of practice
Brain death 554-5w
Discounts 993
Furniture 986-7
Gas supply industry 12
Kidney donors 297w
Mental health 385w
Metropolitan Police 56w
Organ donors 554-5w
South Africa 7w, 200-1w, 225-6w

Cohen, Mr Harry
Debates etc
Finance Bill, Rep (08.07.86) 197, 211
Finance Bill, Rep & 3R (17.07.86) 1292-5, 1298
Metropolitan Police (11.07.86) 652, 653, 654
Questions
Air routes, South Africa 397w
Crime, Rewards 181w
Data Protection Act 1984, National security 216w
Drug abuse, Armed forces 495-6w
Ethnic monitoring, Armed forces 496w
Fraud, Criminal investigation 100w, 486-7w
Fraud, Police 511w
HM Inspectorate of Schools, Local government expenditure 127w
Industrial tribunals, Waltham Forest 289w
Iran, Arms trade 287w

Police national computer 104w, 182-4w, 512w
Police national computer, Computer privacy 181w
Police national computer, Convictions 222w
Police national computer, Criminal records 182w
Police national computer, Missing persons 183-4w
Police national computer, Motor vehicle theft 183w
Police national computer, Scotland 237w
Public expenditure, Low pay 194w
Racial attacks, Joint Committee Against Racialism 181w
Racial conflict, Crimes of violence 222w
Royal Ulster Constabulary, Criminal investigation 247w
Surveillance 283-4w, 287-8w
Tighe, Michael, Death 84w
Virgin Atlantic Challenger, Air force flying 304w
Woolwich Arsenal, Air force 497w

Collective worship 146w
Schools 146w

Colleges of education
Scotland 300w

Colvin, Mr Michael
Questions
Education (School Premises) Regulations 1981 139-40w
Fish farming, Water pollution 275-6w
Free ports, VAT 608w
Licensing (Occasional Permissions) Act 1983 638w
Planning appeals, Planning Inspectorate 33w
Planning appeals, Test Valley Borough Council 32w
Planning permission, Test Valley Borough Council 31w
Rate support grants, Hippies 662w
South Africa, BBC 165-6
Spain, Foreign policy 210w
Town & Country Planning Act 1947 32-3w
Young people, Alcoholic drinks 637w

Combined heat & power
Electricity areas boards 24w
Leicester 8

Commercial aircraft
Coastguard 425-6w

Commercial Court 675-6
Administrative delays 675-6

Commerical fast reactors
International cooperation 27-8w

Commercial secrets
Food Advisory Committee 197w
Official Secrets Acts 167w

Commission for Racial Equality
Government grants 512w

Committee of the Whole House
House of Commons procedure (10.07.86) 505

Committee on Safety of Medicines 267w
Disclosure of information 425w
Drug industry 424w
Drug side effects 422-3w, 424w
Official secrets 268w
Official Secrets Acts 268w, 425w
Reyes syndrome 422w
Zantac 268w

Committee on the Medical Aspects of Radiation in the Environment 619w, 670w

Committees
Dept of Health & Social Security 153w

Commodity trade
Tin (07.07.86) 72-118

Common agricultural policy
EC budget 257w
European Council 215-6w
Expenditure (08.07.86) 167-8, 440

Common farm prices
Animal feed 583w
Cereals 40w

Common fisheries policy 41w

Common land
Land registration 321w

Common Land Forum 34w, 321w
Law reform 34w

Common Services Agency 670w

Commonwealth 279-80w, 294-5
Bilateral aid 508w
Conservative Party 867
International assistance 167-8w
Operating costs 605w
Overseas trade 526w, 640w
Queen 1169-70
South Africa 25, 200w, 206w, 296, 444, 523w, 638w, 648w, 852, (16.07.86) 1013-61, 1168, 1171-2
UK contributions 605w

Commonwealth Eminent Persons Group 206w, 294-5

Commonwealth Games 849-50, 860-1, 861-2, 863-4, 864-5, 866, 867
Front line states 1171-2
Ghandi, Rajiv 863
Sports boycotts 508w, 862-3, 864, 865-6
Standing Order No 10 applications (10.07.86) 460, (14.07.86) 690-1

Commonwealth Institute 209-10w, (16.07.86) 1143
Financial management initiative 209-10w
Occupational pensions (16.07.86) 1143

Community care
Occupational therapists 411w

Community development
Educational institutions 153-4
Village colleges 153

Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 953-75

Community Drivers Hours & Recording Equipment (Exemptions Etc) Regulations 1986 (15.07.86) 953-75

Community programme 363-4w, 456w
Bradford 187w
Gateshead 187w
Managing agents 650w
Social security benefits 362w
Take-up of employment 16w
Unemployed 362w

Community radio 283w
Broadcasting controls 185w

Community relations councils 628w
Local government expenditure 628w

Community transport 249w
Voluntary organisations 249w

Companies
Charitable donations 1159
Energy analysis 11
EUREKA 996
Fair Employment Agency 81w
Handicapped workers 457w
Medicines Inspectorate 170w
Pension funds 11w
Quota of handicapped workers 457w
Research finance 996
Retail trade 10w
Stamp duties (17.07.86) 1211-8

Company Directors Disqualification Bill (HL) 1985/86
Business motion (16.07.86) 1144

Company liquidations
Northern Ireland 193w
Small businesses 29w

Company registration
Northern Ireland 193w

Compensation
British Airways 398w
Consumer protection 533w
Frozen assets 439-40w
Gays the Word 80w
Nature conservation 94w
Pneumoconiosis 413w
Product liability 533w
Radioactivity 251-2w, 307w
Sheep 3-4w, 430-1, 432, 438, 482w
Sheep premiums 440
Subsidence 21w, 435
USSR 431
Vaccine damaged children 160w

Competition 189w
Bus services 314w, 402w
Defence procurement 344w
Tanks 344w

Complaints
Avewall Road 636w
Fair Employment Agency 81w
Fair Employment (Northern Ireland) Act 1976 192-3w

Complaints against local government
Scotland 380-2w

Complaints against police
Body searches 223-4w
Women 223-4w

Compulsory purchase
Multiple occupation 548w

Computer applications
Convictions 222w
Pollution control 96-7w

Computer privacy
National security 216w
Police national computer 181w

Computers
Graduates 43-4w
South Africa 453w

Computers in National Health Service
North Western Regional Health Authority 77w

Computers in schools
Microcomputers 189w

Concessionary fares
Bus services 211-2w

Concessionary television licences 319w, 512-3w
Pensioners 319w, 512-3w

Conductive education 146-7w, 157w, 158w, 300w
Handicapped children 300w
Scotland 300w
Special education 146-7w
Teacher training 147w

Cones
Motorways 671
Roads 671

Confederation of British Industry
Balance of trade 534w
Manufactured goods 534w

Confessions
Prisoners 513w

Connection charges
British Gas Corporation 12
Gas supply industry 12

Consent to medical treatment
Mental patients 415-6w
Psychosurgery 415-6w

Conservation
Highlands of Scotland 576w

Conservative Party
Commonwealth 867
Heath, Edward 166

Consolidated Fund (Appropriation) Bill 1985/86
1R (17.07.86) 1290

Construction
Army bases 493w
Heathrow 661-2w
Hospitals 415w
Prisons 488w, 489w
Sewers 114w
Willsworthy shooting range 493w
Wormwood Scrubs 184-5w

Construction costs
Prisons 488-9w
Road construction 121w
Torness power station 653w
Wormwood Scrubs 104w

Construction Industry Training Board 456w

Consultants
Government departments 333-4w
River Severn 394w

Consumer protection 539w
British Gas Corporation 12, 570-3w
Compensation 533w
Estate agents 997
Ministry of Agriculture Fisheries & Food 257w
Time sharing 9-10w
Welsh Water Authority 649w, 650w

Consumer Safety (Amendment) Bill 1985/86
Royal Assent (08.07.86) 149

Contadora Group 208w

Container terminals
Hong Kong 526w

Contract catering 295w
Food poisoning 295w
Hospitals 295w

Contracts
Air routes 603w
Dartford tunnel 116w
Pharmacists 665w
Shipbuilding 536-40w

Contracts for services
COD Donnington 428w
Energy efficiency 6
NHS 406w, 444w

Contracts of employment
Teachers 145w

Contra-flow systems 2w
M3 2w

Control of Pesticides Regulations 1986
(16.07.86) 1107-29

Conventional weapons
Nuclear weapons policy 495w

Convictions
Computer applications 222w
Drug crimes 509w
Estate agents 997
Martial arts weapons 223w
Offences against children 635w
Police national computer 222w

Conway, Mr Derek
Questions
Education, Population 157
Hospital staff, Joint Consultants Committee 172w
Motor vehicle registration 2w
Weizsacker, President, Official visits 208-9w

Cook, Mr Frank
Debates etc
Business questions intervention (10.07.86) 457
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 970-1
Questions
Irradiated food 255w
Ministers domestic visits, Cleveland 988
Shipbuilding 1001
South Africa, Emergency powers 199w

Cook, Mr Robin
Questions
Nuclear fuels, Transport of radioactive materials 570w
Pre-school education 149-51w
Pupil-teacher ratios 152-4w

Coombs, Mr Simon
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 964-5
Questions
Coal fired power stations, Radioactivity 570w
EUREKA, International conferences 535-6w
Food labelling, Sugar 433
Handicapped drivers, Orange badge scheme 673
Matrimonial & Family Proceedings Act 1984 565w
M4, Motorway service areas 564w
Natural Environment Research Council, Exhibitions 178w
Power industry, Industrial health & safety 561w
Road accidents, Road safety barriers 660-1w
Vacant land, Thamesdown 480-1w

Copeland
Supplementary benefits 410w

Copyright
Educational publications 151

Corbett, Mr Robin
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1202-4
Questions
COD Donnington, Security vetting 428w, 646w

Corbyn, Mr Jeremy
Debates etc
Commonwealth Games, Standing Order No 10 applications (14.07.86) 690-1
Metropolitan Police (11.07.86) 596, 608, 633, 640-2, 646, 653, 654
Poverty, Elderly (16.07.86) 1072, 1076, 1080
Questions
Business statement 457, 1183
Cancer hazards, Sellafield 619w
Complaints, Avewall Road 636w
Fish, Death 629-30w
Hypothermia, Death 443-6w
Hypothermia, Temperature 554w
National Radiological Protection Board, Pollution monitoring 619w
Nuclear accidents, Disclosure of information 386w
Nuclear safety, Nuclear power stations 587w
Polytechnics, National Advisory Body for Public Sector Higher Education 128w
Racial attacks, Highbury 565w
Racial harassment, Finsbury Park 635-6w
Radioactive Waste Management Advisory Committee, "Environment Select Committee on Radioactive Waste" 630w
Stalker, John, Inquiries 566w
Stop & search, Holloway 636w

Co-responsibility levy 40-1w, 197-8w, 253w, 433-4, 435, 595-6w
Animal feed 434, 438-9
Cereals 40-1w, 108w, 197-8w, 253w, 433-5, 438-9, 595-6w
Farms 40w, 434, 439

Corrie, Mr John
Debates etc
Agriculture (14.07.86) 721-3
Higher education, Scotland (17.07.86) 1194
Questions
Sheep, Radioactivity 385w
Tertiary education, Scotland 573-6w

Corrosion
Magnox reactors 26-7w

Cossor Electronics 844

Cost benefit analysis
Acute beds 559w

Cost effectiveness 5, 39w, 77w, 78w

Cost per pupil
Education 281w
Primary education 144-5w
Secondary education 144-5w

Cost per student 236w
Education 281w
Polytechnics 152

Cottingley Bar
A65 117w

Couchman, Mr James
Debates etc
Manufacturing industries (07.07.86) 40, 55, 61
Standing Order No 10 applications, Police misconduct (15.07.86) 868-9
Questions
Cycling, Radiophones 668
Educational policy, Lower attaining pupils 143w

Council house sales
Discounts 323-4w
Local government finance 188w
Northern Ireland Housing Executive 503w

Council housing
Greater London 39-40w
Housing starts 39-40w
Rent arrears 325w
Squatting 325w

Council of Ministers
EC Presidency 209w

Council tenants
Housing benefits 617w
Housing cooperatives 548w

Countryside
Archaeological sites 309w

County councils 638w
Emergency planning 638w

County courts
Damages 17w

County hall 311w, 548w, 549w
London Residuary Body 311w, 549w
Property transfer 549w

Courts
Prison staff 513w

Courts martial
Armed forces 306w

Coventry
Cervical cancer 295w
Homelessness 278w, 326w
Hospital waiting lists 162-3w
Job creation schemes 360w
Supplementary benefits 447-8w, 666w
Vacancies 13w
Youth unemployment 229-32w

Cox, Mr Tom
Questions
Butter, Intervention stocks 254w
Category A prisoners 485w
Community radio 283w
Cyprus 204w
Drug abuse, Prisons 485-6w
EC Trade Mark Office 341w, 540w
HM Inspectorate of Schools, Local government expenditure 126-7w
Litter, Publicity 479w
Litter Act 1983, Local authorities 479w
Long term prisoners, Prison population 334-5w
Overseas students, Cyprus 281w
School buildings 353w
School buildings, Sanitation 655w
Segregation of prisoners, Rule 43 485w
Supplementary benefits, Tooting 666w
Tipping of waste, Prosecutions 480w
Village schools, School closures 449-50w, 451w

Craigen, Mr Jim
Debates etc
Higher education, Scotland (17.07.86) 1195
Questions
Dept of Health & Social Security local offices, Glasgow 270-2w
Higher education, Scotland 243w
Nuclear safety, International cooperation 216w
Police surgeons, Women 31w
Social security benefits, Home visits 270w
Social security payments, Members correspondence 74w
Supplementary benefits, Glasgow 409-10w
Urban programme, Scotland 244-5w

Cranborne, Viscount
Questions
Ministers visits abroad, South Africa 26

Crime
Rewards 181w

Crime prevention
Education support grants 156
Schools 142-3w
Vandalism 156

Crimes of violence
Racial conflict 222w
Racial incitement 222w

Criminal investigation
Costs 100w
Drug squads 336-7w
Fraud 100w, 486-7w
Homicide 637w
Johnson Matthey 487w
Royal Ulster Constabulary 247w

Criminal Justice (Northern Ireland) Order 1986 (09.07.86) 410-9

Criminal law
Northern Ireland (09.07.86) 410-9

Criminal proceedings
Honours 215w

Criminal Proceedings Arising from Fraud Review Committee 305-6

Criminal records
Police national computer 182w

Crop spraying (16.07.86) 1107-29

Crossroads scheme 169-70w
Ministers correspondence 169-70w

Crouch, Mr David
Debates etc
European Communities (Amendment) Bill, Rem stages (10.07.86) 556, 557, 561
Latent Damage Bill (HL), Rep & 3R (07.07.86) 127-8, 131-2

Crown immunity 489w
Prisons 489w

Crown Prosecution Service 677
Attorney-General 677
House of Commons questions 677

Crown Suppliers 16-7
Privatisation 16-7

Crowther, Mr Stan
Debates etc
Tin (07.07.86) 83, 94-7
Tourism (09.07.86) 358, 366-7, 368, 373-5, 396
Questions
Iron & steel industry, Trade competitiveness 998-9

Croxteth Hall 632w

Cruelty to children
Social workers 620w

Cumbria
A595 119-20w
Planning appeals 630w

Cunningham, Dr John
Debates etc
UK 2000 (14.07.86) 684, 685
Questions
Local government revenue 549w
Supplementary benefits, Copeland 410w
Urban programme 550w

Cunninghame
Supplementary benefits 447-8w

Curriculum
Design 1002-3
General Certificate of Secondary Education 132w
Health education 125w, 126w
Pupils 129w
Schools 146w

Currie, Mrs Edwina
Debates etc
Poverty, Elderly (16.07.86) 1066
Residential care (09.07.86) 331, 342-7
Questions
Chadley Hill mine, Productivity 8
Health education, Curriculum 125w
Housing benefits, Social security benefits rules 265-6w
Industrial disputes, Economic situation 1167
Polytechnics, Educational finance 160

Custodial treatment
Fine defaulters 58w

Custody officers 103w
Police 103w

Customs
Channel tunnel 396w
Drug seizures 435w

Customs & Excise
Drug seizures 337w
Gays the Word 79w, 80w, 437-8w
Hydrocarbon oil duties 609w

Customs officers 502w
Civil service manpower 435-6w, 502w
Liverpool 435-6w

Cycleways
Greater London 668

Cycling
Highway code 667-8
Radiophones 668
Roads 668

Cyprus 204w
EC external relations 210w
Overseas students 281w
Turkey 210w, 298

Dairy farming
EC action 442
Production quotas 436-7

Dalton-in-Furness 211w

Dalyell, Mr Tam
Debates etc
Agriculture (14.07.86) 701, 713-5
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 959-60
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1348, 1373, 1390
Open College (18.07.86) 1363
Oral question time point of order (14.07.86) 675
Poverty, Elderly (16.07.86) 1072, 1082-3
South Africa (16.07.86) 1034
Questions
Anglo-Irish Agreement, Northern Ireland government 1006-7
Bombings, West Germany 99w, 319w
Bothwell, Commander, Trials 318w
Bristow, Alan, Westland helicopters 318w
Business statement 1180
Commonwealth Games 864
Departmental records, Official publications 460w
Edinburgh University, Research 161
Falkland Islands, European Development Fund 288w
Falkland Islands, Penguins 647w
Forensic science, Bombings 512w
Government Communications Headquarters, Trade unions 456w
Juries, Acquittals 308-9
Kidney donors, Codes of practice 297w
Libyan Arab Republic, F111 aircraft 215w
Marychurch, Sir Peter, Government Communications Headquarters 237w
Mathematics education, Teachers 154-5
Railway travel, Railway network 399w
Sheep, Radioactivity 260-1w
Strategic defence initiative, Defence research 491w
Wass, Sir Douglas, Open government 294w
Westland helicopters, Disclosure of information 675
Westland Helicopters, Higher civil servants 989

Damages
Administrative delays 17w
County courts 17w
High Court 17w

Dance halls
Bombings 99w

Dangerous drugs 267w

Dangerous Substances (Conveyance by Road in Road Tankers & Tank Containers) Regulations 1984 594w

Dartford tunnel 116w
Contracts 116w

Dartmoor national park 123w, 836
Willsworthy shooting range 836-7

Data Protection Act 1984 216w, 487w
Gaelic language 487w
National security 216w

Data Protection Registrar 216w

Date marking
Food standards 106w

Davies, Rt Hon Denzil
Debates etc
Oral question time point of order (15.07.86) 835
Questions
Nuclear test ban, Seismic monitoring 847
Royal ordnance factories, Privatisation 845
Type 23 frigates, Defence contracts 858

Davies, Mr Ron
Questions
Coal mining, Industrial production 25w
Dept of Health & Social Security local offices, Caerphilly 410w
Educational finance, Capital investment 656w
Educational finance, Higher education 177-8w
Firearms 566w
Forestry Commission, Public appointments 382-4w
Further education, HM Inspectorate of Schools 125w
Further education teachers 356w
Further education teachers, Pay 355w
In-service training 178w
Milk, Production 261w
Prime Minister official engagements 218w
Science & technology research, Government grants 527w
School meals 420w
School meals, Costs 420w
Sheep, Radioactivity 251w
South Africa, EC action 198-9w
Staff-student ratios, Universities 177w
Supplementary benefits, Caerphilly 410w
Technical & vocational education initiative 180w
Tertiary colleges, Local education authorities 175-7w
Unemployment benefits, Social security benefits disqualification 652-3w
Young people, Part-time education 656w

Davis, Mr Terry
Debates etc
Finance Bill, Rep (08.07.86) 172-4, 182, 183-8, 191, 239, 242, 249-51

Finance Bill, Rep & 3R (17.07.86) 1242-4, 1268, 1311-2
South Africa (16.07.86) 1040
Questions
Attendance allowance, Pearce, W 269w
Equal opportunities officers, Civil service 17
Exceptional needs payments 418w
South Africa, Politics & government 851-2
Unemployment, Public expenditure 1163-4

Day, Graham 985
British Leyland 985

Day centres
Mentally ill 663-4w

Day hospitals 663-4w

Day nurseries
Handicapped children 239w

Daya
Nuclear power stations 440w

Deaf
Special education 140w

Deakins, Mr Eric
Debates etc
EC budget (10.07.86) 488-90, 496, 500
European Communities (Amendment) Bill, Rem stages (10.07.86) 525, 529, 531, 543-4, 554-7, 569, 570
Questions
Bilateral aid, Industry 369w
Cervical cancer, Brighton 407w, 408w
Common agricultural policy, Expenditure 440
Defence expenditure, Defence research 165w
Detection rates, Leicester 486w
EC internal trade 193-4w
Electricity supply industry, Privatisation 9
Housing construction, Brighton 321w
Mortgage relief, House purchase 78w
Nicaragua, Bilateral aid 681
Parliamentary recess 279w
Police equipment, Public order policing 339w
Schools, Curriculum 146w
Sex education, Professional qualifications 50w
Unemployment, Brighton 291-2w, 360-2w
Unemployment, Mortgages 553w
Unemployment, Walthamstow 290-1w
VAT, EC budget 194-5w, 437w, 645w

Dearne towns link road
Road construction 122w

Death
Cervical cancer 70w, 295w, 667-8w
Fish 629-30w
Hypothermia 443-6w
Industrial diseases 75w
Legionnaires disease 665w
Penguins 647w
Road accidents 660-1w
South Africa 300
Sports 171-2w
Terrorism 626w
Tighe, Michael 84w

Death rate
Men 270w, 448w
Social class 448w

Debts
Africa 608w, 680
Brazil 209w
Developing countries 608w, 1158

Defective housing 35-8w, 38-9w, (09.07.86) 399-409, 628w
Capital investment 35-8w
Demolition 39w
Housing Defects Act 1984 35w, 38-9w
Local authorities 38-9w
Local government expenditure 35-8w

Defence
Nuclear fuels 570w
Nuclear power 389w

Defence contracts
Billing 497w
Challenger tanks 645w
Frigates 494w
Navy 838
New businesses 492w
Nimrod aircraft 846
North West region 248w
Pakistan 493-4w, 837-8
Portugal 248w
Royal ordnance factories 845
Scotland 30-1w
Security vetting 604w
Shipbuilding 248w
Strategic defence initiative 3w, 30-1w
S90 design 88w
Transport 604w
Trident submarines 494w
Type 23 frigates 853-4, 854-5, 855-6, 857-9
Universities 429-30w
Virgin Atlantic 604w
Wales 3w
Warships 164, 493w

Defence equipment
South Africa 440w
VAT 294w

Defence expenditure
Defence research 165w
NATO 425w
Trident 843
USSR 425w

Defence industries
Scotland 855

Defence land
Wales 427-8w

Defence procurement 843
Air force 493w
Buy British 844-5
Challenger tanks 305w
Competition 344w
Mergers 92w
Navy 491w, 524w
Public Accounts Committee 844-5
Rolls-Royce Aeroengines 835-6
South Africa 525w
Torpedoes 165w
VAT 523-4w

Defence research
Defence expenditure 165w
Strategic defence initiative 89-90w, 491w
Universities 429-30w

Defence Scientific Advisory Council 88w

Deferred retirement 237w
Marychurch, Sir Peter 237w

Democracy
Sports boycotts 865-6

Demolition
Defective housing 39w

Demonstrations
Antrim 624w
Kensington & Chelsea 55w
Northern Ireland 627w
Orange Order 367w, 642w
Portadown 641w
Republic of Ireland 627w, 642w
Royal Ulster Constabulary 624w

Dental Charges
Dundee Dental Hospital 499-500w

Dept of Education & Science
Adult education 235w
Energy Efficiency Year 518w
Members correspondence 355w
Research finance 144w

Dept of Employment
Gaelic language 457w
Members correspondence 363w

Dept of Energy
Gaelic language 441w
Members correspondence 390w

Dept of Health & Social Security
Civil service manpower 409-10w
Committees 153w
Gaelic language 447w
Powers of entry 615w
Public appointments 421-2w
Research finance 168-9w
Resignations 421-2w
Statistics 274-6w

Dept of Health & Social Security local offices
Barnsley 617w
Basildon 418w
Birkenhead 157w
Caerphilly 410w
Civil service manpower 409-10w, 418w
Glasgow 270-2w
Greenock 617w
Manchester 171-2w
Members correspondence 419w
Restart programme 527w
St Helens 410w
Tyne Bridge 617w
Windows 418w
Wrexham 409-10w

Dept of the Environment
Members correspondence 325w

Dept of Trade & Industry
EC Presidency 527w
Employment discrimination 539-40w
General Motors 995
Gentleman, Brian 347w
Members correspondence 346w
Research finance 341w

Dept of Transport
Gaelic language 459w
Members correspondence 401w

Departmental circulars
Exceptional needs payments 553w
Housing 3w
Rent control 69w
School attendance 655-6w

Departmental coordination
Drinking & driving 672

Departmental correspondence 169-70w, 185-6w, 233w

Departmental leaflets
"Tomorrows Buses" 661w

Departmental publications
Gaelic language 441w, 447w, 455w, 457w, 459w, 487w, 499w, 502w, 610w
Welsh language 484w

Departmental records 460w
Cabinet Office 460w
Official publications 460w

Deportation
Military attaches 207w

Depository receipts (17.07.86) 1198-1312
Stamp duties (17.07.86) 1211-7

Derbyshire
Employment schemes 357w
Further education 353w
Health service staff 443-4w
Higher education 353w
Industrial development 455w
New businesses 455w
Pupil-teacher ratios 351-2w
School leaving certificates 352-4w
Self-employed 289w
Youth employment schemes 357w

Design
Curriculum 1002-3
Rover 800 444-6, 850
Student numbers 132w

Detection rates
Brighton 486w
Leicester 486w
Metropolitan Police 513w

Developing countries
Debts 608w, 1158
Economic recession 680
Foreign aid 679
Multifibre arrangement 531w

Western Europe 1158
World Bank 679-80

Development Board for Rural Wales (Extinguishment of Liabilities) Order 1986 (14.07.86) 693

Devon County Council 449w
Members domestic visits 449w

Dewar, Mr Donald
Debates etc
Higher education, Scotland (17.07.86) 1188-90
Legal Aid (Scotland) Bill (HL), Rep & 3R (14.07.86) 774-6, 777-8, 780, 784, 792-8, 802-4, 809-10, 812, 814-8, 822-3
Questions
Acute beds, Scottish health boards 115w
Commonwealth Games 860-1
Hospital beds, Scottish health boards 114-6w
Hospital waiting lists, Scottish health boards 243-4w
Hospitals, Scotland 244w
Juries, Scotland 310
Malak, Emil, Highlands & Islands Development Board 384w
Mental health, Codes of practice 385w
North British Hotel, Historic Buildings Council 383w
North British Hotel, Scottish Development Agency 383w
North British Hotel, Scottish Tourist Board 383w
Prescription charges, Scotland 244w
Scottish Trustees Savings Bank Depositors Association, Chief Registrar of Friendly Societies 437w
Supplementary benefits, Glasgow 410w
Trustee savings banks, Scotland 502-3w

Dewsbury
Prime Minister domestic visits 459w

"DHSS Circular S12/85" 261-3w

"DHSS Circular S36/85" 553w

Dial-a-Ride 249w

Dickens, Mr Geoffrey
Questions
Arms embargoes, South Africa 845
Fleming, Juan Eduardo, Diplomatic immunity 63w
Non-departmental public bodies 20
Parachuting, Training 217w
Public libraries, Fees & charges 86w
Taxation 1163

Diplomatic immunity
Argentina 63-4w
Fleming, Juan Eduardo 63-4w

Diplomatic relations
Guatemala 604w

Diplomatic service
Argentina 63w
Breathalysers 61w
Fleming, Juan Eduardo 63w
South Africa 296-7

Directors
London Regional Transport 313w
Merseyside Development Corporation 631-2w

Dir30/723/EEC 399w

Dir85/374/EEC 533w

Disabled Persons (Employment) Act 1944 457w
Prosecutions 457w

Disabled Persons (Employment) Act 1958 457w

Disabled Persons (Services Consultation & Representation) Act 1986 380w, 416-7w

Disabled Persons (Services Consultation & Representation) Bill 1985/86
Royal Assent (08.07.86) 149

Disablement schemes
Expenditure 292w
Handicapped workers 292w

Disaster relief
Africa 167-8w
United Nations 99w

Disciplinary proceedings 224-5w
Carter Street police station 224-5w
Royal Ulster Constabulary 623-4w

Disclosure of information
Child care 635w
Committee on Safety of Medicines 425w
F111 aircraft 215w
Food Advisory Committee 196-7w
Medical records 77w
Nuclear accidents 386w, 570w
Nuclear reactors 442w
Royal Greenwich Observatory 158, 159
Westland Helicopters 675

Discounts
Codes of practice 993
Council house sales 323-4w
Prices 994
Retail trade 993-4

Discretionary student grants
Scotland 173-4w
Young people 173-4w

Disease control 615w, 616w
Legionnaires disease 615w, 616w

Dismissal
Armed forces 306w
Coal mining 246w
NHS administration 297-8w

Distance learning (18.07.86) 1358-67

District boards
Hong Kong 372w

District councils 638w, 662w

District heating
Electricity areas boards 24w

Divis flats 367w

Dixon, Mr Don
Debates etc
Manufacturing industries (07.07.86) 38-41
Poverty, Elderly (16.07.86) 1099
Questions
Defence contracts, Portugal 248w
Dept of Health & Social Security local offices, Civil service manpower 418w
Employment opportunities, Tax allowances 1162-3
Herring, Norway 252w
Shipbuilding, Contracts 536-40w
South Africa, EC action 200w
Supplementary benefits, Jarrow 409-10w

Dobson, Mr Frank
Questions
AIDS, Joint financing 412w
AIDS, Local government social services 412w
Ambulance services, Privatisation 413w
Coal fired power stations, Power station closures 246w
Gays the Word, Compensation 80w
Gays the Word, Customs & Excise 437-8w
Gays the Word, Legal costs 79w
Gays the Word, Prosecutions 79w, 80w
Hospitals, Construction 415w
Industrial diseases benefits, Appeals 413w
Management consultants, Regional health authorities 76w
Manpower, Occupational therapists 411w
Medical boarding centres (respiratory diseases) 414w
NHS, Per capita costs 414-5w
NHS finance, Greater London 413w
Occupational therapists, Training 411-2w
Occupational therapists, Vacancies 411w
Pneumoconiosis, Appeals 413-4w
Pneumoconiosis, Compensation 413w
Registered homes tribunals, Finance 415w
Speech therapy, NHS 75-6w, 163w

Doctors
Redundancy 443w
Unemployment 620w
Well woman clinics 70w

Documents
Waldheim, Kurt 370w, 427w

"DOE Circular 108/77" 325-6w
Nature conservation 325-6w

Dog licences
Fees & charges 548w

"Dog Licensing Consultation Paper" 548w

Dogs
Fines 298w
Health hazards 298w
Liability for animals 298w, 454w
Scotland 454w

Domestic appliances
Radioactivity 324w

Domestic credit expansion 643-4w

Donaghadee road
Road works 503w

Dormand, Mr Jack
Questions
A19, Road works 591-2w
Cycling, Roads 668
Drinking & driving, Publicity 663
Employment 606w
Supplementary benefits, Easington 409-10w

Dorrell, Mr Stephen
Questions
School adminstration, Educational finance 150
Social security & taxation, Low pay 1160

Douglas, Mr Dick
Questions
British Gas Corporation, Resources exploration 12
Castlehill mine, Productivity 7
Coal fired power stations, South of Scotland Electricity Board 22-3w
Early warning systems 844
Type 23 frigates, Defence contracts 853-4

Dounreay
Fast reactors 113w
Planning inquiries 501w
Public inquiries 501w

Dover, Mr Den
Questions
Land acquisition, Public bodies 186w

Drinking & driving
Breathalysers 664
Departmental coordination 672
Evidence 664
Prison sentences 663
Publicity 395w, 663
Transport Act 1981 395w, 664

Drivers Hours (Goods Vehicles) (Modifications) Order 1986 (15.07.86) 953-75

Drivers Hours (Harmonisation with Community Rules) Regulations 1986 (15.07.86) 953-75

Driving licences
Foreign forces 426w
Military vehicles 426w
Road accidents 663-4

Driving tests
Basildon 666
Members correspondence 666
Tractors 666

Drug abuse 513w
Armed forces 495-6w
Housing estates 105w
Northern Ireland 641w
Paramilitary forces 641w
Prisoners 58w
Prisons 485-6w

Drug crimes 337w, 513w
Avon 508-10w

Bail 102w
Convictions 509w
Metropolitan Police 337w
O'Dowd, George 336w
Prison sentences 508-10w
Prosecutions 336-7w

Drug hazards 423w

Drug industry
Committee on Safety of Medicines 424w
Export licensing 410-1w
Foreign companies in UK 73w
Foreign investment in UK 73w
Treaties 296-7w

Drug seizures 435w
Customs 435w
Customs & Excise 337w
Metropolitan Police 337w

Drug side effects 423w
Committee on Safety of Medicines 422-3w, 424w
Prescriptions 422w, 423w
USA 424-5w

Drug squads 336w
Criminal investigation 336-7w
Ethnic minorities 336-7w
Manpower 336-7w
National Drugs Intelligence Unit 336w
Police 336-7w
Police civilians 336-7w
Police training 336-7w

Drug Trafficking Offences Act 1986 285w

Drug Trafficking Offences Bill 1985/86
Royal Assent (08.07.86) 149

Drugs
Administrative delays 557w
Clinical trials 556w
Licensing 266-7w, 556-7w
Marketing 268w
Official secrets 267-8w
Parallel imports 170w
Prices 184w
Quality control 268w
Safety 267w
Treaties 556w

du Cann, Rt Hon Sir Edward
Debates etc
EC budget (10.07.86) 477-80, (11.07.86) 617
European Communities (Amendment) Bill, Rem stages (10.07.86) 504-6, 509

Dual carriageways 121w
Road construction 121w

Dual jobholding
Self-employed 178-9w

Dubs, Mr Alfred
Questions
Army, Racial discrimination 491w, 842
British overseas citizenship 63w
Business statement 1182
Entry clearances, Members correspondence 101w
Immigrant detainees 218-21w
Immigration appeals, Foreign tourists 101-2w
Immigration controls 221w
Immigration controls, Foreign tourists 102w
Official Secrets Acts, Prosecutions 678
Oil revenues, North Sea oil 1167-8
Prisoners, Babies 180-1w
Prisoners, Handicapped 103w
Prisoners release, Homelessness 102-3w
Prisons, Costs 102w
South Africa, Economic sanctions 1168

Duffy, Mr A E P
Questions
Frigates, Pakistan 493-4w
Navy, Warships 841-2
Royal Ulster Constabulary, Public order policing 1006
Type 23 frigates, Defence contracts 855-6

Dumping 342w
Cement 342w

Dundee Airport 249w

Dundee Dental Hospital 499-500w
Dental charges 499-500w

Dunn, Mr Bob, Under-Secretary of State for Education and Science
Questions
Blackburn House School, Liverpool 356w
Conductive education, Special education 146-7w
Conductive education, Teacher training 147w
Dept of Education & Science, Energy Efficiency Year 518w
Dyslexia, Special educational needs 50w
Education, Cost per pupil 281w
Education, Population 157
Education (School Premises) Regulations 1981 139-40w
Examinations, Avon 519-22w
Examinations, Hampshire 521w
Grammar schools 145w
Higher education, Hampshire 521w
HM Inspectorate of Schools, Local government expenditure 127w
HM Inspectorate of Schools, Schools 47-9w
Howe Dell School, Hatfield 523w
Members domestic visits, Schools 449w
Mobile classrooms, Leicestershire County Council 233w
Playing fields, Schools 53w
Pre-school education 149-51w
Primary education, Cost per pupil 144-5w
Primary education, School population 655w
Pupil-teacher ratios 152-4w
Pupil-teacher ratios, Derbyshire 351-2w
Pupil-teacher ratios, Hampshire 656-7w
Pupils, Private education 449-50w
Saltby School, Leicestershire County Council 233w
School administration, Administrative delays 131w
School administration, Leeds 157-8
School administration, Secondary education 161-2
School buildings 143w, 353w
School buildings, Fees & charges 153-4
School buildings, Kidsgrove 52w
School buildings, Leisure facilities 153
School buildings, Sanitation 655w
School choice, Single sex schools 141-2w
School leaving certificates 143w
School leaving certificates, Derbyshire 352-4w
School leaving certificates, Hampshire 581-4w
School leaving certificates, Hertfordshire 46-8w, 580w
School teachers, Hertfordshire 579-80w
School year 147w
Schools, Expenditure 518-20w
Skillcentres, Maryport 157
Special education, Deaf 140w
Sports facilities, Property transfer 158
Teachers, Hampshire 521w
Tertiary colleges, Local education authorities 175-7w
Village schools, Community development 153
Village schools, School closures 449-50w, 451w
Young people, Mandatory student grants 43w
Young people, Part-time education 656w

Dunwoody, Mrs Gwyneth
Questions
South Africa, Economic sanctions 300

Duty solicitors 17w
Pay 17w

Dykes, Mr Hugh
Debates etc
EC budget (11.07.86) 618
Manufacturing industries (07.07.86) 31, 32, 35, 43
Questions
British Gas Corporation, Privatisation 23w
Ministers visits abroad, South Africa 24, 199-200w

Dyslexia
Special educational needs 50w

Eadie, Mr Alexander
Questions
Coal, Imports 23w
Coal mining, Productivity 8
Commonwealth Games 867
Passport Office, Glasgow 337w
South Africa, EC action 198-9w

Earls Court 313w
Road construction 313w

Early retirement
Armed forces 841
Army 842
Civil servants 19-20
Civil service retirement 19-20
Teachers 281w

Early warning systems 844
British Aerospace 843, 846
Costs 492-3w
Nimrod aircraft 493w, 843, 846
RAF Waddington 846

Earned income
Married men 247w

Earnings rules
War pensions 403-4w

Easenhall
Prime Minister domestic visits 99w

Easington
Supplementary benefits 409-10w

East Ham 54w
Fire services 54w, 55w

East Sands
Land reclamation 577-8w

East Surrey Health Authority
NHS finance (17.07.86) 1332-8

Eastham, Mr Ken
Questions
Food & Environment Protection Act 1985 257w
Hospital patients 558w
Industrial training, Skilled workers 1003-4
North Western Regional Health Authority, NHS finance 557-8w
Tambo, Oliver, African National Congress 208w

EC action
Afghanistan 202w
Cement 341w
Dairy farming 442
Energy research 387-8w
Fishing gear 250-1w
Middle East 203w
Motorcycles 397-8w
Multifibre arrangement 340w, 992-3
Pollution control 95
Public lending right 86w
South Africa 198-9w, 200w, 287-8, 289, 440w
VAT 293w

EC Agricultural Council 560-1w

EC aid
South Africa 20w

EC budget 294w, 431w, 502w
Common agricultural policy 257w
EC Finance Council 195w
Estimates days (10.07.86) 461-503
European Court of Justice 678
Ministerial statements (11.07.86) 613-21
Own resources 644w
Standing Order No 10 applications (08.07.86) 167-8
UK contributions 437w
UK repayments 431w

VAT 194-5w, 437w, 645w

EC Budget Council (11.07.86) 613-21

"EC Budgetary Discipline Government Observations" (10.07.86) 461-503

EC countries
Agricultural production 42w, (08.07.86) 267-81
Economic sanctions 24-5, 200w
Electricity generation 572w
Employment level 12-4w
Light water reactors 24w
Manpower 290w
Prime Minister visits abroad 5w
Tax allowances 80w
Treaties 124w

EC Draft 9402/84 106-7w
Frozen food 106-7w

EC Draft 4092/85 (07.07.86) 26

EC Draft 4044/86 (07.07.86) 26, (16.07.86) 1144

EC Draft 4058/86 (07.07.86) 26

EC Draft 6466/86 (08.07.86) 267-81

EC Draft 7126/86 (08.07.86) 267-81

EC Draft 8000/86 658w

EC Draft 8001/86 658w

EC external relations
Cyprus 210w
EC integration 207w
EC Presidency 63-4w

EC external trade
New Zealand 657w
Sugar (16.07.86) 1144

EC Finance Council
EC budget 195w

EC Foreign Affairs Council
EC Presidency 63-4w
Howe, Geoffrey 22-3

EC grants & loans
Sheffield 669-70

EC Industry Council
EC Presidency 533-4w
Iron & Steel 347w

EC integration 210w, (10.07.86) 504-72
EC external relations 207w

EC internal trade 193-4w
EC Presidency 188-9w, 534w
Trade barriers 41-3w
VAT zero rated goods 4w

EC law
Harmonisation of legislation 64w
Lorry drivers 665
Polychlorinated biphenyl 310w, 326w
Ports 399w
Product liability 533w
Public corporations 399w

EC nationals 370w
Armed forces 370w
Board & lodging charges 420w
South Africa 370w

EC Presidency
Agriculture 255w, 259w
Costs 124w
Council of Ministers 209w
Dept of Trade & Industry 527w
EC external relations 63-4w
EC Foreign Affairs Council 63-4w
EC Industry Council 533-4w
EC internal trade 188-9w, 534w
European Assembly 371w
Fisheries 259w

EC reform (10.07.86) 504-72
Single European Act 210w

EC Trade Mark Office 341w, 540w

Economic growth
Industrial production 1166

Economic policy
Economic summit conferences 1158
Unemployment 1157

Economic recession
Developing countries 680

Economic sanctions 203w
Apartheid 24
EC countries 24-5, 200w
Foreign policy 202-3w
Front line states 201w, 292-3, 300
Oil exports 441w
Redundancy 11w
South Africa 11w, 25-6, 163, 165, 199w, 200w, 201w, 205w, 287-8, 289, 290, 291-3, 295-6, 299-300, 440w, 525w, (14.07.86) 690-1, 848-9, 849-50, 850-1, 852, 860-1, 861-2, 863, 864-5, 866, 867, 1168-9, 1169-70
USSR 372-3w

Economic situation 1158
Industrial disputes 1167
Oil prices 1167, 1168-9

Economic summit conferences
Economic policy 1158

Economy
South Africa 165-6
Zimbabwe 205w

Edinburgh University 161
Research 161

Education
Cost per pupil 281w
Cost per student 281w
Population 157
Property transfer 158
Public expenditure 140-1w
Refugees 168w
Shropshire 157
West Cumbria 157

Education Act 1944 449w

Education & industry 1002-3

"Education & Training White Paper" 653w

Education (Grants & Awards) Act 1984 141w, 156

Education (No 2) Bill 1985/86 (07.07.86) 118
Rep & 3R (07.07.86) 136-41
Royal Assent (18.07.86) 1367

Education (School Premises) Regulations 1981 139-40w

Education Science & Arts Select Committee 517-8w
Student numbers 235w

Education support grants 141w, 156
Crime prevention 156
Lower attaining pupils 141w
Sports 156

Education welfare services 655-6w

Educational broadcasting
Vocational education (18.07.86) 1358-67

Educational equipment
Local government expenditure 127-8w

Educational finance 99w, (07.07.86) 136-41
Capital investment 656w
Educational publications 150, 151
Headteachers 150
Higher education 177-8w
Inflation 236w
National income 578-9w
Parental contributions 357w
Polytechnics 152-3, 398, 160
"Public Expenditure White Paper" 236w
Save Our Schools 1171
School administration 150
Schools 130w
Secondary education 130w

Educational institutions
Community development 153-4

Educational policy
Lower attaining pupils 143w

Educational publications
Copyright 151
Educational finance 150, 151
Expenditure 150, 300-2w
Schools & parents 150
Scotland 300-2w

Educational qualifications
Science Research Council 51-2w

Educational standards
Pupil-teacher ratios 140w

Edwards, Rt Hon Nicholas, *Secretary of State for Wales*
Questions
Agricultural products, Radioactivity 649w
Capitation allowances, Wales 350w
Caravan Sites Act 1968, Wales 348-9w
Defence contracts, Wales 3w
Gypsies, Wales 347-8w
Housing benefits, Wales 349w
Members correspondence, Welsh Office 349-50w, 613-4w
Microelectronics industry, Wales 613w
Public expenditure, Wales 349w
Sheep, Agricultural subsidies 228w
Sheep, Radioactivity 229-30w, 507w
Sheep, Wales 482w
Sheep meat, Radioactivity 3-4w
Sheep meat, Wales 611-2w, 612-3w
Welsh language, GCE A level 350w

"Effects of Local Authority Expenditure Policies on Education Provision in England, 1985" 126-7w

Efficiency scrutinies 513w
Prison staff 513w

Eggar, Mr Tim, *Parliamentary Under-Secretary of State for Foreign & Commonwealth Affairs*
Debates etc
British Council & Commonwealth Institute Superannuation Bill, Rem stages (16.07.86) 1143
Questions
Afghanistan, EC action 202w
Afghanistan, USSR 202w
Brazil, Landing rights 374w
British Council, Expenditure 604w
British Council, Government grants 604-6w
British Council, Security 371w
British Council, Western Europe 371w
British overseas citizenship 63w
Central America, Peace negotiations 208w
Chile, Foreign policy 208w
Chile, Violence 208w
China, Government securities 649w
Commonwealth, Operating costs 605w
Commonwealth, Overseas trade 526w
Commonwealth Institute, Financial management initiative 209-10w
Cyprus 204w
Cyprus, EC external relations 210w
El Salvador, Armed forces training 605w
Falkland Islands 202w
Falkland Islands, Census 373-4w
Falkland Islands, Fishery agreements 201-2w
Falkland Islands, Penguins 370-1w, 647w
Falkland Islands, Sea fishing 62w
Fleming, Juan Eduardo, Diplomatic immunity 63-4w
Fleming, Juan Eduardo, Diplomatic service 63w
Foreign & Commonwealth Office, Civil service manpower 65-6w
Gibraltar dockyard, Managing agents 568w
Gibraltar dockyard, Profits 568w
Guatemala, Diplomatic relations 604w
Immigration, Asian immigrants 205w
Members correspondence, Foreign & Commonwealth Office 372w
Ministers visits abroad, Foreign & Commonwealth Office 236w
Nepal, Christianity 205w
Official visits 372w
Portugal, Foreign policy 294
Portugal, Western European Union 294

Punjab, Human rights 206w
Refugees, Sri Lanka 567w
South Africa, British nationality 236-7w
Spain, Foreign policy 210w, 440w
Sri Lanka, Terrorism 207w
USA, Central America 209w
USSR, Frozen assets 439-40w
Waldheim, Kurt, Prisoners of war 370w
Waldheim, Kurt, War crimes 605-6w
Weizsacker, President, Official visits 208-9w
Zambia, Robinson, John 369w

El Salvador
Armed forces training 605w

Elderly
British Medical Association 161w
Health services 420-1w
Hypothermia 161w
Local government services 420-1w

Elders IXL 453w
Allied Lyons 453w

Elections
Northern Ireland 625w
Proof of identity 625w

Electoral systems
South Africa 847-8

Electrical safety
Imports 568w
Plugs & sockets 568w
Small businesses 568w

Electricity areas boards
Combined heat & power 24w
District heating 24w

Electricity generation
EC countries 572w
Electricity supply industry 24w
Hunterston A 238w
Light water reactors 24w
Tidal power 25w

Electricity supply industry
Coal 7
Electricity generation 24w
Privatisation 9-10

Electricity tariffs
South of Scotland Electricity Board 654w

Electronics industry
Government contracts 10w, 106w

Elgin Marbles 14-5

Emergency planning 309w, 310w, 638w
County councils 638w
Radioactivity 309w, 310w

Emergency powers
South Africa 199w

Emergency services 310w
Radiation hazards 310w

Emigration
USSR 203w

Employment 108-11w, 606w
Budget 609w
Coal mining 25w
Oil industry 25w
Personal income 405-6w
Rugby 357-8w
South Africa 188w

Employment agencies
Regional health authorities 72-4w

Employment bonds (08.07.86) 228-35

Employment discrimination
Civil service 539-40w
Dept of Trade & Industry 539-40w
Northern Ireland 81w, 192-3w, 365-6w, 366-7w
Northern Ireland civil service 85w

Employment level
EC countries 12-4w

Employment opportunities
Albert dock 481w
Glasgow 30w
Kent 668-9
Merseyside 1-2
Merseyside Development Corporation 481w
NCB (Enterprise) Ltd 113-4w
Pay settlements 163-4
Public expenditure 1162-3
Rutherglen 30w
Strategic defence initiative 90w
Tax allowances 1162-3
Tourist industry 527w

Employment schemes 112w
Derbyshire 357w
Environment protection (14.07.86) 683-9
Litter 632w, 662w
Local government reform 312w
Northern Ireland 192w
Take-up of employment 358w
Unemployment benefits 652-3w

Empty housing
Armed forces housing 524w

Energy
Coal 23w

Energy analysis
Companies 11
Gas tariffs 11

Energy conservation (09.07.86) 314-7

Energy Conservation Bill 1985/86
1R (09.07.86) 314-7

Energy costs
Hunterston B 654w
Longannet power station 654w
Torness power station 653w

Energy efficiency 5, 8, 26w, 518w
Contracts for services 6
Government departments 5
NHS 5-6
Palace of Westminster 5
Public sector 6

Energy Efficiency Year 8-9, 26w, 518w
Dept of Education & Science 518w

Energy research 387-8w
Alternative energy 386-8w
EC action 387-8w
Nuclear power 386-8w

English Industrial Estates Corporation
Finance 280w
Liverpool 541w
Liverpool Exchange station 542w
Merseyside 541w, 542w

English language
Lorry drivers 211w

Entry clearances
Foreign tourists 101w
Members correspondence 101w
Sports competitors 636w
Temporary immigrants 218-21w

Environment protection
Agriculture (08.07.86) 267-81
Employment schemes (14.07.86) 683-9

Environment Select Committee 397w
Transport of radioactive materials 397w

"Environment Select Committee on Radioactive Waste"
Radioactive Waste Management Advisory Committee 630w

Environmental impact assessment 395-6w, 400w, 570w, 668-9
Bypasses 395-6w
Channel tunnel 400w
Severn barrage 441w, 570w

Environmentally sensitive areas 256w, (08.07.86) 267-81

Equal opportunities officers
Civil service 17

Equal pay
Industrial tribunals 455-6w

"Error of Judgment" 512w

Essex Bill (HL) 1984/85
2R* (10.07.86) 429

Estate agents
Consumer protection 997
Convictions 997

Estimates days
EC budget (10.07.86) 461-503
Residential care (09.07.86) 318-57
Tourism (09.07.86) 358-98

Ethiopia
Overseas aid 678-9

Ethnic minorities
Drug squads 336-7w

Ethnic monitoring 496w
Armed forces 496w

EUREKA 535-6w, 640w, 996
Companies 996
International conferences 535-6w
Research finance 996-7
Support for innovation scheme 640w
Yugoslavia 640w

European Assembly
EC Presidency 371w
European Court of Justice 678

European Bureau for Lesser Spoken Languages 501w
Gaelic language 501w

European Coal & Steel Community 998
Subsidies 998-9
UK contributions 369-70w

European Communities (Amendment) Bill 1985/86
Rem stages (10.07.86) 504-72

European Council
Common agricultural policy 215-6w
Nuclear safety 216w
South Africa 206w

European Court of Justice
EC budget 678
European Assembly 678
Prime Minister visits abroad 100w

European Development Fund
Central America 681
Falkland Islands 288w

European Economic Community
Airport security 393w
Coal mining 4
Food surpluses 41-2w
Merchant ships 396w

European monetary system 607-8w

European Regional Development Fund 589w
Trafford 187w

European Security Conference 301
International conferences 297-8
USA 298-9

European Social Fund 589w
Merseyside 587w

Evans, Mr John
Questions
Agriculture, EC Presidency 259w
British Leyland, Privatisation 986
Coal, Imports 2-3, 303w
Dept of Health & Social Security local offices, St Helens 410w
Dept of Trade & Industry, Research finance 341w
Energy Efficiency Year 8-9
Government grants to local authorities, housing insulation 310w, 327-32w, 662w
Ministers visits abroad, South Africa 25
Nuclear weapons tests, Nevada 847
Supplementary benefits, St Helens 410w
Urban development corporations, Local government functions 662w

Evennett, Mr David
Questions
Africa, Disaster relief 167-8w
Defence contracts, New businesses 492w
Health 162

Hydrocarbon oil duties, Customs & Excise 609w
NHS finance, Bexley Health Authority 162w
Science & technology, Schools 529w
Teachers, Science education 140w
Time sharing, Consumer protection 9-10w

Evidence
Drinking & driving 664
Immigration controls 636-7w

Ewing, Mr Harry
Debates etc
Commonwealth Games, Standing Order No 10 applications (10.07.86) 460
Oral question time point of order (15.07.86) 859
Questions
Heath, Edward, Anniversaries & special occasions 166
Juries 308
Type 23 frigates, Defence contracts 858-9

Examinations
Avon 519-22w
Hampshire 521w
Wales 650w

Exceptional circumstances additions
Pensioners 666w

Exceptional needs payments 69-70w, 418w
Administrative delays 68-9w, 271-2w, 274w
Civil service manpower 273w
Departmental circulars 553w
Scotland 68-9w, 155w, 273-4w, 417-8w, 620w
Social security benefits rules 443-4

Executive officers 97w
Civil service recruitment 97w

Exercise Mallet Blow 430w
FB111 aircraft 248w, 430w
Military aircraft 90-1w, 430w

Exhaust emissions
Pollution control 96-7w

Exhibitions
Natural Environment Research Council 178w

Expert evidence
Forensic science 56w
Skuse, Frank 56w

Explosives
Fertilisers 625-6w
IRA 625-6w

Export controls
Iran 7-8w
Oil exports 192w
South Africa 453w
USA (15.07.86) 873-915

Export credit
South Africa 529w

Export Credits Guarantee Department
South Africa 569w

Export licensing
Drug industry 410-1w
Iran-Iraq war 7-8w

Export promotion
Expenditure 569w
South Africa 541w, 569w

Export subsidies
Belgium 106w
Trailers 106w

Exports
Cheese 260w, 307-8w
Textile industry 992
Textiles 341w
Trade competitiveness 1165-6
UK trade with EC 529w

Exservicemen
Visits 403w

Extradition
Republic of Ireland 486w

Eye tests 447w
Glaucoma 447w

Factory closures
Iron & steel industry 997-8
Royal ordnance factories 305w

Factory ships
Fishing vessels 197w

Fair Employment Agency
Appeals 366-7w
Companies 81w
Complaints 81w
Public sector 365-6w
Vocational organisations 366w

Fair Employment (Northern Ireland) Act 1976
Complaints 192-3w

Fairbairn, Mr Nicholas
Debates etc
Legal Aid (Scotland) Bill (HL), Rep & 3R (14.07.86) 775, 780-2, 783, 785, 786, 794-5, 796, 799, 803, 805-6, 808, 810, 816, 818-9, 821, 823-4

Falkirk
Supplementary benefits 409-10w

Falkland Islands 202w
Air routes 603w
Bomb disposal 845-6
Census 373-4w
European Development Fund 288w
Fishery agreements 201-2w
Fishing vessels 62w
Lead pollution 370-1w
Military aircraft 429w
Pay systems 842
Penguins 370-1w, 647w
Population 373-4w
Sea fishing 62w
Transport aircraft 374w
Virgin Atlantic 603w, 604w

Falkland Islands Development Corporation 508w

Fallon, Mr Michael
Debates etc
Manufacturing industries (07.07.86) 32, 68-70
UK 2000 (14.07.86) 688
Questions
Bilateral aid 508w
Bilateral aid, Commonwealth 508w
Commonwealth Games, Sports boycotts 862-3
EC Industry Council, Iron & steel 347w

Families
Low incomes 157w, 264w, 418w, 669-70w

"Family & Domestic Jurisdiction Consultation Paper" 318w

Family & youth concern 130w
Sex education 130w

Family credit 618-9w

Family doctors
Prescriptions 295-6w

Family income supplements 559w

Family law
Scotland 385-6w

Family Law (Scotland) Act 1985 385-6w

Farm incomes
Agricultural rates 195-6w

Farm rents 258-9w

Farmers
Agriculture 258w

Farms
Co-responsibility levy 40w, 434, 439
Forestry 254-5w
Industrial health & safety 259-60w
River pollution 196w
Schools 256w

Faroe Islands
Fish 595w, 659w
Fishery protection 585w
Imports 595w, 659w

Farr, Sir John
Debates etc
Control of Pesticides Regulations 1986 (16.07.86) 1116-7
Questions
Carpet industry, Unfair trading practices 340w
Clothing, Overseas trade 341w
Clothing, Turkey 540-1w
Clothing industry, Capital investment 189-90w
Clothing industry, Industrial production 189w
Export subsidies, Belgium 106w
Falkland Islands, Bomb disposal 845-6
Falkland Islands, Sea fishing 62w
Hosiery, Imports 340w
Mandela, Nelson, Prisoners release 303-4
Multifibre arrangement 531w
Multifibre arrangement, Balance of trade 340w
Multifibre arrangement, Developing countries 531w
Multifibre arrangement, Import quotas 531w
Multifibre arrangement, Redundancy 531w
Multifibre arrangement, USA 530-1w
Teachers, Industrial disputes 132-3w
Torpedoes, Defence procurement 165w
Zimbabwe, Economy 205w

Fast food
Food labelling 433

Fast reactors
Dounreay 113w
France 27-8w
Plutonium 113w
West Germany 27-8w

Fatchett, Mr Derek
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 740, 742, 756, 765-8
Questions
Business statement 458
Cereals, Co-responsibility levy 438-9
Competition, Defence procurement 344w
Cost per student, Polytechnics 152
Manufactured goods, Balance of trade 535w
Multifibre arrangement, Social Democratic Party 992
Polytechnics, National Advisory Body for Public Sector Higher Education 128w
Rented housing, Public sector housing 322w
Rented housing, Young people 322-3w
Royal ordnance factories, Leeds 427w
South Africa, Economic sanctions 201w
Teachers, Professional qualifications 354w
Unemployment, Taxation 608w

Fats
Food labelling 253w

Faulds, Mr Andrew
Debates etc
Heads of state (09.07.86) 312
Questions
Business statement 453
Middle East, Peace negotiations 302
Royal Greenwich Observatory 159
Supplementary benefits, Warley 559w

Favell, Mr Tony
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1253, 1264
Manufacturing industries (07.07.86) 50
Questions
Early warning systems, Costs 492-3w
National Bus Company, Privatisation 459w
Nimrod aircraft, Early warning systems 843
Police authorities, Local government reform 566w
Prime Minister official engagements 585w
Unemployment, Income tax 583w

FB111 aircraft 64-5w
Arms control treaties 64-5w
Exercise Mallet Blow 248w, 430w
NATO 64-5w

Fees & charges
British Gas Corporation 245-6w
Dog licences 548w
Fiction 15-6
Firearms certificates 62w
Home helps 69w
Industrial tribunals 455w
Libraries 16
London marathon 548w
Managing agents 568w
Public libraries 15-6, 86w
School buildings 153-4
Shipping 394w

Felixstowe Dock & Railway Bill 1984/85
Order for consideration read (10.07.86) 429, (17.07.86) 1155
Rep (14.07.86) 734-70, (15.07.86) 916-52

Fenner, Mrs Peggy, *Parliamentary Secretary for Agriculture, Fisheries and Food*
Debates etc
Agricultural production (08.07.86) 267-71, 279-81
Agriculture (14.07.86) 696-702, 732-3
Control of Pesticides Regulations 1986 (16.07.86) 1107-12, 1125-7
Horticulture, Lea valley (07.07.86) 145-8
Questions
Agricultural land, Planning permission 260w
Agricultural production, EC countries 42w
Agricultural rates, Farm incomes 195-6w
Agriculture, Acid rain 258w
Agriculture, Private sector borrowing 255w
Agriculture, Subsidence 435
Cattle diseases 364w
Dairy farming, Production quotas 436-7
Environmentally sensitive areas 256w
Farm rents 258-9w
Farms, Industrial health & safety 259-60w
Fish, Self-sufficiency 436
Food, Self-sufficiency 435
Food Advisory Committee, Commercial secrets 197w
Food Advisory Committee, Disclosure of information 196-7w
Food Advisory Committee, Official secrets Acts 197w
Food Advisory Committee, Public appointments 197w
Food & Environment Protection Act 1985 257w
Food From Britain, Self-sufficiency 436
Food From Britain, Womens Farming Union 436
Food imports, South Africa 435-6
Food labelling 432-3
Food labelling, Fats 253w
Food labelling, Health foods 433
Food labelling, Processed food 433
Food labelling, Sugar 433
Food prices, Price increases 252w
Food standards 258w
Food standards, Retail trade 106w
Forestry, Farms 254-5w
Frozen food, "EC Draft 9402/84" 106-7w
Game, Radioactivity 560w
Green pound, Retail price index 438w
Hedges & ditches, Government grants 595w, 658w
Irradiated food 255w
Milk, Production 261w
Ministry of Agriculture, Fisheries & Food, Consumer protection 257w
Nature conservation 365w
Pigmeat, Imports 307w
Rhubarb, Imports 259w
River pollution, Farms 196w

Ferries
Shipbuilding 1001

Fertilisers
Explosives 625-6w

Festivals & special occasions
Gardens 238w

Fiction
Fees & charges 15-6

Field, Mr Frank
Debates etc
Residential care (09.07.86) 322, 324, 328-9, 339, 341, 345, 347-9, 356
Questions
Dept of Health & Social Security local offices, Birkenhead 157w
Drinking & driving, Departmental coordination 672
Firearms certificates, Fees & charges 62w
Firearms certificates, Income 567w
Ministers visits abroad, South Africa 26
Office of Population Censuses & Surveys, Inquiries 319-20w
Office of Population Censuses & Surveys, Statistics 319w
Social security recipients, Northern Ireland 616-7w
South Africa, Codes of practice 200-1w
South Africa, UK companies abroad 7w, 225-6w
Unemployed, Availability for work 361-2w
Unemployed, Community programme 362w
Unemployment benefits, Liverpool 418w

Fields, Mr Terry
Questions
Customs officers, Liverpool 435-6w

Finance Act 1973 (08.07.86) 171

Finance Act 1985 (08.07.86) **171**

Finance Bill 1985/86 (07.07.86) 141
Rep (08.07.86) 172-262
Rep & 3R (17.07.86) 1198-1312

Financial management initiative 78w
Commonwealth Institute 209-10w
Government departments 78w

Fine defaulters
Custodial treatment 58w
Prison sentences 58w

Fines
Dogs 298w
Litter 104w

Finsberg Sir Geoffrey
Questions
Cycling, Highway Code 667-8
Owner occupied housing, Greater London 33-4w

Finsbury Park
Racial harassment 635-6w

Fire prevention
Furniture 10w, 454w, 987

Fire resistant materials 227w
Mattresses 227w

Fire services
East Ham 54w, 55w
Greater London 54-5w

Firearms 566w

Firearms certificates
Administrative costs 567w
Costs 103w
Fees & charges 62w
Income 62w, 567w

Fireworks (Safety) Regulations 1986 (07.07.86) 26

Firing ranges 493w, 836

Fish
Death 629-30w
Faroe Islands 595w, 659w
Food contamination 459w
Iceland 595w, 659-60w
Liverpool Bay 365w
Mercury pollution 365w
Norway 595w, 659-60w
Self-sufficiency 436

Fish farming
River pollution 196w
Water pollution 275-6w

Fish products 659-60w

Fishburn coke works (16.07.86) 1010
Standing Order No 10 applications (16.07.86) 1010

Fisher, Mr Mark
Questions
Birkbeck College 130w
Interest rates 561w
Manufactured goods, Confederation of British Industry 534w
Mentally handicapped, Mental health community care 669w
South Africa, Emergency powers 199w
Wildlife & Countryside Act 1981, Management agreements 278w

Fisheries
EC Presidency 259w

Fishery agreements
Falkland Islands 201-2w
North Atlantic Fisheries Organisation 658w

Fishery protection
Faroe Islands 585w

Fishery protection vessels 585w

Fishing crews
Navigational aids 248w

Fishing gear
EC action 250-1w

Fishing quotas
Herring 252w

Fishing vessels
Factory ships 197w
Falkland Islands 62w
Government assistance to industry 253w
Sea Fish Industry Authority 253w

Fixed assets 608w
Public sector assets 608w

Flannery, Mr Martin
Questions
Armed forces training, South Africa 837
HM Inspectorate of Schools, Local government expenditure 127w
Intervention stocks, South Yorkshire 258w
Iron & steel industry, Factory closures 997-8
Polytechnics, Student numbers 151-2
South Africa, Economic sanctions 201w

Flats
Right to buy 628w

Flecknoe
Prime Minister domestic visits 215w

Fleming, Juan Eduardo 63-4w
Diplomatic immunity 63-4w
Diplomatic service 63w

Foam
Furniture 10w

Food
Irradiation 261w
Radioactivity 252w
Self-sufficiency 435

Food Advisory Committee 196-7w
British Library 197w
Commercial secrets 197w
Disclosure of information 196-7w
Official Secrets Acts 197w
Public appointments 197w

Food aid from EC
Agricultural surpluses 440

Food & Drugs Administration (USA) 268w

Food & Environment Protection Act 1985 257w

Food contamination
Fish 459w
Radioactivity 657-8w

Food from Britain
Self-sufficiency 436
Supermarkets 436
Womens Farming Union 436

Food imports
South Africa 435-6

Food labelling 432-3
Fast food 433
Fats 253w
Health foods 433
Processed food 433
Sugar 433

Food poisoning
Contract catering 295w
Hospitals 295w

Food prices
Green pound 438w
Price increases 252w

Food Protection (Emergency Prohibitions) Order 1986 385w

Food standards 258w
Date marking 106w
Retail trade 106w

Food surpluses
Butter 41-2w, 254w
Cereals 256-7w
European Economic Community 41-2w

Foot, Rt Hon Michael
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 965-6
European Communities (Amendment) Bill, Rem stages (10.07.86) 510, 564-5
Questions
Business statement 1177
Lorry drivers, Working hours 665

Football
Hooliganism 584-5w

Football Association 584w

Football League 584w

Foreign aid
Developing countries 679
Industry 369w

Foreign & Commonwealth Office
Civil service manpower 65-6w
Members correspondence 372w
Ministers visits abroad 236w

Foreign companies in UK
Drug industry 73w

Foreign forces
Driving licences 426w

Foreign investment
Local government 609w

Foreign investment in UK
Drug industry 73w
General Motors 986
USA 529-30w

Foreign policy
Chile 208w
Economic sanctions 202-3w
Ghana 124w
Terrorism 295
India 838
Romania 202w
Portugal 294
South Africa 123w, 199w, 201w, 292, (10.07.86) 460, 585w, 850-1
Spain 210w, 440w
USA 302
USSR 647w
West Germany 208-9w
Western Sahara 373w

Foreign tourists
Entry clearances 101w
Immigration appeals 101-2w
Immigration controls 102w
Police detention 102w

Forensic science
Bombings 512w
Expert evidence 56w

Forestry
Farms 254-5w

Forestry Bill 1985/86
Royal assent (08.07.86) 149

Forestry Commission
Public appointments 382-4w

Forman, Mr Nigel
Debates etc
EC budget (11.07.86) 620
Metropolitan Police (11.07.86) 595, 630-2
UK 2000 (14.07.86) 688
Questions
Central America, European Development Fund 681
Higher education, Postgraduate students 44w
Higher education, School leaving 44-6w
Higher education, Student numbers 137-8w
Nationalised industries, Procurement 8w
Profit sharing, Pay incentives 432w
Unemployment, Taxation 1157-8
Universities, Student numbers 134-6w

Forrester, Mr John
Questions
School buildings, Kidsgrove 52w
Slum clearance, Stoke-on-Trent 39w

Forsyth, Mr Michael
Debates etc
Finance Bill, Rep (08.07.86) 222-4, 227
Questions
Commonwealth Games, Sports boycotts 863
Discounts, Prices 994
Higher education, School leaving 142w

Forth, Mr Eric
Debates etc
EC budget (10.07.86) 464-5, 476
European Communities (Amendment) Bill, Rem stages (10.07.86) 510-2
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1372, 1384-8
Open College (18.07.86) 1366
Questions
Commonwealth Games, Sports boycotts 864
EUREKA, International conferences 535-6w
NHS, Contracts for services 406w
Profit sharing 1160-1

Foulkes, Mr George
Debates etc
European Communities (Amendment) Bill, rem stages (10.07.86) 524-5, 535-7, 540, 566-8
Higher education, Scotland (17.07.86) 1196-7
Questions
Chapelcross power station, Licensing 174w
Chapelcross power station, Nuclear Installations Inspectorate 174w
Chapelcross power station, Plutonium 174w
Chile, Violence 208w
Commonwealth Games 867
El Salvador, Armed forces training 605w
Gvatemala, Diplomatic relations 604w
Money supply 438w
"Paying for Local Government Consultation Paper", Scotland 174w
Sterling M3 80w
Warships, Defence contracts 493w

Fowler, Rt Hon Norman, *Secretary of State for Social Services*
Questions
Invalid care allowances, Married woman 172-3w
Members correspondence, Dept of Health & Social Security local offices 419w
Members correspondence, Latham, FM 270w
Powers of entry, Dept of Health & Social Security 615w
Smith, Irene, Members correspondence 420w
Teaching hospitals, Greater London 665-6w

France
Carpet industry 340w
Fast reactors 27-8w
South Africa 845

Franks, Mr Cecil
Questions
Business statement 451-2
Dalton-in-Furness 211w
Planning appeals, Cumbria 630w
Trident submarines, Defence contracts 494w
Vickers Shipbuilding & Engineering, India 838

Fraser, Mr John
Debates etc
Metropolitan Police (11.07.86) 637-9
Questions
Compulsory purchase, Multiple occupation 548w
Entry clearances, Sports competitors 636w
Homicide, Brixton 637w
Housing benefits, Lambeth 405w
Legal aid, Administrative delays 100-1w
Legal aid & advice, Expenditure 507w
Rate rebates, Lambeth 75w

Fraser, Mr Peter, *Solicitor-General for Scotland*
Questions
Dogs, Liability for animals 454w
Gaelic language, Scottish courts 454w
Gaelic language, Solicitor-General for Scotland 455w

Fraud
City of London 511w
Criminal investigation 100w, 486-7w
Institute of Chartered Accountants 486-7w
Lloyds of London 676-7
Police 511w
Prosecutions 676-7
Scotland 554w

Free ports
Liverpool 564w
VAT 608w

Free school meals
Charities 1159

Freeman, Mr Roger, *Under-Secretary of State for the Armed Forces*
Questions
Air force reserves 842, 843
Armed forces 842-3
Armed forces, Dismissal 306w
Armed forces discharges, Homosexuality 305-6w
Armed forces housing, North Yorkshire 524w
Armed forces pensions, Prisoners 247-8w
Armed forces retirement 841
Armed forces training, South Africa 837
Army, Racial discrimination 491w, 842
Dartmoor national park, Willsworthy shooting range 836-7
Defence land, Wales 427-8w
Drug abuse, Armed forces 495-6w
Ethnic monitoring, Armed forces 496w
Falkland Islands, Pay systems 842
Helicopters, Coastguard 425-6w
Home Service Force 840-1
Home Service Force, Civil defence 491-2w
Home Service Force, Helicopters 841
Home Service Force, Manpower 840
Home Service Force, Rifles 841
Household Cavalry, Racial discrimination 248w
Military vehicles, Driving licences 426w
Navy, Warships 841-2
RAF Cottesmore, Noise pollution 839-40
Virgin Atlantic Challenger, Air force flying 304w

Virgin Atlantic Challenger, Nimrod aircraft 7w, 92w
Waldheim, Kurt, Prisoners of war 427w
Wilisworthy shooting range, Construction 493w
Willsworthy shooting range, Dartmoor national park 836-7
Winston Barracks 429w
Woolwich Arsenal, Air force 497w

Freight Rover 532w
Leyland Vehicles 532w

Freud, Mr Clement
Questions
Adult education, Dept of Education & Science 235w
Bypasses, Planning permission 395-6w
Cereals, Co-responsibility levy 253w
Cost per student 236w
Educational finance, Inflation 236w
Educational publications, Schools & parents 150
Hedgehogs, Nature conservation 94w
Mathematics education, Teachers 155
Open University, Student numbers 134w
Public libraries, Fees & charges 16
School leaving, Young people 235w
Student numbers, Education Science & Arts Select Committee 235w
Sub post offices 535w

Frigates
Defence contracts 494w
Pakistan 493-4w, 837-8
Shipbuilding 1002

Front line states
Commonwealth Games 1171-2
Economic sanctions 201w, 292-3, 300
Overseas aid 368w, 441, 682
South Africa 682

Frozen assets
Compensation 439-40w
USSR 439-40w

Frozen food
EC Draft 9402/84 106-7w

Functions of Traffic Wardens (Amendment) Order 1986 (10.07.86) 573

Furniture
Codes of practice 986-7
Fire prevention 10w, 454w, 987
Foam 10w
Polyurethane foam 454w
Retail trade 986-7

Further education
Derbyshire 353w
Hampshire 521w
HM Inspectorate of Schools 125w
Student grants 43w

Further education colleges 550-2w, 620-4w
Northern Ireland 550-2w, 620-4w
Youth training programme 551-2w

Further education teachers 356w
Northern Ireland 620-2w, 623w
Overtime 550-2w
Pay 355w
Youth training programme 623w

"Future Strategy for Higher Education in Scotland" (17.07.86) 1187-97

F19 aircraft 426w
Air force bases 426w
RAF Mildenhall 426w

F111 aircraft 215w, 430w
Disclosure of information 215w
Exercise Mallet Blow 430w
Libyan Arab Republic 215w

Gaelic language
Census of population 500w
Civil servants 500w
Data Protection Act 1984 487w
Departmental publications 441w, 447w, 455w, 457w, 459w, 487w, 499w,, 502w, 610w
Dept of Employment 457w
Dept of Energy 441w
Dept of Health & Social Security 447w
Dept of Transport 459w
European Bureau for Lesser Spoken Languages 501w
Government grants 499w, 500w
Home Office 487w
Press releases 500-1w
Registration of births deaths & marriages 501w
Scottish courts 454w
Scottish Office 499w, 500-1w
Solicitor-General for Scotland 455w
Treasury 502w, 610w

Gale, Mr Roger
Debates etc
Channel tunnel, Roads (17.07.86) 1321

Galley, Mr Roy
Debates etc
Residential care (09.07.86) 331-4
Questions
Construction Industry Training Board 456w
Energy efficiency 26w
Motorways, Road safety 399w
Regional planning & development, Northern region 529w

Game
Radioactivity 379-80w, 560w

Gandhi, Rajiv
Commonwealth Games 863

Garages & petrol stations
Office of Fair Trading 345-6w

Gardens
Festivals & special occasions 238w
Scottish Development Agency 238w

Gardiner, Mr George
Debates etc
East Surrey Health Authority (17.07.86) 1332-5
Questions
M25, Road traffic 250w
Road accidents, Transport of hazardous materials 566-7w, 587w, 594-5w

Garrett, Mr Ted
Questions
Type 23 frigates, Defence contracts 854-5

Gas explosions
British Gas Corporation 28w
Rutherglen 28w

Gas gathering
Iron & steel industry 999

Gas levy 25w

Gas supply industry
Codes of practice 12
Connection charges 12

Gas tariffs 11
British Gas Corporation 26w
Energy analysis 11
Privatisation 11

Gateshead
Community programme 187w

Gays the Word 79w, 80w, 437-8w
Books 437-8w
Compensation 80w
Customs & Excise 79w, 80w, 437-8w
Legal costs 79w
Prosecutions 79w, 80w

GCE A level 282w
Welsh language 350w

GCE O Level
School leaving certificates 46-8w

GEC
Mergers 569w
Plessey 569w

General Certificate of Secondary Education 131w
Curriculum 132w
Local education authorities 132w
Norfolk County Council 132w
Teacher training 131-2w

General Motors
Dept of Trade & Industry 995
Foreign investment in UK 986

Gentleman, Brian 347w, 678
Civil servants 347w
Dept of Trade & Industry 347w
Official Secrets Acts 678

Geology
Radioactive waste disposal 308w

George, Mr Bruce
Questions
Defence procurement, VAT 523-4w
Further education, HM Inspectorate of Schools 125w
Martial arts, Weapons 222-3w
Martial arts weapons, Convictions 223w
VAT, Defence equipment 294w

Geriatric patients
Residential care 170-1w

Geriatrics
Medical education 236w
Wellfield Hospital 555w

German measles 159w, 160-1w

Ghana
Foreign policy 124w
Human rights 646-7w
Overseas aid 368w

Gibraltar dockyard 568w, 603w
Costs 603w
Managing agents 568w
Operating costs 603w
Profits 568w
Royal fleet auxiliary 603w
Shipbuilding 603w

Glasgow
Dept of Health & Social Security local offices 270-2w
Employment opportunities 30w
Hospital waiting lists 242-3w
Passport Office 337w
Redundancy 30w
Supplementary benefits 409-10w, 447-8w

Glasgow University 133w
Ministers domestic visits 133w

Glaucoma
Eye tests 447w

Glyn, Dr Alan
Questions
China, Government securities 649w
Defence procurement, Mergers 92w
Electronics industry, Government contracts 10w, 106w
Heathrow, Airports 661-2w
Mergers, National security 345w

Godman, Dr Norman A
Debates etc
High technology (15.07.86) 874, 896-8
Higher education, Scotland (17.07.86) 1193
Legal Aid (Scotland) Bill (HL), Rep & 3R (14.07.86) 781
Poverty, Elderly (16.07.86) 1069, 1076-7, 1081, 1090-1
Tourism (09.07.86) 362, 367, 377-81
UK 2000 (14.07.86) 687
Questions
Angola, Arms embargoes 204w
Business statement 456-7, 1180
Colleges of eduation, Scotland 300w
Common fisheries policy 41w
Conductive education, Scotland 300w
Educational publications, Scotland 300-2w
Faroe Islands, Fishery protection 585w
Faroe Islands, Imports 595w
Fish, Faroe Islands 659w
Fish, Iceland 595w, 659-60w
Fish, Self-sufficiency 436
Fishing gear, EC action 250-1w
Housing & elderly, Scotland 299-300w
Leisure, Scotland 501w

Prime Minister domestic visits, Strathclyde 215w
School buildings, Scotland 299w
School closures, Scotland 299w
Severe weather payments, Wales 668w
Student numbers, Planning 300w
Supplementary benefits, Greenock 617w
Teachers, Scotland 298-9w

Golf
Occombe 629w
Sports facilities 629w

Goodhart, Sir Philip
Debates etc
Metropolitan Police (11.07.86) 627-8

Goodlad, Mr Alastair, *Under-Secretary of State for Energy*
Questions
Coal fired power stations, Power station closures 246w
Coal fired power stations, Radioactivity 570w
Electricity generation, EC countries 572w
Electricity generation, Electricity supply industry 24w
Electricity generation, Light water reactors 24w
Electricity supply industry, Privatisation 9-10
Fast reactors, Dounreay 113w
Fast reactors, France 27-8w
Fast reactors, West Germany 27-8w
Magnox reactors, Corrosion 26-7w
Magnox reactors, Nuclear safety 27w, 28w, 442w
Nuclear accidents, Disclosure of information 386w
Nuclear accidents, Kyshtym 386w
Nuclear accidents, Nuclear power stations 389-90w
Nuclear accidents, Sellafield 570w
Nuclear accidents, USSR 389w
Nuclear fuels, Transport of radioactive materials 570w
Nuclear Installations Inspectorate, Manpower 12-3
Nuclear power, Defence 389w
Nuclear power stations 27w
Nuclear safety 13
Oil fired power stations, Central Electricity Generating Board 26w
Plutonium, Nuclear safeguards 388w
Sellafield, Public access 389w
Uranium, Wylfa power station 245w

Gould, Mr Bryan
Debates etc
Patents Designs & Marks Bill (HL) (08.07.86) 263-4
Questions
Multifibre arrangement, EC action 992-3

Gould, Lawrence 278w

Govan
Supplementary benefits 447-8w

Government assistance to industry
Fishing vessels 253w
Health 540w
Rolls-Royce Aeroengines 226w
Small businesses 29w
Tourist industry (09.07.86) 358-98
Vickers Shipbuilding & Engineering 639w

Government Communications Headquarters
Marychurch, Sir Peter 237w
Trade union membership 17, 18
Trade unions 456w

Government contracts
Electronics industry 10w, 106w

Government departments
Accountants 88-9w
Consultants 333-4w
Energy efficiency 5
Financial management initiative 78w
Public expenditure 5-6w
Quota of handicapped workers 441w

Government grants
Body Positive 72w
British Council 371w, 604-6w
British Geological Survey 40w
Commission for Racial Equality 512w
Gaelic language 499w, 500w
Hedges & ditches 595w, 658w
Open University 134w
Railway industry 315w
Science & technology research 527w
Science Research Council 523w
Welsh plant breeding station 178w
West Midlands Passenger Transport Executive 312w

Government grants to local authorities
Capital investment (14.07.86) 826-34
Greater London Council 311w, 548-9w
Housing insulation 310w, 327-32w, 662w
London Residuary Body 548-9w

Government grants to voluntary organisations
Citizens advice bureaux 535w
National Agency on Alcohol Misuse 415w
Workers Educational Association 49w

Government loans
New towns 542-7w

Government securities
China 649w

Gow, Mr Ian
Debates etc
Channel tunnel, Roads (17.07.86) 1314-5
EC budget (10.07.86) 463, 465-6, 470
European Communities (Amendment) Bill, Rem stages (10.07.86) 505
Finance Bill, Rep & 3R (17.07.86) 1254, 1258, 1295
New towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1343, 1344, 1346, 1347, 1349-50, 1369-70, 1371-80, 1382, 1383, 1386
Questions
Foreign policy, Terrorism 295
Royal Greenwich Observatory 159-60
Royal Ulster Constabulary, Public order policing 1005
Trade union elections 18
Unemployment, Public expenditure 1163

Graduates
Computers 43-4w
Industry 129w
Information technology 43-4w
Mathematics education 451-2w
Recruitment 129w
School teachers 451-2w

Grammar schools 145w

Grant, Sir Anthony
Questions
Business statement 450
Export Credits Guarantee Department, South Africa 569w
Export promotion, South Africa 569w
Overseas trade, South Africa 569w
Subversion, Civil service 18

Grass
Radioactivity 252w

Greater Glasgow Health Board 497-9w
NHS finance 497-9w

Greater London
Air traffic 249w
Airships 660w
Ambulance services 559-60w
Bus lanes 314w, 400w
Bus services 314w, 673-4
Buses 313w
Caravans 34w
Clearing banks 431w
Council housing 39-40w
Cycleways 668
Fire services 54-5w
Homelessness 33w, 663w
Lorry routes 314w, 400w
NHS finance 413w
One man buses 673
Owner occupied housing 33-4w
Pedestrian crossings 315-6w
Public order offences 56-7w
Road traffic 564w
Road traffic control 339w
Teaching hospitals 665-6w

Greater London Council
Bicycles 668
Government grants to local authorities 311w, 548-9w
London Residuary Body 310-1w
Seaside & country homes scheme 312w, 332w

Greater Manchester
Ambulance services 445-6w

Greater Manchester Passenger Transport Executive 661w
Finance 661w

Greece
Cement 342w, 627w

Green pound
Food prices 438w
Retail price index 438w

Greenbelt
Hertfordshire 308w
Planning permission 33w, 308w

Greenock
Dept of Health & Social Security local offices 617w
Supplementary benefits 617w

Greenway, Mr Harry
Questions
Airports Act 1986 563w
British Gas Corporation, Privatisation 10
Defence expenditure, USSR 425w
Education support grants, Sports 156
Greyhound racing, Management 343w
Lead free petrol, Indirect taxation 431-2w
Legal aid, Expenditure 318w
Local authorities, Loans 312w
Local government, Foreign investment 609w
Microcomputers, Computers in schools 189w
National Museums & Galleries Act 1964 86w
Primary education, Cost per pupil 144-5w
Prime Minister official engagements 218w, 479w
Railway travel, British Rail 402w
School teachers, Mathematics education 176w
South Africa, Foreign policy 292
Speaker, Charities 985-6

Gregory, Mr Conal
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 956, 962-3
Members allowances (16.07.86) 1138
Questions
Bypasses, Road mileage 395w
Lorry drivers, Working hours 665
Product liability, Agricultural products 532w

Greyhound racing 343w
Management 343w

Griffiths, Sir Eldon
Debates etc
Control of Pesticides Regulations 1986 (16.07.86) 1109, 1117, 1119-21
Felixstowe Dock & Railway Bill, Rep, (14.07.86) 739, 741-7, 754, 759, 764, 768, (15.07.86) 917, 923, 929, 931-6, 940-1, 945, 949, 952
Questions
A45, Road works 1w
Business statement 452-3
Bypasses, Private investment 249w
Police, Custody officers 103w
Royal Ulster Constabulary, Public order policing 1007
VAT, Horses 293w

Griffiths, Mr Peter
Questions
Type 23 frigates, Defence contracts 855

Gruinard Island 494w
Transport of hazardous materials 494w

Grylls, Mr Michael
Questions
Drug industry, Treaties 296-7w
Drugs, Quality control 268w
Drugs, Treaties 556w
Medicines Inspectorate, Civil service manpower 76w, 410-1w
Medicines Inspectorate, Companies 170w
Medicines Inspectorate, Manpower 446w
Pharmacists, Civil servants 161-2w

Guatemala
Diplomatic relations 604w

Guillotine (10.07.86) 542

Gujerat
Overseas aid 681-2

Gummer, Rt Hon John Selwyn, *Minister of State for Agriculture, Fisheries and Food*
Questions
Agricultural surpluses, Intervention stocks 365w
Beef & veal, Animal breeding 257w
Butter, Food surpluses 41-2w, 254w
Butter, Intervention stocks 254w
Butter, New Zealand 657w
Cereals, Co-responsibility levy 40-1w, 253w
Cereals, Food surpluses 256-7w
Cheese, Exports 260w, 307-8w
Common fisheries policy 41w
EC Agricultural Council 560-1w
Faroe Islands, Imports 595w
Fish, Faroe Islands 659w
Fish, Food contamination 459w
Fish, Iceland 595w, 659-60w
Fish, Liverpool bay 365w
Fishing gear, EC action 250-1w
Fishing vessels, Factory ships 197w
Food surpluses, European Economic Community 42w
Herring, Norway 252w
Intervention stocks 596-602w
Milk, Production quotas 255-6w, 259w
River pollution, Fish farming 196w
Sea Fish Industry Authority, Fishing vessels 253w
Sheep, Markets 251w
Sheep, Prices 251w
Sheep meat, Retail trade 440
Sugar beet 253-4w
Trade barriers, EC internal trade 41-3w

Gurkhas 492w

Gwynedd
Second homes 3w

Gynaecology
Hospital admissions 70w

Gypsies
Wales 347-8w

Habitual offenders
Homicide 488w

Hall, Peter 14

Hamilton, Mr James
Questions
British Steel Corporation, Clydesdale 998
Falkland Islands, Fishery agreements 201-2w

Hamilton, Mr Neil
Questions
Coal mining, Private sector 3-4
Inflation 606w
Pharmacists 669w
Retail Price Index Advisory Committee 457w
Unemployment, Public expenditure 1156

Hamilton, Mr Willie W
Debates etc
Open College (18.07.86) 1361
Questions
Business statement 1183
Commonwealth Games 864-5
Ministers visits abroad, South Africa 200w

Hampshire
Bus services 402w
Examinations 521w
Further education 521w
Higher education 521w
Hippies 224w
News International 164
Public order policing 224w
Pupil-teacher ratios 656-7w
School leaving certificates 581-4w
School population 521w
Teachers 521w

Hampson, Dr Keith
Debates etc
Manufacturing industries (07.07.86) 48, 55-8, 61
Questions
Teachers, Pay 580-2w
Vickers Shipbuilding & Engineering, Government assistance to industry 639w

Hancock, Mr Michael
Questions
Armed forces, Dismissal 306w
Armed forces discharges, Homosexuality 305-6w
Balnave, Captain, War pensions 171w, 449w
Breast cancer, Screening 171w
British Council, Security 371w
British Council, Western Europe 371w
GCE A level 282w
Life imprisonment, Prison population 487-8w
Life imprisonment, Release on licence 488w
Local government reform, Employment schemes 312w
Overseas trade, Commonwealth 640w
South Africa, Commonwealth 638w, 648w
Strategic defence initiative 280w
Teachers, Pay 656w
Technical & vocational education initiative, Finance 291w
Wormwood Scrubs, Catering 104w, 184-5w

Handicap benefits
Costs 419w

Handicapped
Age allowances 403w
Health services 239w
Prisoners 103w
Publicity 416-7w
Scotland 380w
Scottish health boards 239w, 242w
Unemployment 588-9w

Handicapped children
Conductive education 300w
Day nurseries 239w
Scottish health boards 239w, 242w

Handicapped drivers
Advisory services 672-3
Orange badge scheme 122w, 673

Handicapped students
Vocational education 526w

Handicapped workers
Building alterations (08.07.86) 205-18
Civil servants 441w
Companies 457w
Disablement schemes 292w

Hanley, Mr Jeremy
Debates etc
Air Navigation (Noise Certification) Order 1986 (17.07.86) 1331, 1332
Channel tunnel, Roads (17.07.86) 1316
Control of Pesticides Regulations 1986 (16.07.86) 1118
European Communities (Amendment) Bill, Rem stages (10.07.86) 556
Finance Bill, Rep (08.07.86) 179, 244-5, 249, 250
Finance Bill, Rep & 3R (17.07.86) 1244, 1258, 1260-1, 1263, 1268
Questions
Economic sanctions 203w
Historic Buildings & Monuments Commission, Finance 482w
Sadlers Wells Theatre, Arts finance 86w
South Africa, Overseas aid 441
USSR, Frozen assets 439-40w

Hannam, Mr John
Questions
Food prices, Price increases 252w
Gas tariffs 11
Legionnaires disease, Death 665w
Legionnaires disease, Disease control 615w, 616w
Legionnaires disease, Notifiable diseases 554w
Legionnaires disease, Pneumonia 665w

Harborough Magna
Prime Minister domestic visits 583w

Hardy, Mr Peter
Debates etc
Felixstowe Dock & Railway Bill, Rep (15.07.86) 934, 940-3
Oral question time intervention (07.07.86) 5
Questions
British Gas Corporation, Privatisation 245-6w
Bus services, Transport subsidies 393-4w
Business statement 451
Cereals, Food surpluses 256w
Coal, Imports 7
Discounts, Retail trade 993-4
Driving tests, Members correspondence 666
Educational publications, Expenditure 150
Nuclear Installations Inspectorate, Manpower 12-3
South Africa, Economic sanctions 287-8
Wildlife & Countryside Act 1981, Licensing 324-5w

Hargreaves, Mr Ken
Debates
Medical research, Babies (11.07.86) 658-9

Haringey
Body searches 223w
Police stations 223w

Harland & Wolff
Royal fleet auxiliary 164, 838

Harman, Ms Harriet
Questions
Carter Street police station, Disciplinary proceedings 224-5w
Marsland, Lynne, Holloway Prison 61-2w, 337w, 338w
Supplementary benefits, Stoke-on-Trent 268-9w
Under-fives initiative 269w, 270w

Harmonisation of legislation
EC law 64w
Product liability 533w
Road transport workers (15.07.86) 953-75

Harris, Mr David
Debates etc
Agricultural production (08.07.86) 275-6, 280
Agriculture (14.07.86) 701, 703
Tin (07.07.86) 77, 93-4, 95
Questions
Members allowances 1169

Harrison, Rt Hon Walter
Questions
M1, Road signs 398w

Harrogate Bogs Field etc Bill (HL) 1985/86
Royal assent (08.07.86) 149

Hart, Rt Hon Dame Judith
Debates etc
South Africa (16.07.86) 1027-30
Questions
South Africa, Overseas students 368w
Winston Barracks 429w

Hatfield
Howe Dell School 523w

Hattersley, Rt Hon Roy
Questions
British Gas Corporation, Shares 1165
Low pay, Tax burden 1160

Havers, Rt Hon Sir Michael, *Attorney-General*
Questions
Barristers, Pay 677-8
Bothwell, Commander, Trials 318w
Bristow, Alan, Honours 215w
Bristow, Alan, Westland helicopters 318w
Civil & Public Services Association, Trade union elections 507-8w
Crown Prosecution Service, House of Commons questions 677
Damages, County courts 17w
Damages, High Court 17w
Duty solicitors, Pay 17w
EC budget, European Court of Justice 678
"Family & Domestic Jurisdiction Consultation Paper" 318w
Fraud, Criminal investigation 100w
Judicial review 650w
Legal aid 16w
Legal aid, Administration delays 15-6w, 100-1w, 318w
Legal aid, Expenditure 318w
Legal aid, Matrimonial proceedings 317-8w
Legal aid & advice, Expenditure 507w
Lloyds of London, Fraud 676-7
Matrimonial & Family Proceedings Act 1984 565w
Nunan, Manus, Recorders 317w
Official Secrets Acts, Prosecutions 678
Peter Cameron Webb Syndicate, Inquiries 16-7w
Peter Cameron Webb Syndicate, Prosecutions 677
Recorders, Public appointments 167w
Road accidents, Civil liability 17w
Stalker, John, Inquiries 318-9w
Westland helicopters, Disclosure of information 675

Hawkins, Sir Paul
Debates etc
Agriculture (14.07.86) 699, 719-21
UK 2000 (14.07.86) 685

Hawksley, Mr Warren
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1343-50, 1382
Questions
Armed forces pensions, Prisoners 247-8w
New towns, Government loans 542-7w

Hayes, Mr Jerry
Debates etc
South Africa (16.07.86) 1052
Questions
Defence procurement, Buy British 844
Road works 562-3w

Hayhoe, Rt Hon Barney, *Minister of State for Health*
Debates etc
Medical research, Babies (11.07.86) 659-62
West London Hospital (18.07.86) 1402-6
Questions
Abortion 296w, 667w
Administrative costs, Hospital patients 667w
AIDS, Costs 616w
AIDS, Insects 412w
AIDS, Joint financing 412w
AIDS, Local government social services 412w
AIDS, Screening 616w
Analgesics, Children 264w
Analgesics, Reyes syndrome 263w, 422w
Bedding, NHS 68w
Body Positive, AIDS 72w
Breast cancer, Screening 171w
Cervical cancer, Age 70-1w
Cervical cancer, Brighton 407w, 408w
Cervical cancer, Bristol & Western Health Authority 407w
Cervical cancer, Burnley 667-8w
Cervical cancer, Coventry 295w
Cervical cancer, Death 70w
Cervical cancer, Health education 71w
Cervical cancer, Industrial diseases 71w
Cervical cancer, Screening 69w, 71w, 448w
Cervical cancer, South Western Regional Health Authority 407w
Committee on Safety of Medicines 267w
Committee on Safety of Medicines, Disclosure of information 425w
Committee on Safety of Medicines, Drug industry 424w
Committee on Safety of Medicines, Drug side effects 422-3w
Committee on Safety of Medicines, Official secrets 268w
Committee on Safety of Medicines, Official Secrets Acts 268w, 425w
Committee on Safety of Medicines, Zantac 268w
Dangerous drugs 267w
Doctors, Redundancy 443w
Drug industry, Foreign companies in UK 73w
Drug industry, Foreign investment in UK 73w
Drug industry, Treaties 296-7w
Drug side effects 423w
Drugs, Clinical trials 556w
Drugs, Licensing 266-7w, 556-7w
Drugs, Official secrets 267-8w
Drugs, Parallel imports 170w
Drugs, Quality control 268w
Drugs, Safety 267w
Drugs, Treaties 556w
Glaucoma, Eye tests 447w
Health Service Commissioner, Annual reports 168w
Health service staff, Derbyshire 443-4w
Hospital closures, Nurses 668-9w
Hospital staff, Car allowances 68w
Hospital staff, Joint Consultants Committee 172w
Hospital waiting lists, NHS Management Board 157w
Hospitals, Contract catering 295w
Hospitals, Food poisoning 295w
Legionnaires disease, Death 665w
Legionnaires disease, Disease control 615w, 616w
Legionnaires disease, Notifiable diseases 554w
Legionnaires disease, Pneumonia 665w
Lenses, Optical charges exemptions 164w
Lenses, Spectacles 77w
Medical records, Disclosure of information 77w
Medicines Inspectorate, Civil service manpower 76w, 410-1w
Medicines Inspectorate, Companies 170w
Medicines Inspectorate, Manpower 446w
NHS, Per capita costs 414-5w
NHS administration, Pay 77w
NHS administration, Resignations 297-8w
NHS finance, Bexley Health Authority 162w
NHS finance, Greater London 413w
NHS finance, Pay 162w, 298w
NHS finance, South West Thames Regional Health Authority 448w
North West Hertfordshire District Health Authority, Public appointments 296w
Nurses, Unemployment 620w
Nurses training 264-5w
Open government 424-5w
Pharmacists 669w
Pharmacists, Civil servants 161-2w
Pharmacists, Contracts 665w
Pharmacists, Whitley councils 161w
Prescriptions, Family doctors 295-6w
Regional health authorities, Employment agencies 72-4w
Regional health authorities, Expenditure 616w
Regional health authorities, NHS finance 553w
Resource Allocation Working Party, NHS finance 169w
Teaching hospitals, NHS finance 75w
Tranquillisers, Prescriptions 70w
Vaccination, Nurses 160w

Hayward, Mr Rob
Debates etc
Channel tunnel, Roads (17.07.86) 1318, 1320
Questions
Afghanistan, EC action 202w
British Rail, Public service obligation grant 316w
Energy Efficiency Year 26w
Lobbying 514w
Macreadie, John, Civil & Public Services Association 163
Public order policing, House of Commons 565w
Rolls-Royce Aeroengines, Pegasus engines 836

Hazardous materials
Medical treatments 566-7w

Heads of state
Speakers rulings & statements (09.07.86) 311-3

Headteachers
Educational finance 150

Healey, Rt Hon Denis
Debates etc
South Africa (16.07.86) 1013-9, 1024, 1034, 1056
Questions
Ministers visits abroad, South Africa 21-2
South Africa, Howe, Geoffrey 293-4
South Africa, Prime Minister 291

Health 162
Government assistance to industry 540w
Industrial development 540w

Health & Safety Executive
Road accidents 587w

Health education
Cervical cancer 71w
Curriculum 125w, 126w
Screening 71w

Health Education Council
Finance 159w

Health foods
Food labelling 433

Health hazards
Dogs 298w

Health Service Commissioner
Annual reports 168w

Health service staff
Derbyshire 443-4w

Health services
Central Manchester Health Authority 558w
Elderly 420-1w
Handicapped 239w
Public expenditure 441-2
Well woman clinics 70w

Health services finance 616w

Hearing aids
Tenders 76w

Heart diseases
Medical research 404-5w
Research finance 404-5w

Heath, Rt Hon Edward
Debates etc
South Africa (16.07.86) 1030-5, 1049

Heath, Edward
Anniversaries 166
Conservative Party 166

Heathcoat-Amory, Mr David
Debates etc
European Communities (Amendment) Bill, Rem stages (10.07.86) 548-9, 552
Questions

Agriculture, Acid rain 258w
Cereals, Co-responsibility levy 434
Developing countries, Economic recession 680
Economic sanctions, Foreign policy 202-3w
River Severn, Bridges 394w
Severn barrage, Tidal power 191-2w

Heathrow
Airports 661-2w
Construction 661-2w
Perry Oakes sludge works 397w
Road traffic 212w, 564w

Heating
Housing estates 75w

Heddle, Mr John
Questions
Agriculture, Subsidence 435
Coal mining, Subsidence 21w
Fishery agreements, North Atlantic Fisheries Organisation 658w
Radioactivity, Food contamination 657-8w
Road accidents, Recycling 590w
School attendance 130w
School attendance, Departmental circulars 655-6w

Hedgehogs
Nature conservation 94w

Hedges & ditches 276-7w
Government grants 595w, 658w

Heffer, Mr Eric S
Debates etc
House of Commons galleries (07.07.86) 71
Manufacturing industries (07.07.86) 29, 52-5
South Africa (16.07.86) 1021-2, 1025
Questions
Ministers visits abroad, South Africa 163

Helicopters
Coastguard 425-6w
Home Service Force 841
Metropolitan Police 338w
Newham 511-2w
Police equipment 511-2w
RTM322 engines 836

Henderson, Mr Barry
Debates etc
Higher education, Scotland (17.07.86) 1193-4
Questions
Commonwealth Games 863-4
Scottish Special Housing Association 115-6w
Type 23 frigates, Defence contracts 855

Hereford bypass 3w
A49 3w
Public inquiries 3w

Herring
Fishing quotas 252w
Norway 252w

Hertfordshire
Greenbelt 308w
Higher education teachers 579-80w
School leaving certificates 46-8w, 580w
School teachers 579-80w

Heseltine, Michael 305w, 675

Hickmet, Mr Richard
Questions
British Steel Corporation, Profitability 998
British Steel Corporation, Profits 190w
Commonwealth Games, Sports boycotts 865-6
Earned income, Married men 247w
Manufacturing industries, Investment 1000

Hicks, Mr Robert
Questions
Dairy farming, EC action 442
Milk, Production quotas 255-6w

Higgins, Mr Terence
Debates etc
EC budget (10.07.86) 463, 467-72, 483
Questions
Air fares, USA 398w
Drugs, Prices 184w

High Court
Damages 17w

High technology 535-6w, 640w, (15.07.86) 873-915
International cooperation 640w
Opposition days (15.07.86) 873-915

Highbury
Racial attacks 565w

Higher civil servants
Professional qualifications 18-9
Westland helicopters 989

Higher education
Avon 519-22w
Avon Education Authority 351w
Derbyshire 353w
Educational finance 177-8w
Hampshire 521w
HM Inspectorate of Schools 125w
Housing management 497-8w
Mature students 44-6w, 137w, 174-6w
Ministerial statements (17.07.86) 1187-97
Postgraduate students 44w
Public expenditure 45-6w
School leaving 44-6w, 142w
Scotland 243w, (17.07.86) 1187-97
Student numbers 137-8w
University finance 133w

Higher education teachers 356w
Hertfordshire 579-80w

Highlands & Islands Development Board
Malak, Emil 384w

Highlands of Scotland
Air routes 2w
Conservation 576w
Industrial development 577w
Urban planning 577w

Highway Code
Cycling 667-8

Hill, Mr James
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 749-51, 755, 758-9, 762
High technology (15.07.86) 890
Oral question time point of order (16.07.86) 1002
Questions
Business statement 1176-7
Shipbuilding, Trade competitiveness 1001-2

Hill Farming Organisation
Macaulay Institute for Soil Research 517w

Hind, Mr Kenneth
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 748
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1348
Open College (18.07.86) 1365
Questions
Barristers, Pay 677-8

Hinkley Point B 27w

Hippies
Hampshire 224w
Rate support grants 662w

Hirst, Mr Michael
Debates etc
Finance Bill, Rep (08.07.86) 177, 184, 186-7
Higher education, Scotland (17.07.86) 1192
Oral question time point of order (15.07.86) 857, 859
Questions
Dept of Education & Science, Research finance 144w
Sheep, radioactivity 437
South Africa, Foreign policy 199w
Tax yields, Capital gains tax 609-10w
Type 23 frigates, Defence contracts 853

Historic buildings
Bypasses 666-7
Lower Leigh 324w

Historic Buildings & Monuments Commission 34-5w, 482w
Finance 482w
Lower Leigh 34-5w

Historic Buildings Council 383w
North British Hotel 383w

HM Chief Inspector of Prisons for Scotland 578w

HM Inspectorate of Schools
Further education 125w
Higher education 125w
Local government expenditure 126-7w
Schools 47-9w

HMS Fearless 190w
Warships 190w

HMS Hermes 165w

HMS Intrepid 190w
Warships 190w

Hogg, Mr Douglas
Debates etc
Finance Bill, Rep (08.07.86) 173, 174-5, 176, 179-80, 185, 192, 195-6, 199, 201
Questions
Business statement 453-4
Juries 309
Polytechnics, Postgraduate education 152

Holland, Mr Stuart
Debates etc
British Council & Commonwealth Institute Superannuation Bill, Rem stages (16.07.86) 1143
Questions
Central America, Overseas aid 680-1
Pension funds 10-1w
Pension funds, Companies 11w
Retail trade, Companies 10w

Holloway
Racial attacks 565w
Stop & search 636w

Holloway Prison
Marsland, Lynne 61-2w, 104w, 337w, 338w
Pregnancy 337w, 338w

Holt, Mr Richard
Debates etc
Members allowances (16.07.86) 1138
Members dress (16.07.86) 1008-9
UK 2000 (14.07.86) 689
Questions
A1, Road works 116-7w
Light dues 394w
Regional development grants, Cleveland 987-8
Renationalisation, Share ownership 1162
Shipyards, Smiths Shiprepairers 1001
Teachers, Early retirement 281w

Home brew 637w

Home helps
Fees & charges 69w

Home Office
Gaelic language 487w
Management consultants 333-4w
Members correspondence 338w

"Home Office Circular 44/1986" 635w

Home Robertson, Mr John
Debates etc
Agricultural production (08.07.86) 271-5, 280
Agriculture (14.07.86) 701, 728-32
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 970
European Communities (Amendment) Bill, Rem stages (10.07.86) 536
Questions
Agricultual & Food Research Council, Research finance 107w
Business statement 1178-9

Coal prices, British Coal Corporation 654w
Electricity tariffs, South of Scotland Electricity Board 654w
Energy costs, Longannet power station 654w
Nuclear accidents, Kyshtym 386w
Nuclear accidents, Sellafield 570w
Radioactivity, Compensation 307w
Radioactivity, Pollution monitoring 438
Sheep, Radioactivity 251w, 432
Tax allowances, Tree planting 293w
Torness power station, Construction costs 653w
Torness power station, Energy costs 653w

Home Service Force 491-2w, 840-1
Civil defence 491-2w
Helicopters 841
Manpower 840
Rifles 841

Home visits 270w
Social security benefits 270w

Homelessness 663w
Bail 62w
Bed & breakfast accommodation 663w
Coventry 278w, 326w
Greater London 33w, 663w
Prisoners release 102-3w
Young people 33w

Homicide
Brixton 637w
Criminal investigation 637w
Habitual offenders 488w
IRA 17-9w, 81-3w, 83-4w

Homosexuality
Armed forces discharges 305-6w

Hong Kong
Container terminals 526w
District boards 372w
Law enforcement 525-6w
Nuclear power stations 440w

Honours
Bristow, Alan 215w, 318w
Criminal proceedings 215w

Hooliganism
Football 584-5w

Horses
Animal breeding 293w
VAT 293w

Horticulture
Lea valley (07.07.86) 142-8

Hosiery
Imports 340w

Hospital admissions
Gynaecology 70w
Mental illness 664w
Wales 230w

Hospital beds
Baby care units 68w
Psychiatry 664w
Scottish health boards 114-6w

Hospital closures
Leith Hospital 514w
Nurses 668-9w
West London Hospital (18.07.86) 1399-406

Hospital costs per patient
Private hospitals 667w

Hospital patients 558w
Administrative costs 667w
NHS 66-8w, 553-4w

Hospital staff
Car allowances 68w
Joint Consultants Committee 172w
Pay 667w

Hospital waiting lists
Coventry 162-3w
Glasgow 242-3w
Lanarkshire 242-3w
NHS 66-8w
NHS Management Board 157w
Scotland 498w
Scottish health boards 243-3w

Hospitals
Construction 415w
Contract catering 295w
Food poisoning 295w
Legionnaires disease 615w, 616w
Scotland 244w

Hostels
Social Security Policy Inspectorate 68w

House of Commons
Public order policing 565w
Temporary staff 279w

House of Commons division of time
Northern Ireland 484w
Speakers rulings & statements (10.07.86) 462, 465, 466, (17.07.86) 1185

House of Commons divisions
Speakers rulings & statements (09.07.86) 317

House of Commons galleries
Speakers rulings & statements (07.07.86) 71

House of Commons procedure
Committee of the Whole House (10.07.86) 505

House of Commons questions
Crown Prosecution Service 677

House of Commons refreshment department
South Africa 66w

House of Commons Select Committees 460-78w, 484w

House of Commons standing orders
Speakers rulings & statements (14.07.86) 825

House prices
Inflation 585-6w

House purchase
Mortgage relief 78w

Household Cavalry 248w
Racial discrimination 248w

Housing
Departmental circulars 3w
Managers 649w
Northern Ireland (09.07.86) 399-409
Wales 649w
Welsh Office 3w

Housing Act 1985 628w

Housing & elderly
Housing insulation 95w, 299-300w
Scotland 299-300w

Housing & Planning Bill 1985/86 628w

Housing associations
Albert Street 383-4w

Housing benefits 266w
Costs 216-7w
Council tenants 617w
Lambeth 405w
Landlords 266w
Local authorities 445-6w
Members correspondence 266w
Overpayments 445-6w
Pensioners 617w
Private rented housing 155w, 156w
Social security benefits rules 265-6w
Social security benefits uprating 155w, 156w
Social security reform 617w
Wales 349w

Housing Condition Survey (Scotland) Bill 1985/86
1R (15.07.86) 870-2

Housing construction
Brighton 321w
Leicester 321w

Housing cooperatives
Council tenants 548w
Local government finance 548w

Housing Defects Act 1984 35-8w, 38-9w
Defective housing 35w, 38-9w

Housing estates
Drug abuse 105w
Heating 75w
National Drugs Intelligence Unit 105w
Public order policing 105w
Wythenshawe 75w

Housing improvements
Mortgage relief 78w

Housing insulation
Government grants to local authorities 310w, 327-32w, 662w
Housing & elderly 95w, 299-300w
St Helens 662w

Housing management
Higher education 497-8w
Scotland 497-8w

Housing standards
Scotland (15.07.86) 870-2

Housing starts
Council housing 39-40w
Public sector housing 188w

Housing subsidies
Northern Ireland Housing Executive 503-4w

Hovercraft (Civil Liability) Order 1986 (07.07.86) 26, (10.07.86) 573

Howard, Mr Michael, *Parliamentary Under-Secretary of State for Trade and Industry*
Questions
Bankruptcy 528w
Citizens advice bureaux, Government grants to voluntary organisations 535w
Competition 189w
Competition, Defence procurement 344w
Consumer protection 539w
Discounts, Prices 994
Discounts, Retail trade 993-4
Estate agents, Consumer protection 997
Furniture, Codes of practice 987
Furniture, Fire prevention 10w
Furniture, Polyurethane foam 454w
Furniture, Retail trade 986-7
Garages & petrol stations, Office of Fair Trading 345-6w
Greyhound racing, Management 343w
Mattresses, Fire resistant materials 227w
Mergers, GEC 569w
Mergers, National security 345w
Monopolies & Mergers Commission, Mergers 454w
Motor insurance, Unemployed 347w
Plugs & sockets, Orders & regulations 568w
Product liability, Agricultural products 532w
Product liability, Compensation 533w
Product liability, EC law 533w
Product liability, Industry 533w
Pyramid selling, Law reform 343w
Retail trade, Companies 10w
Takeovers, Allied Lyons 453w
Time sharing, Consumer protection 9-10w
Unfair trading practices, Japan 993

Howarth, Mr Alan
Questions
Charitable donations, Tax allowances 1159
Mathematics education, Teachers 154
NCB (Enterprise) Ltd, Employment opportunities 113-4w
Planning, Bureaucracy 93w
Planning appeals, Small businesses 93w
Planning Inspectorate, Training 93-4w
Town & country planning, Small businesses 93w

Howarth, Mr Gerald
Debates etc
Manufacturing industries (07.07.86) 47, 65-8
Questions
British Coal Corporation, Productivity 6-7

Inflation 606w
Prime Minister domestic visits, Cannock 583w
Product liability, Industry 533w

***Howe, Rt Hon Sir Geoffrey**, Secretary of State for Foreign and Commonwealth Affairs*
Debates etc
South Africa (16.07.86) 1020-7
Questions
Ministers visits abroad, South Africa 21-2, 22-3, 24-5, 26

Howe, Geoffrey 21-2, 303, 605w
African National Congress 22, 293-4
EC Foreign Affairs Council 22-3
Mandela, Nelson 303
South Africa 162-3, 287-8, 288-9, 291, 293-4, 296, 304

Howe Dell School 523w
Hatfield 523w
School closures 523w

Howell, Rt Hon David
Questions
South Africa, Overseas investment 849

Howell, Mr Ralph
Questions
Animal feed, Common farm prices 583w
Public expenditure, Government departments 5-6w

Howells, Mr Geraint
Debates etc
Agriculture (14.07.86) 702-6
Questions
Electricity generation, Electricity supply industry 24w
Legal aid, Matrimonial proceedings 317-8w
Nimrod aircraft, Early warning systems 493w
Plant genetics 452w
South Africa, Emergency powers 199w
Welsh plant breeding station, Government grants 178w

Hoyle, Mr Doug
Debates etc
Abolition of Vehicle Registration Prefix Bill, 1R (16.07.86) 1012
Oral question time intervention (17.07.86) 1156
Tin (07.07.86) 74, 84, 101-3
Questions
Leyland Bus, Privatisation 995
South Africa, Economic sanctions 287-8
Tax allowances, Balance of trade 1163

Huddersfield Polytechnic 129-30w
Ministers domestic visits 129-30w

Hughes, Mr Mark
Debates etc
Agriculture (14.07.86) 730
Questions
Sheep, Radioactivity 431-2

Hughes, Mr Robert
Questions
Bus services, Greater London 674
Railway freight transport, Transport of hazardous materials 458w

Hughes, Mr Roy
Questions
British Leyland, Privatisation 995
Cement 452w
Cement, Imports 341w, 342w
Dumping 342w
Hospital admissions, Wales 230w
Regional planning & development 528w
Severn Crossing Feasibility Study 670
University finance, Higher education 133w
Western European Union 490w

Hughes, Mr Sean
Questions
Hospital staff, Car allowances 68w

Hughes, Mr Simon
Debates etc
Channel tunnel, Roads (17.07.86) 1317-21, 1322-3
Control of Pesticides Regulations 1986 (16.07.86) 1111, 1117-9
House of Commons standing orders (14.07.86) 824-5
Members allowances (14.07.86) 825
Metropolitan Police (11.07.86) 585, 603, 605-9
Tin (07.07.86) 83
UK 2000 (14.07.86) 685-6
Questions
Bus services, London docklands 674
Front line states, Overseas aid 682
Magnox reactors, Nuclear safety 27w
Nature conservation, Compensation 94w
Nunan, Manus, Recorders 317w
Regional planning & development, Expenditure 528w
Rose Bruford College of Speech & Drama 233w
South Africa, Economic sanctions 199w
Student grants 148w
Teaching hospitals, NHS finance 75w

Human organs 554-5w

Human rights
Ghana 646-7w
Kenya 646w
Nepal 205w
Nigeria 647w
Punjab 206w
Sports boycotts 862-3, 864, 865
Tanzania 646w
Uganda 646w
USSR 203w, 205-6w, 208w, 298, 300-1

Hume, Mr John
Questions
Further education colleges, Northern Ireland 550-2w, 620-2w, 621-4w
Further education colleges, Youth training programme 551-2w
Further education teachers, Northern Ireland 623w
Youth training programme, Northern Ireland 552w

***Hunt, Mr David**, Under-Secretary of State for Energy*
Questions
Alternative energy 23w
Coal, Energy 23w
Coal, Imports 23w, 28w, 303w, 390-2w
Coal mine closures 302w
Coal mining, Dismissal 246w
Coal mining, Employment 25w
Coal mining, Industrial disputes 246w
Coal mining, Industrial production 25w
Coal mining, Industrial safety 301w
Coal mining, Redundancy pay 246w
Coal mining, Subsidence 21w
District heating, Electricity areas boards 24w
Energy efficiency 26w
Energy efficiency, Government departments 5
Energy efficiency, NHS 5-6
Energy efficiency, Public sector 6
Energy efficiency Year 8-9, 26w
Energy research 387-8w
Energy research, Alternative energy 386-8w
National Coal Board, Northumberland 22w
Severn barrage, Environmental impact assessment 441w, 570w
Tidal power, Electricity generation 25w

Hunt, Mr John
Questions
Channel tunnel, Kent 668-9

Hunt, Mr Andrew
Debates etc
South Africa (16.07.86) 1014, 1040-2
Questions
European monetary system 607-8w
Farm rents 258-9w

Hunterston A 238w
Electricity generation 238w

Hunterston B 654w
Energy costs 654w

***Hurd, Rt Hon Douglas**, Secretary of State for the Home Department*
Debates etc
Metropolitan Police (11.07.86) 584-92, 594, 646
Private notice question point of order (09.07.86) 311
Questions
Convictions, Offences against children 635w
Drug abuse 513w
Forensic science, Bombings 512w
Gaelic language, Home Office 487w
Immigration appeals, Members correspondence 637w
Juries 305-6, 307, 308, 309-10
Juries, Acquittals 307-8, 308-9
Juries, Jury vetting 306-7
Juries, Scotland 307, 310
Management consultants, Home Office 333-4w
Members correspondence, Home Office 338w
Prison staff, Courts 513w
Racial attacks, Joint Committee Against Racialism 181w
Racial conflict, Crimes of violence 222w
Risley Remand Centre, Industrial disputes 333w
Skuse, Frank, Expert evidence 56w
Stalker, John, Royal Ulster Constabulary 105w
Surveillance 283-4w
Voting rights, British Residents abroad 286-7w

Hybrid Bills
Speakers rulings & statements (17.07.86) 1324

Hydrocarbon oil duties
Customs & Excise 609w

Hypothermia
Death 443-6w
Elderly 161w
Temperature 554w

Iceland
Fish 595w, 659-60w

Illegal immigrants 285-6w

Ilminster bypass 395w
Road construction 395w

Immigrant detainees 218-21w, 285-6w

Immigrants overstaying 104w
New Commonwealth & Pakistan 104w

Immigration
Asian immigrants 205w

Immigration appeals
Costs (08.07.86) 282-6
Foreign tourists 101-2w
Members correspondence 637w
Ministers 637w

Immigration controls 221w
Channel tunnel 396w
Evidence 636-7w
Foreign tourists 102w
Nationality 284-6w

Import controls
Coal 444
Krugerrands 453w
Rice 640w
South Africa 2-3, 4-5, 7, 435-6, 444

Import duties
Textiles 528w

Import quotas
Multifibre arrangements 531w

Imports 452w
Cement 341w, 342w, 451-2w, 627-8w
Coal 2-3, 3-4, 4-5, 7, 23w, 28w, 303w, 390-2w
Electrical safety 568w
Faroe Islands 595w, 659w

Hosiery 340w
Pigmeat 307w
Rhubarb 259w
South Africa 66w
Textile industry 990-1
USA 990-1

Incest & Related Offences (Scotland) Bill (HL) 1985/86
Royal Assent (18.07.86) 1367

In-service training 178w
Teachers 146w

Income
Firearms certificates 62w, 567w
Universities 54w

Income & Corporation Taxes Act 1970 (08.07.86) 171

Income support scheme 618-9w
Single people 618w

Income tax
Average earnings 609w, 1159-60
Self-employed (08.07.86) 219-28
Tax yields 584w
Unemployment 583w
Unpaid taxes 79w

Independent Television levy (17.07.86) 1198-1205, 1205-11
Broadcasting finance (17.07.86) 1198-1205, 1205-11

India
Foreign policy 838
Pakistan 838
Rice 640w
Vickers Shipbuilding & Engineering 838

Indirect taxation
Lead free petrol 431-2w

Indonesia
Soft loans 570w
UK companies abroad 570w

Industrial design
S90 design 88w
Type 23 frigates 855

Industrial development
Cleveland 988
Derbyshire 455w
Health 540w
Highlands of Scotland 577w
M6 118w
Planning 93-4w

Industrial diseases
Cervical cancer 71w
Death 75w

Industrial diseases benefits
Appeals 413w

Industrial disputes
Coal mining 6, 246w
Economic situation 1167
Lost working days 84w
News International 57w, 225w
Prison staff 224w
Risley Remand Centre 333w
Social services 516w
Teachers 132-3w

Industrial energy conservation 26w

Industrial health & safety
Farms 259-60w
Power industry 561w

Industrial investment
Manufacturing industries 435w

Industrial production 561-2w
Backfire aircraft 87w
Clothing industry 189w
Coal mining 25w
Economic growth 1166
Iron & steel industry 344w
Manufacturing industries 1166-7, 1170-1
Standard of living 1166-7
Textile industry 189w

Industrial safety
Coal mining 301w

Industrial training
Skilled workers 1003-4

Industrial tribunals
Equal pay 455-6w
Fees & charges 455w
Unfair dismissal 455-6w
Waltham Forest 289w

Industry
Bilateral aid 369w
Foreign aid 369w
Graduates 129w
Product liability 533w
Scottish Development Agency 237w
Screening 69w
Teachers 155-6

Infant mortality
Staffordshire 667w

Inflation 606w
Educational finance 236w
House prices 585-6w

Information
Radiation hazards 309-10w

Information technology
Graduates 43-4w

Inner London boroughs
Mathematics education 155
NHS finance 413w

Inquiries
Office of Population Censuses & Surveys 319-20w
Peter Cameron Webb Syndicate 16-7w
Royal Ulster Constabulary 105w
Stalker, John 318-9w, 566w, 1168
Travelling expenses 16-7w

Insects
AIDS 412w

Insolvency Bill (HL) 1985/86
Business motion (16.07.86) 1144

Institute of Chartered Accountants 486-7w
Fraud 486-7w

Institute of Terrestrial Ecology
Pollution monitoring 438

Insurance
Cars 590w
Museums & galleries 85w

Intellectual property
Royal ordnance factories 305w

"Intellectual Property & Innovation White Paper" 534w

Inter-American Development Bank
Nicaragua 680-1

Interest rates 561w
OECD countries 607w

Intergovernmental Agreement, 1984 123w, 124w

International assistance
Commonwealth 167-8w

International conferences
EUREKA 535-6w
European Security Conference 297-8
USSR 851

International cooperation
Commercial fast reactors 27-8w
High technology 640w
Nuclear safety 216w
Security Intelligence Secretariat 4w
Strategic defence initiative 303-5w

International Finance Corporation (1985 General Capital Increase) Order 1986 (07.07.86) 26, (16.07.86) 1144

International Tin Council (07.07.86) 72-118

Intervention Board
Offices 307w

Intervention stocks 596-602w
Agricultural surpluses 365w
Butter 254w
South Yorkshire 258w

Interviews
Belfast Telegraph 367w, 627w, 642w
Unemployment 291-3w

Invalid care allowances
Costs 419w
Married women 172-3w

Invalidity benefits
Social security recipients 169w
Unemployability supplement 169w

Inverness Airport 249w

Investment
Manufacturing industries 999-1000
NCB (Enterprise) Ltd 113-4w
Personal equity plans 610-1w
Unit trusts 610-1w

Investment income 610w

Investment income surcharge 1160

Ionizing radiation
Radiation hazards 309-10w

IRA
Explosives 625-6w
Homicide 17-9w, 81-3w, 83-4w
Offenders 17-9w, 81-3w, 83-4w
Terrorism 626-7w

Iran
Arms trade 287w
Export controls 7-8w

Iran-Iraq war
Export licensing 7-8w

Iraq
Arms trade 287w

Iron & steel
EC Industry Council 347w

Iron & steel industry 532w
Factory closures 997-8
Gas gathering 999
Industrial production 344w
Manpower 344-6w
North Sea oil 999
Redundancy 532w, 999
Retraining 532w
Scotland 280w, 347w, 999
Trade competitiveness 998-9

Irradiated food 255w, 261w

Irving, Mr Charles
Questions
House of Commons refreshment department, South Africa 66w
Mental health services, Mental health community care 168w, 664-5w
Mental health services, Mental patients 663w
Mental illness, Hospital admissions 664w
Mentally ill, Day centres 663-4w
Psychiatry, Hospital beds 664w

Israel
Jews 301
Oil exports 25w
Palestine 302

Jackson, Mr Robert
Questions
Intervention stocks 596-602w
Intervention stocks, Agricultural surpluses 365w

Janner, Mr Greville
Debates etc
UK 2000 (14.07.86) 688
Questions
Business statement 454, 1182
Butter, Food surpluses 41-2w
Damages, County courts 17w
Damages, High court 17w
Department of Trade & Industry, Employment discrimination 539-40w
European Security Conference, International conferences 297-8
Gujerat, Overseas aid 681-2

HM Inspectorate of Schools, Local government expenditure 126-7w
Immigration controls, Evidence 636-7w
Imports controls, Rice 640w
Industrial tribunals, Fees & charges 455w
Industrial tribunals, Unfair dismissal 455-6w
Pakistan, India 838
Palestine Liberation Organisation, Arafat, Yasser 302
Prime Minister official engagements 100w
Road accidents, Civil liability 17w
Waldheim, Kurt, Prisoners of war 370w, 427w
Waldheim, Kurt, War crimes 605-6w

Japan
Prisoners of war 406-7w
Shipbuilding 1001
Unfair trading practices 993

Jarrow
Supplementary benefits 409-10w

Jenkin, Rt Hon Patrick
Debates etc.
Finance Bill, Rep & 3R (17.07.86) 1281-4, 1288, 1291-2

Jenkins, Rt Hon Roy
Debates etc
Manufacturing industries (07.07.86) 31-4

Jessel, Mr Toby
Debates etc
Metropolitan Police (11.07.96 635-7
Questions
Business statement 1178
Elgin Marbles 15
Immigration, Asian immigrants 205w
Juries, Acquittals 307
Objects in lieu of tax, Capital transfer tax 97w
Polytechnics, National Advisory Body for Public Sector Higher Education 128w

Jews
Israel 301

Job centres
Managers 228w
Welsh language 228w

Job creation schemes
Coventry 360w
Tax yields 610w
Unemployment 293w

Job Release Act 1977 (Continuation) Order 1986 (08.07.86) 168

Jobclubs 291-3w

John, Mr Brynmor
Debates etc
Control of Pesticides Regulations 1986 (16.07.86) 1112-5, 1126
Questions
Cattle diseases 364w
Cereals, Co-responsibility levy 435, 439, 595-6w

Johnson Matthey 487w
Criminal investigation 487w

Johnson Smith, Sir Geoffrey
Questions
Business statement 453

Johnston, Sir Russell
Debates etc
EC budget (10.07.86) 470-1, 474-5, 480-5, 487-8, (11.07.86) 617-8
EC budget, Points of order (11.07.86) 604
European Communities (Amendment) Bill, Rem stages (10.07.86) 544, 547, 549, 566
Finance Bill, Rep & 3R (17.07.86) 1239-40, 1241
Higher education, Scotland (17.07.86) 1191
Members allowances (16.07.86) 1137-8
Questions
Commonwealth Games 861-2
Ombudsman, Scotland 380-2w

Joint Committee Against Racialism 181w
Racial attacks 181w

Joint Consultants Committee 172w
Hospital staff 172w

Joint financing
AIDS 412w

Jones, Mr Barry
Questions
Capitation allowances, Wales 350w
Housing benefits, Wales 349w
Microelectronics industry, Wales 613w
Public expenditure, Wales 349w
Pupils, Wales 650w
River Severn, Bridges 394w
Supplementary benefits, Alyn & Deeside 447-8w
University of Wales, Staff-student ratios 354w
Welsh language, GCE A level 350w

Jones, Mr Gwilym
Debates etc
Ratushinskaya, Irina, Public petitions (16.07.86) 1144-5

Jones, Mr Robert B
Questions
EC Finance Council, EC budget 195w
Educational finance, Schools 130w
Ghana, Human rights 646-7w
Kenya, Human rights 646w
Nigeria, Human rights 647w
North West Hertfordshire District Health Authority, Public appointments 296w
Own resources, EC budget 644w
School leaving certificates, Hertfordshire 580w
School teachers, Hertfordshire 579-80w
Tanzania, Human rights 646w
Uganda, Human rights 646w

Jopling, Rt Hon Michael, Minister for Agriculture, Fisheries and Food
Questions
Agricultural & Food Research Council, Research finance 107w
Agriculture, EC Presidency 255w, 259w
Agriculture, Farmers 258w
Cereals, Co-responsibility levy 108w, 197-8w, 433-4, 435, 438-9, 595-6w
Common agricultural policy, EC budget 257w
Common agricultural policy, Expenditure 440
Farms, Schools 256w
Fishery agreements, North Atlantic Fisheries Organisation 658w
Food, Radioactivity 252w
Grass, Radioactivity 252w
Intervention Board, Offices 307w
Intervention stocks, South Yorkshire 258w
Livestock, Radioactivity 260w
Members correspondence, Ministry of Agriculture, Fisheries & Food 365w
National Seed Development Organisation, Privatisation 257-8w
Radioactivity, Compensation 307w
Radioactivity, Food contamination 657-8w
Radioactivity, Pollution monitoring 438
Sheep, Caesium 437
Sheep, Radioactivity 196w, 251-2w, 254w, 256w, 260-1w, 364w, 430-1, 431-2, 437, 438, 560w
Sheep meat, Prices 437

Judicial review 650w

Juries 305-6, 307, 308, 309-10
Acquittals 307-8, 308-9
Jury vetting 306-7
Scotland 307, 310

Jury vetting
Juries 306-7

Kaufman, Rt Hon Gerald
Debates etc
Metropolitan Police (11.07.86) 592-600
Private notice question point of order (09.07.86) 311
Questions
Hippies, Hampshire 224w
Immigration appeals, Members correspondence 637w
Juries 305-6
Medical students, Manchester University 523w
Members correspondence, Latham, F M 270w
News International, Public order policing 57w, 225w
North Western Regional Health Authority, Acute beds 557-8w
North Western Regional Health Authority, NHS finance 558w
Police national reporting centre 224w
Public order offences, Greater London 56-7w
Smith, Irene, Members correspondence 420w

Kaunda, President 524-5w

Kellett-Bowman, Mrs Elaine
Debates etc
EC budget (10.07.86) 485
House of Commons divisions (09.07.86) 316, 317
Manufacturing industries (07.07.86) 28
Poverty, Elderly (16.07.86) 1092
Questions
Sheep, Radioactivity 431

Kemptown
Unemployment 290-1w

Kennedy, Mr Charles
Debates etc
Agriculture (14.07.86) 698
Finance Bill, Rep (08.07.86) 256-60, 262
Finance Bill, Rep & 3R (17.07.86) 1240, 1245
Higher education, Scotland (17.07.86) 1195-6
Poverty, Elderly (16.07.86) 1074-8, 1080, 1088
Tourism (09.07.86) 362, 365-9, 388
Questions
Air routes, Highlands of Scotland 2w
Business statement 1182-3
Commonwealth Games 865
Conservation, Highlands of Scotland 576w
Drug industry, Foreign companies in UK 73w
Drug industry, Foreign investment in UK 73w
Gruinard Island, Transport of hazardous materials 494w
Lenses, Optical charges exemptions 164w
Lenses, Spectacles 77w
Medical records, Disclosure of information 77w
Neurofibromatosis, Nervous system disorders 74w
Pipelines, Tain 576-7w
Sheep, Radioactivity 384-5w, 430
Sites of special scientific interest, Morrich More 577w
Urban planning, Highlands of Scotland 577w

Kensington & Chelsea
Demonstrations 55w
Road traffic control 55w

Kent
Channel tunnel 396w, 668-9
Employment opportunities 668-9
Tourism 396w

Kenya
Human rights 646w

Kershaw, Sir Anthony
Debates etc
South Africa (16.07.86) 1038
Questions
Ministers visits abroad, South Africa 23

Key, Mr Robert
Debates etc
Agriculture (14.07.86) 704
Questions
Convictions, Offences against children 635w

Food from Britain, Self-sufficiency 436
Pre-vocational education 148-9w
Science & technology, Research finance 517-8w

Kidney donors
Codes of practice 297w

Kidsgrove
Primary education 52w
School buildings 52w

Kilroy-Silk, Mr Robert
Questions
Juries, Acquittals 307-8
Milton Keynes Prison, Category A prisoners 511w
Milton Keynes Prison, Prisoners 511w
Polytechnics, National Advisory Body for Public Sector Higher Education 160
Prisoners release 510w

King, Rt Hon Tom, *Secretary of State for Northern Ireland*
Questions
Anglo-Irish Agreement 367w, 504-6w, 641-2w
Anglo-Irish Agreement, Northern Ireland government 1006-7
Anglo-Irish Agreement, Republic of Ireland 642w
Anglo-Irish Agreement, Violence 552w
Barry, Peter, Belfast Telegraph 642w
Belfast Telegraph, Interviews 367w
Demonstrations, Northern Ireland 627w
Demonstrations, Portadown 641w
Members correspondence, Northern Ireland Office 367w, 642-3w
Northern Ireland Assembly, Libraries 280w
Northern Ireland civil service, Employment discrimination 85w
Northern Ireland government, Republic of Ireland 1005
Orange Order, Demonstrations 367w
Republic of Ireland, Demonstrations 642w
Royal Ulster Constabulary, Public order policing 1005, 1006, 1007, 1008
Tighe, Michael, Death 84w

Kings Cross
Stop and search 636w

Kinnock, Rt Hon Neil
Debates etc
EC budget (10.07.86) 462
South Africa (16.07.86) 1027
Questions
Business statement 447-9, 1173-4
Ministers visits abroad, South Africa 162-3
Public expenditure, Health services 441-2
South Africa, Economic sanctions 848-9
Unemployment, Building industry 1170-1

Kirkwood, Mr Archy
Debates etc
British Council & Commonwealth Institute Superannuation Bill, Rem stages (16.07.86) 1143
Housing Condition Survey (Scotland) Bill, 1R (15.07.86) 870-2
Old peoples homes, Borders Region (14.07.86) 826-8
Patents Designs & Marks Bill (HL) (08.07.86) 264-5
Poverty, Elderly (16.07.86) 1077
Residential care (09.07.86) 323-6, 353
Questions
Africa, Overseas aid 99w
Agriculture, Private sector borrowing 255w
AIDS, Costs 616w
AIDS, Screening 616w
Average earnings, Income tax 609w
Business statement 1177
Citizens advice bureaux, Government grants to voluntary organisations 535w
Community programme 456w
Dogs, Health hazards 298w
Dogs, Liability for animals 298w, 454w
Exceptional needs payments, Social security benefits rules 443-4
Exercise Mallet Blow, FB111 aircraft 248w, 430w
Exercise Mallet Blow, Military aircraft 90-1w, 430w
Gentleman, Brian, Civil servants 347w
Government assistance to industry, Health 540w
Invalidity benefits, Social security recipients 169w
Military aircraft, USA 430-1w
NATO, FB111 aircraft 64-5w
NHS, Hospital patients 553-4w
Nurses training 264-5w
Prescriptions, Family doctors 295-6w
Regional health authorities, Expenditure 616w
Social services, Strathclyde 516w
Teaching hospitals, Greater London 665-6w
USA, Military aircraft 91w
War pensions 404w
War pensions, Administrative delays 403w
War pensions, Earnings rules 403-4w
War pensions, Visits 403w
War widows pensions, Age allowances 403w

Knight, Mr Greg
Debates etc
Finance Bill, Rep (08.07.86) 236-8, 242-3
Questions
Product liability, EC law 533w

Knight, Dame Jill
Debates etc
Poverty, Elderly (16.07.86) 1087-90
Questions
Invalid care allowances, Married women 172-3w

Knowles, Mr Michael
Questions
USSR, Human rights 203w

Knox, Mr David
Debates etc
Manufacturing industries (07.07.86) 41-3
Questions
Abortion 667w
Administrative costs, Hospital patients 667w
Budget, Employment 609w
EC external relations, EC integration 207w
Food, Self-sufficiency 435
Hospital patients, NHS 66-8w
Infant mortality, Staffordshire 667w
Motorways, Road works 670-1
UK trade with EC, Exports 529w

Krugerrands
Import controls 453w

Kyshtym
Nuclear accidents 386w

Labour costs 180w

Labour mobility
Royal ordnance factories 305w, 646w

Labour Party
Privatisation 848
US bases 839

Laird Group
Leyland Bus 994-5, 996

Lambeth
Housing benefits 405w
Rate rebates 75w
Rent rebates 405w

Lambie, Mr David
Debates etc
Higher education, Scotland (17.07.86) 1192
Questions
Supplementary benefits, Cunninghame 447-8w

Lamond, Mr James
Debates etc
Heads of state (09.07.86) 312
Scottish Bank Notes Bill, 1R (08.07.86) 169
Questions
European Security Conference, International conferences 298
Multifibre arrangement 990-1

Lamont, Mr Norman, *Financial Secretary to the Treasury*
Debates etc
Consolidated Fund (Appropriation) Bill, 1R (17.07.86) 1290
Finance Bill, Rep (08.07.86) 172, 181-3, 191, 197-201, 211-4, 225-7, 255-6, 260-2
Finance Bill, Rep & 3R (17.07.86) 1256-9, 1261-3, 1264-70, 1271-2, 1274-5
Questions
Average earnings, Income tax 609w, 1159-60
Channel tunnel, Projects 194w
Charitable donations, Tax allowances 1159
Charities, Free school meals 1159
Companies, Charitable donations 1159
Earned income, Married men 247w
Economic situation, Oil prices 1168-9
Free ports, VAT 608w
Income tax, Unpaid taxes 79w
Investment income 610w
Investment income surcharge 1160
Low pay, Tax burden 1160
Married personal allowance 609w
Mortgage relief, House purchase 78w
Oil reserves, North Sea oil 609w
Oil revenues, North Sea oil 1167-8
Personal equity plans 607w
Personal equity plans, Investment 610-1w
Personal equity plans, Share ownership 1161
Personal tax allowances, Tax yields 437w
Privatisation, Share ownership 1161-2
Renationalisation, Share ownership 1162
Share ownership 1162
Shareholders, Share ownership 607w
Shipping, Bussiness expansion scheme 80-1w
Shipping, Tax allowances 80w
Social security & taxation, Low pay 1160
Tax allowances, Share ownership 1162
Tax allowances, Tree planting 293w
Tax yields, Capital gains tax 294w, 609-10w
Tax yields, Job creation schemes 610w
Tax yields, Unpaid taxes 78-9w
VAT, Tax thresholds 607w
VAT, Unpaid taxes 78w

Lanarkshire
Hospital waiting lists 242-3w

Lancashire
Transport infrastructure 397w
Vacancies 652w

Land acquisition
Public bodies 186w
Schools 53w

Land & Marine Engineering 576-7w

Land drilling
Petroleum exploration 277w
Planning permission 277w

Land ownership & tenure
Vacant land 480-1w

Land reclamation
East Sands 577-8w

Land registration
Common land 321w

Land Registry Office
Trade union elections 507-8w

Land Rover 532w, 985
Leyland Vehicles 532w
Privatisation 985

Landing rights
Brazil 374w, 429w

Landlords
Housing benefits 266w

Lang, Mr Ian, *Under-Secretary of State for Employment*
Questions
Community programme 363-4w
Community programme, Managing agents 650w

Community programme, Take-up of employment 16w
Employment 108-11w
Employment, Rugby 357-8w
Employment level, EC countries 12-4w
Employment schemes, Derbyshire 357w
Employment schemes, Take-up of employment 358w
European Social Fund 589w
European Social Fund, Merseyside 587w
Handicapped workers, Disablement schemes 292w
Industrial tribunals, Waltham Forest 289w
Inflation, House prices 585-6w
Job creation schemes, Coventry 360w
Manpower, EC countries 290w
Manufacturing industries, Manpower 15-6w
Manufacturing industries, Redundancy 13-5w
Part-time employment, Working hours 12w
Quota of handicapped workers 588w
Restart programme, Social security benefits disqualification 650-2w
Restart programme, Social security recipients 652w
Restart programme, Supplementary benefits disregards of income 527w
Self-employed, Derbyshire 289w
Unemployment, Barnsley 230w
Unemployment, Brighton 291-2w, 360-2w
Unemployment, Handicapped 588-9w
Unemployment, Job creation schemes 293w
Unemployment, Retirement age 12w, 231-2w
Unemployment, Take-up of employment 291-3w
Unemployment, Walthamstow 290-1w
Unemployment benefits 360w
Unemployment benefits, Social security abuse 231w
Unemployment benefits, Social security benefits disqualification 652-3w
Vacancies, Coventry 13w
Vacancies, North West region 652w
Youth unemployment, Coventry 229-32w

Languages education
Russian language 130-1w

Latent damage (07.07.86) 119-35

Latent Damage Bill (HL) 1985/86 (07.07.86) 118
Rep & 3R (07.07.86) 119-35
Royal assent (18.07.86) 1367

Latham, F M 270w
Members correspondence 270w

Latham, Mr Michael
Questions
Agriculture, Farmers 258w
Business statement 451, 1176
Defence procurement, Buy British 844-5
Mobile classrooms, Leicestershire County Council 233w
RAF Cottesmore, Noise pollution 839-40
Saltby School, Leicestershire County Council 233w
Stocken Hall, Rutland 335w

Law enforcement
Hong Kong 525-6w

Law of limitation (07.07.86) 119-35

Law reform
Common Land Forum 34w
Pyramid selling 343w

Lawler, Mr Geoff
Debates etc
Tourism (09.07.86) 395
Questions
Audio equipment, Age 8-9w
NATO, Nuclear weapons deployment 191w
NATO, Publicity 839
Road works, Bradford City Council 122w
Road works, Expenditure 122-3w
Road works, Public expenditure 1w
Sri Lanka, Terrorism 207w
Textiles, Import duties 528w

Lawrence, Mr Ivan
Debates etc
Agricultural production (08.07.86) 277
Questions
Heart diseases, Medical research 404-5w
USSR, Official visits 208w
Video Recordings Act 1984, Prosecutions 223w

Lawson, Rt Hon Nigel, Chancellor of the Exchequer
Questions
Average earnings, Single people 124-5w, 611-2w
British Gas Corporation, Shares 1165
EC Finance Council, EC budget 195w
Employment opportunities, Tax allowances 1162-3
Gaelic language, Treasury 502w, 610w
Inflation 606w
Privatisation, Tax yields 1164-5
Profit sharing 1160-1
Profit sharing, Nurses 1161
Profit sharing, Pay incentives 432w
Profit sharing, Pay settlements 1161
Renationalisation, Shares 1165
Tax allowances, Balance of trade 1163
Taxation 1163
Trustee savings banks 432-4w
Unemployment, Public expenditure 1163-4

Lea valley (07.07.86) 142-8
Horticulture (07.07.86) 142-8

Lead free petrol
Indirect taxation 431-2w
Publicity 96w
Tax allowances 125w, 294-5w

Lead pollution
Falkland Islands 370-1w

Leadbitter, Mr Ted
Debates etc
Felixstowe Dock & Railway Bill, Rep (15.07.86) 921-2, 927, 935-40, 944

Leader of the Opposition
Speakers rulings & statements (17.07.86) 1172, 1184-6

Lee, Mr John, Under-Secretary of State for Defence Procurement
Questions
Air force, Defence procurement 493w
Armed forces civilians, Manpower 164w
Armed forces civilians, Redundancy 164w
Armed forces civilians, Redundancy pay 89w
Arms embargoes, South Africa 845
Arms trade, Sri Lanka 90w
Challenger tanks, Defence contracts 645w
Challenger tanks, Defence procurement 305w
COD Donnington, Security vetting 428w, 646w
Defence contracts, Billing 497w
Defence contracts, New businesses 492w
Defence contracts, North West region 248w
Defence contracts, Portugal 248w
Defence expenditure, Defence research 165w
Defence procurement 843
Defence procurement, Buy British 844-5
Defence procurement, Mergers 92w
Defence procurement, VAT 523-4w
Defence research, Universities 429-30w
Early warning systems 844
Early warning systems, Costs 492-3w
Frigates, Defence contracts 494w
Frigates, Pakistan 493-4w, 837-8
Gibraltar dockyard, Operating costs 603w
Gibraltar dockyard, Shipbuilding 603w
Gruinard Island, Transport of hazardous materials 494w
Management consultants, Ministry of Defence 88-9w
Marines, Warships 165w
Ministry of Defence, Trade union officials 91w
Navy, Defence procurement 491w, 524w
Nimrod aircraft, Early warning systems 843
Pakistan, India 838
Pitman, Donald, Thorn EMI 844
RAF Caerwent, Arrests 426w
Rolls-Royce Aeroengines, Defence procurement 835-6
Rolls-Royce Aeroengines, Pegasus engines 836
Rolls-Royce Aeroengines, RTM322 engines 836
Rolls-Royce Aeroengines, XG40 engines 836
Royal fleet auxiliary, Harland & Wolff 838
Royal ordnance factories, Barnbow 646w, 845
Royal ordnance factories, Intellectual property 305w
Royal ordnance factories, Labour mobility 305w
Royal ordnance factories, Leeds 427w
Royal ordnance factories, Privatisation 90w, 191w, 845
Royal ordnance factories, Vickers Shipbuilding & Engineering 305w
Strategic defence initiative, Arms control 494w
Strategic defence initiative, Defence research 89-90w, 491w
Strategic defence initiative, Employment opportunities 90w
Strategic defence initiative, International cooperation 303-5w
Strategic defence initiative, Western Europe 89w
S90 design, Industrial design 88w
Torpedoes, Defence procurement 165w
Training aircraft, Testing 494w
Trident submarines, Defence contracts 494w
Vickers Shipbuilding & Engineering, India 838
Vosper Thornycroft, Navy 838
Warships, Defence contracts 493w

Leeds
Property Services Agency 39w
Royal ordnance factories 427w
School administration 157-8
School closures 157-8

Legal aid 16w
Administrative delays 15-6w, 100-1w, 318w
Expenditure 318w
Matrimonial proceedings 317-8w
Scotland (14.07.86) 773-824

Legal aid & advice
Expenditure 507w

Legal Aid (Scotland) Bill (HL) 1985/86
Business motion (14.07.86) 772
Rep & 3R (14.07.86) 773-824

Legal costs
Gays the Word 79w

Legionnaires disease 554w, 665w
Death 665w
Disease control 615w, 616w
Hospitals 615w, 616w
Notifiable diseases 554w
Pneumonia 665w

Leicester
Cervical cancer 407w, 408w
Combined heat & power 8
Detection rates 486w
Housing construction 321w
Textile industry 991-2
Unemployment 291-2w, 360-2w

Leicestershire County Council 233w
Mobile classrooms 233w
Saltby School 233w

Leigh, Mr Edward
Debates etc
Manufacturing Industries (07.07.86) 30
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1370, 1374, 1375, 1382, 1385, 1391-2
Open College (18.07.86) 1365

Questions
British Coal Corporation, Productivity 6
Business statement 456
Cereals, Food surpluses 256-7w
Educational finance, Secondary education 130w
Flats, Right to buy 628w
Macreadie, John, Civil & Public Services Association 17
Personal equity plans, Share ownership 1161
RAF Waddington, Early warning systems 846

Leighton, Mr Ron
Debates etc
EC budget (10.07.86) 465, (11.07.86) 620
European Communities (Amendment) Bill, Rem stages (10.07.86) 513-5
Metropolitan Police (11.07.86) 623, 643-5
Questions
EC budget 502w
Fire services, East Ham 54w, 55w
Fire services, Greater London 54-5w
Manpower, EC countries 290w
Official Report, Manpower 294w
Supplementary benefits, Newham 408w

Leisure
Scotland 501w

Leisure facilities
Management 501w
School buildings 153

Leith Hospital 514w
Hospital closures 514w

Lenses
Optical charges exemptions 77w, 164w
Spectacles 77w

Leukaemia
Young people 670w

Lewis, Sir Kenneth
Debates etc
Finance Bill, Rep (08.07.86) 196-7, 199, 201
Questions
Motorways, Cones 671

Lewis, Mr Ron
Questions
Multifibre arrangement 530w

Lewis, Mr Terry
Questions
Cereals, Co-responsibility levy 433-4
School libraries, Local government expenditure 129w

Leyland Bus 534w, (16.07.86) 1011
Laird Group 994-5, 996
Privatisation 985, 994-5
Public sector assets 986
Rover Group 534w
Standing Order No 10 applications (16.07.86) 1011

Leyland Vehicles 532w
Freight Rover 532w
Land Rover 532w

Liability (07.07.86) 119-35

Liability for animals
Dogs 298w, 454w

Libraries
Fees & charges 16
Northern Ireland Assembly 280w

Libyan Arab Republic
Bombings 319w
British residents abroad 604w
F111 aircraft 215w
Overseas students 62w

Licensing
Chapelcross power station 174w
Drugs 266-7w, 556-7w
Wildlife & Countryside Act 1981 324-5w

Licensing (Occasional Permissions) Act 1983 638w

Life imprisonment
Prison population 487-8w
Release on licence 488w

"Lifting the Burden White Paper" 93w

Light dues 394w

Light water reactors
EC countries 24w
Electricity generation 24w

Lighting
Motorcycles 458w

Lilley, Mr Peter
Questions
Education support grants, Lower attaining pupils 141w
Planning appeals, St Albans District Council 550w, 632-4w
School leaving certificates, Hertfordshire 46-8w
State education, Non-teaching staff 47-8w

Limitation of actions (07.07.86) 119-35

Listed buildings 96w
Bath 96w
York 96w

Litherland, Mr Robert
Questions
Middle East, Peace negotiations 203w
North Western Regional Health Authority, Acute beds 557w, 558w

Litter
Employment schemes 632w, 662w
Fines 104w
Police powers 104w
Publicity 479w
Schools 479w

Litter Act 1983 479w
Local authorities 479w

Liverpool
Albert dock 481w
Blackburn House school 356w
Customs officers 435-6w
English Industrial Estates Corporation 541w
Free ports 564w
Ministers domestic visits 34w
Redundancy 1000
Unemployment 418w
Unemployment benefits 418w

Liverpool bay 459w
Fish 365w
Mercury pollution 459w

Liverpool Exchange station
English Industrial Estates Corporation 542w

Liverpool University 53w
Ministers domestic visits 53w

Livestock
Agricultural subsidies 435
Radioactivity 260w

Livsey, Mr Richard
Questions
Cereals, Co-responsibility levy 108w, 197-8w
Dairy farming, Production quotas 436
Sheep meat, Retail trade 440

Lloyd, Sir Ian
Debates etc
South Africa (16.07.86) 1025-6, 1032, 1037

Lloyd, Mr Tony
Questions
Central America, Peace negotiations 208w
Central Manchester Health Authority, Health services 558w
Chronically Sick & Disabled Persons Act 1970, Local government maladministration 170w
Commercial secrets, Official Secrets Acts 167w
Drugs, Parallel imports 170w
European Regional Development Fund, Trafford 187w
Food Advisory Committee, Commercial secrets 197w
Food Advisory Committee, Disclosure of information 196-7w
Food Advisory Committee, Official Secrets Acts 197w
Food Advisory Committee, Public appointments 197w
Food standards, Retail trade 106w
Lorries 211w
Lorries, Road accidents 211w
Lorry drivers, English language 211w
Magnox reactors, Corrosion 26-7w
North Western Regional Health Authority, NHS finance 558w
Prime Minister domestic visits, North West region 4-5w
Prime Minister visits abroad, USA 5w
Royal Greenwich Observatory, Science Research Council 158

Lloyds of London
Fraud 676-7

Loans
Local authorities 312w
Students 143w

Lobbying 514w
Public order policing 565w

Local authorities
Bus services 393-4w
Defective housing 38-9w
Housing benefits 445-6w
Litter Act 1983 479w
Loans 312w
Road humps 593-4w
Road traffic control 593w

Local Authorities Cemeteries (Amendment) Order 1986 (07.07.86) 26, (17.07.86) 1331

Local education authorities
General Certificate of Secondary Education 132w
Local government expenditure 126-7w
School attendance 655-6w
Tertiary colleges 175-7w

Local government
Foreign investment 609w

Local Government Act 1985 186-7w

Local government aid to industry
Vickers Shipbuilding & Engineering 639w

Local government borrowing
London Residuary Body 549w
Merseyside Residuary Body 631w

Local Government Boundary Commission for Wales
Clwyd 186w

Local government constituencies
Clwyd 186w

Local government elections
Northern Ireland 624-6w

Local government expenditure 188w
Bed & breakfast accommodation 663w
Community relations councils 628w
Defective housing 35-8w
Educational equipment 127-8w
HM Inspectorate of Schools 126-7w
Local education authorities 126-7w
London boroughs 186-7w
Road works 122w
School libraries 129w
Teacher training 146w

Local government finance 549w
Council house sales 188w
Housing cooperatives 548w
London Residuary Body 310w
Rates & rating 629w

Local government functions
Urban development corporations 662w

Local government land
Caravan sites 347-8w

Local government maladministration
Chronically Sick & Disabled Persons Act 1970 170w

Local Government property
Residuary bodies 312w

Local government reform
Employment schemes 312w
Police authorities 566w

Local government revenues 549w

Local government services
Elderly 420-1w

Local government social services
AIDS 412w
Mental health services 663-4w

Loft insulation
Finance 8-9

Lofthouse, Mr Geoffrey
Questions
Business statement 454-5
Coal, Imports 2-3
HM Inspectorate of Schools, Local government expenditure 126w
Manpower Services Commission, Vocational education 455w
Manufacturing industries, Investment 999-1000
South Africa, Economic sanctions 200w

London boroughs
Local government expenditure 186-7w
London Residuary Body 310w

London Buses 313w
Bus services 313w

London docklands
Bus services 674

London docklands railway 397w

London Docklands Railway (City Extension) Bill 1985/86
Rep* (07.07.86) 1
3R* (10.07.86) 429

London Fire & Civil Defence Authority 55w

London Fire Brigade 54-5w

London marathon 311w, 548w
Fees & charges 548w
London Residuary Body 311w, 548w

London Regional Passengers Committee
One man buses 314w

London Regional Transport 313w, 314w, 400w
Bus services 673-4
Directors 313w
Public appointments 313w
Shields, Neil 313w

London Residuary Body 34w, 310-1w, 548-9w
County hall 311w, 549w
Government grants to local authorities 548-9w
Greater London Council 310-1w
Local government borrowing 549w
Local government finance 310w
London boroughs 310w
London marathon 311w, 548w
Property transfer 34w
Public sector borrowing 311w
Thamesmead Town 34w
Trust for London 311w

Long term prisoners
Prison population 334-5w

Longannet power station 654w
Energy costs 654w

Lord, Mr Michael
Debates etc
Agriculture (14.07.86) 724-6, 731
A140, Suffolk (09.07.86) 420-3

Lorries 211w
Axle weights 399w
Road accidents 211w
Road traffic control 314w, 400w
Weighing machines 399w

Lorry drivers
EC law 665
English language 211w
Road accidents 665
Working hours 665-6

Lorry routes
Greater London 314w, 400w

Lost working days
Industrial disputes 84w
Northern Ireland 84w

Low incomes
Families 157w, 264w, 418w, 669-70w

Low Moss Prison 578w

Low pay
Average earnings 610w
Means tested benefits 1160
Public expenditure 194w
Social security & taxation 1160
Tax burden 1160

Lower attaining pupils 141w, 143w
Education support grants 141w
Educational policy 143w

Lower Leigh 34-5w, 324w
Historic buildings 324w
Historic Buildings & Monuments Commission 34-5w
Repairs & maintenance 34-5w

Loyden, Mr Eddie
Debates etc
Poverty, Elderly (16.07.86) 1085-7, 1089
Questions
Educational equipment, Local government expenditure 127-8w
Manufacturing industries, Investment 1000

Luce, Rt Hon Richard, Minister of State Privy Council Office (Minister for the Arts)
Questions
Arts finance, Merseyside 13-4, 615w
Business sponsorship incentive scheme, Arts sponsorship 87w
Civil & Public Services Association, Trade Union officials 87w
Civil servants, Political affiliations 87w, 562w
Civil service recruitment, Executive officers 97w
Civil service retirement, Early retirement 19-20
Civil service unions 16-7
Elgin Marbles 14-5
Equal opportunities officers, Civil service 17
Government Communications Headquarters, Trade union membership 17, 18
Higher civil servants, Professional qualifications 18-9
Macreadie, John, Civil & Public Services Association 17
Museums & galleries, Admission charges 86w, 304w
Museums & galleries, Insurance 85w
Music, Arts finance 86w
National Museums & Galleries Act 1964 86w
Non-departmental public bodies 20
Object in lieu of tax, Capital transfer tax 97w
Public lending right, EC action 86w
Public libraries, Fees & charges 15-6, 86w
Quota of handicapped workers, Government departments 441w
Sadlers Wells Theatre, Arts finance 86w
Subversion 18
Subversion, Civil service 17-8
Tate Gallery, Northern region 615w
Trade union elections 18
Young people, Music 85-6w

Luncheon vouchers (08.07.86) 243-52

Lyell, Mr Nicholas
Debates etc
UK 2000 (14.07.86) 688
Questions
Strike ballots, Trade union elections 443
Trade barriers, EC internal trade 41-3w

Macaulay Institute for Soil Research 238w
Hill Farming Organisation 517w

Macclesfield
Prime Minister domestic visits 459w

McCrindle, Mr Robert
Debates etc
Tourism (08.07.86) 368, 375-7
Questions
British Gas Corporation, Privatisation 23w
Educational finance, Parental contributions 357w
Teachers, Career development 356-7w

McCurley, Mrs Anna
Debates etc
Higher education, Scotland (17.07.86) 1193
Questions
Shareholders, Nationalisation 444

McDonald, Dr Oonagh
Debates etc
EC budget (10.07.86) 462-3, 495-7, (11.07.86) 614-5
EC budget, Points of order (11.07.86) 604
Felixstowe Dock & Railway Bill, Rep (14.07.86) 741, 742, 751-60, 761 (15.07.86) 927, 931, 935
Finance Bill, Rep (08.07.86) 231-2
Finance Bill, Rep & 3R (17.07.86) 1212-3, 1215, 1248-50, 1259, 1271-3, 1276-7, 1279, 1286-7
Members allowances (16.07.86) 1131
Questions
Economic situation, Oil prices 1167
Employment schemes, Take-up of employment 358w
Families, Low incomes 669-70w
Family income supplements 559w
Government Communications Headquarters, Trade union membership 18
Office of Population Censuses & Surveys 6-7w
Supplementary benefits, Thurrock 559w
Unemployment, Take-up of employment 291-3w

Macfarlane, Mr Neil
Questions
NHS finance, South West Thames Regional Health Authority 448w

MacGregor, Rt Hon John, Chief Secretary to the Treasury
Debates etc
Finance Bill, Rep (08.07.86) 240-2, 246-9
Finance Bill, Rep & 3R (17.07.86) 1297-8, 1299, 1301, 1311, 1312
Questions
Budget, Employment 609w
Civil service manpower 77-8w
Economic situation, Oil prices 1167
Employment 606w
Financial management initiative, Government departments 78w
Industrial disputes, Economic situation 1167
Local government, Foreign investment 609w
Manufacturing industries, Industrial production 1166-7
National income 434w
Public expenditure, Low pay 194w
Public sector assets, Fixed assets 608w
Unemployment, Costs 1155-6, 1156-7
Unemployment, Economic policy 1157
Unemployment, Public expenditure 1156
Unemployment, Taxation 608w, 1157-8

McKay, Mr Allen
Debates etc
Residential care (09.07.86) 341-2, 346
Questions
Coal, Imports 28w, 390-2w

Coal mine closures 302w
Coal mining, Industrial safety 301w
Falkland Islands, Pay systems 842
Manpower Services Commission, Finance 586-7w
Supplementary benefits, Barnsley 269w
Supplementary benefits, Greenock 617w
Unemployment, Barnsley 230w

MacKay, Mr John, *Under-Secretary of State for Scotland*
Debates etc
Legal Aid (Scotland) Bill (HL), Rep & 3R (14.07.86) 774, 776, 778, 779-80, 784-8, 789, 790, 795-800, 804-5, 810-4, 821-2, 823
Old peoples homes, Borders Region (14.07.86) 828-34
Questions
Cancer, Scotland 245w
Disabled Persons (Services Consultation & Representation) Act 1986 380w
Dundee Dental Hospital, Dental charges 499-500w
Forestry Commission, Public appointments 382-4w
Game, Radioactivity 379-80w
Greater Glasgow Health Board, NHS finance 497-9w
Handicapped, Scottish health boards 239w
Handicapped children, Scottish health boards 239w, 242w
Hospital waiting lists, Glasgow 242-3w
Hospital waiting lists, Scotland 498w
Leith Hospital, Hospital closures 514w
Leukaemia, Young people 670w
Macaulay Institute for Soil Research 238w
Mentally handicapped, Scotland 240-2w
Mentally handicapped, Strathclyde 239-40w
Police national computer, Scotland 237w
Police surgeons, Women 31w
Prison administration, Scotland 515w
Prison employment, Scotland 515-6w
Prisoners, Suicide 515w
Prisoners, Telephones 516w
Prisoners on remand, Scotland 516w
Scottish health boards, Patients 498w
Sheep, Radioactivity 379w, 384-5w
Social services, Strathclyde 516w
Speech therapists, Scotland 238-40w
Tree planting 173w

MacKenzie, Rt Hon Gregor
Questions
Microelectronics industry, Scotland 30w
Ministers domestic visits, Glasgow University 133w
Redundancy, Glasgow 30w
Redundancy, Rutherglen 30w
Small businesses, Scotland 29-30w, 29w
South Africa, Economic sanctions 291-2

Maclean, Mr David
Debates etc
Wedholme, flow, Sites of special scientific interest (15.07.86) 976-9
Questions
South Africa, Economic sanctions 852

Maclennan, Mr Robert
Debates etc
Agricultural production (08.07.86) 276-9
Agriculture (14.07.86) 697, 707
Questions
Airport security, European Economic Community 393w
EC Agricultural Council 560-1w
Forestry, Farms 254-5w
Music, Arts finance 86w
Pigmeat, Imports 307w
Prime Minister official engagements 479w
Pyramid selling, Law reform 343w
Russian language, Languages education 130-1w
Type 23 frigates, Defence contracts 855

McLoughlin, Mr Patrick
Questions
Cheese, Exports 260w, 307-8w
Sheep, Prices 251w
USSR, Human rights 203w

McNair-Wilson, Mr Michael
Questions
Armed forces deployment, Northern Ireland 492w
Beef & veal, Animal breeding 257w
Food labelling, Health foods 433
Public sector assets, Fixed assets 608w
Unemployment benefits, Social security abuse 231w

McNair-Wilson, Mr Patrick
Questions
Petroleum exploration, Oil prices 2

McNamara, Mr Kevin
Questions
Drugs, Clinical trials 556w
Drugs, Licensing 556-7w
University finance, Association of University Teachers 137-8w

Macreadie, John 17-8, 87w
Civil & Public Services Association 17, 163

McTaggart, Mr Bob
Questions
Prison administration, Scotland 515w
Prison employment, Scotland 515-6w
Prisoners, Suicide 515w
Prisoners, Telephones 516w
Prisoners on remand, Scotland 516w

McWilliam, Mr John
Debates etc
Dockyard Services Bill, Points of order (10.07.86) 521
Questions
Nuclear Installations Inspectorate, Civil service manpower 112-3w
Nuclear Installations Inspectorate, Recruitment 363w
Property Services Agency, Palace of Westminster 323w
School libraries, Local government expenditure 129w

Madden, Mr Max
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 954, 969-70
Poverty, Elderly (16.07.86) 1096
Questions
Business statement 1179
House of Commons, Temporary staff 279w
Immigration controls, Nationality 284-6w
Ministers, Broadcasting Complaints Commission 99-100w
Multifibre arrangement, Textile industry 990-1
South Africa, EC action 198-9w
UK 2000, Bradford 662w

Madel, Mr David
Questions
School leaving certificates 143w
School teachers, Graduates 451-2w
Teachers, Pay 356w

Maginnis, Mr Ken
Questions
IRA, Homicide 17-9w, 81-3w, 83-4w

Magistrates
Ashton under Lyne 97-9w
South Tameside 97-9w

Magistrates courts
Basildon 566w

Magnox reactors
Corrosion 26-7w
Nuclear safety 27w, 28w, 442w

Major, Mr John, *Parliamentary Under-Secretary of State for Health & Social Security*
Debates etc
Poverty, Elderly (16.07.86) 1066-7, 1077, 1095-99
Residential care (09.07.86) 343, 349-57
Questions

Attendance allowance, Social security recipients 617w
Balnave, Captain, War pensions 171w, 449w
Dept of Health & Social Security local offices, Basildon 418w
Dept of Health & Social Security local offices, Birkenhead 157w
Dept of Health & Social Security local offices, Caerphilly 410w
Dept of Health & Social Security local offices, Civil service manpower 418w
Dept of Health & Social Security local offices, Glasgow 270-2w
Dept of Health & Social Security local offices, Manchester 171-2w
Dept of Health & Social Security local offices, St Helens 410w
Dept of Health & Social Security local offices, Wrexham 409-10w
Exceptional needs payments, Administrative delays 271-2w, 274w
Exceptional needs payments, Civil service manpower 273w
Exceptional needs payments, Departmental circulars 553w
Exceptional needs payments, Scotland 68-9w, 155w, 273-4w, 417-8w, 620w
Families, Low incomes 669-70w
Family income supplements 559w
Gaelic language, Dept of Health & Social Security 447w
Hostels, Social Security Policy Inspectorate 68w
Housing benefits 266w
Housing benefits, Council tenants 617w
Housing benefits, Lambeth 405w
Housing benefits, Landlords 266w
Housing benefits, local authorities 445-6w
Housing benefits, Members correspondence 266w
Housing benefits, Private rented housing 155w, 156w
Housing benefits, Social security benefits uprating 155w, 156w
Housing benefits, Social security reform 617w
Housing estates, Heating 75w
Low incomes, Families 157w, 264w, 418w
Maternity benefits 669w
Mobility allowance, Social security recipients 668w
One parent families, Supplementary benefits 405w
Personal income, Employment 405-6w
Personal income, Unemployed 405-6w
Prisoners of war, Japan 406-7w
Rate rebates, Lambeth 75w
Rent control, Departmental circulars 69w
Retirement pensions, British residents abroad 264w
Severe disablement allowance 666w
Severe weather payments, Wales 668w
Social security abuse, Scotland 554w
Social security benefits 618w
Social security benefits, Home visits 270w
Social security payments, Members correspondence 74w
Social security recipients, Northern Ireland 616-7w
Supplementary benefits, Alyn & Deeside 447-8w
Supplementary benefits, Barnsley 269w, 410w
Supplementary benefits, Caerphilly 410w
Supplementary benefits, Copeland 410w
Supplementary benefits, Coventry 447-8w, 666w
Supplementary benefits, Cunninghame 447-8w
Supplementary benefits, Easington 409-10w
Supplementary benefits, Falkirk 409-10w
Supplementary benefits, Glasgow 409-10w, 447-8w
Supplementary benefits, Govan 447-8w
Supplementary benefits, Greenock 617w
Supplementary benefits, Jarrow 409-10w
Supplementary benefits, Motherwell 409-10w

Supplementary benefits, Newham 408w
Supplementary benefits, Normanton 409-10w
Supplementary benefits, Scotland 409w
Supplementary benefits, Social security recipients 156w
Supplementary benefits, St. Helens 410w, 447-8w
Supplementary benefits, Stoke-on-Trent 268-9w
Supplementary benefits, Thurrock 559w
Supplementary benefits, Tooting 666w
Supplementary benefits, Tyne Bridge 617w
Supplementary benefits, Warley 559w
Supplementary benefits, West Midlands 408w
Supplementary benefits, Wrexham 410w
Supplementary benefits, Wythenshawe 666w
Unemployment, Mortgages 553w
Unemployment benefits, Costs 419-20w
Unemployment benefits, Liverpool 418w
War pensions 404w
War pensions, Administrative delays 403w
War pensions, Earnings rules 403-4w
War pensions, Prisoners 162w
War pensions, Visits 403w
War widows pensions, Age allowances 403w

Malak, Emil 383w, 384w
Highlands & Islands Development Board 384w
Nursing homes 384w

Malins, Mr Humfrey
Questions
Health Service Commissioner, Annual reports 168w

Management agreements 278w
Wildlife & Countryside Act 1981 278w

Management consultants
Expenditure 76w
Home Office 333-4w
Ministry of Defence 88-9w
Regional health authorities 76w

Managers
Housing 649w
Job centres 228w

Managing agents 568w, 650w
Community programme 650w
Fees & charges 568w
Gibraltar dockyard 568w

Manchester
Dept of Health & Social Security local offices 171-2w

Manchester Airport 249w

Manchester Royal Infirmary 558w

Manchester University 523w, 559w
Medical education 559w
Medical students 523w

Mandatory student grants
Young people 43w

Mandela, Nelson 21-2, 303
Howe, Geoffrey 303
Political prisoners 21-2, 23, 303
Prisoners release 303-4
Violence 303-4

Manpower Services Commission
Expenditure 586-7w
Finance 586-7w
Training 455w
Vocational education 455w

Manufactured goods
Balance of trade 528w, 535w, 1165-6
Confederation of British Industry 534w
UK trade with EC 528w

Manufacturing industries
Industrial investment 435w
Industrial production 1166-7, 1170-1
Investment 999-1000
Manpower 15-6w
National Economic Development Council 999-1000
Private Members motions (07.07.86) 27-70
Redundancy 13-5w

Maples, Mr John
Questions
General Certificate of Secondary Education, Teacher training 131-2w
USSR, Arms control treaties 204w

Marek, Dr John
Questions
Birkbeck College 130w
Death rate, Men 270w
Death rate, Social class 448w
Dept of Health & Social Security local offices, Wrexham 409-10w
Housing Welsh Office 3w
Industrial diseases, Death 75w
Local Government Boundary Commission for Wales, Clwyd 186w
National Seed Development Organisation, Privatisation 257-8w
Speech therapists, Vacancies 75w
Speech therapy, Training 53w
Supplementary benefits, Wrexham 410w
Universities, Income 54w

Marines
Warships 165w

Market share 398-9w
Offshore suppliers 398-9w

Marketing
Drugs 268w
Motorway service areas 589-90w
Type 23 frigates 854-5, 856

Markets
Sheep 251w

Marland, Mr Paul
Debates etc
Agriculture (14.07.86) 702, 711-3
UK 2000 (14.07.86) 686
Questions
Firearms certificates, Costs 103w

Marlow, Mr Tony
Debates etc
European Communities (Amendment) Bill, Rem stages (10.07.86) 504, 530, 539, 542, 544, 562-4, 564
Members allowances (16.07.86) 1132-3
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1340-1,1342, 1348, 1351, 1355
Open College (18.07.86) 1366
Questions
British Leyland, Privatisation 986
Common agricultural policy, EC budget 257w
EC budget 431w
European Assembly, EC Presidency 371w
General Motors, Dept of Trade & Industry 995
Middle East, Peace negotiations 302
NATO, US bases 839
Nuclear weapons policy, Conventional weapons 495w
Palestine Liberation Organisation, Peace negotiations 206w
Pupil-teacher ratios, Educational standards 140w

Marriage
Royal family 4w, 57w, 90w, 306-7w, 490w

Married men
Average earnings 611-2w
Earned income 247w

Married people
Average earnings 124-5w

Married personal allowance 609w

Married women
Invalid care allowances 172-3w
Severe disablement allowance 419w

Marshall, Mr David
Questions
Drugs, Licensing 266-7w
Housing management, Scotland 497-8w

Marshall, Mr Michael
Debates etc
High technology (15.07.86) 884
Questions
Arundel bypass, Road construction 661w
European Coal & Steel Community 998

Marsland, Lynne 61-2w, 104w, 337w, 338w
Childbirth 61-2w, 104w
Holloway Prison 61-2w, 104w, 337w, 338w

Martial arts 222-3w
Weapons 222-3w

Martial Arts Commission 222-3w

Martial arts weapons 223w
Convictions 223w

Martin, Mr Michael J
Questions
Civil & Public Services Association, Trade union elections 507-8w

Marychurch, Sir Peter 237w
Deferred retirement 237w
Government Communications Headquarters 237w

Maryport
Skillcentres 157

Mason, Rt Hon Roy
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 960-2
Questions
Anglo-Irish Agreement 504-6w
Anglo-Irish Agreement, Republic of Ireland 642w
Coal mining, Redundancy 4
House of Commons Select Committees 460-78w, 484w

Mass media
South Africa 852

Maternity benefits 669w

Mates, Mr Michael
Questions
Management consultants, Home Office 333-4w
Management consultants, Ministry of Defence 88-9w
Voting rights, British residents abroad 286-7w

Mathematics education
Graduates 451-2w
Inner London boroughs 155
Numeracy 233-4w
School teachers 176w
Teachers 140w, 154-5, 155-6

Matrimonial & Family Proceedings Act 1984 565w

Matrimonial proceedings
Legal aid 317-8w

Mattresses
Fire resistant materials 227w

Mature students
Higher education 44-6w, 137w, 174-6w
Student grants 54w
Student numbers 174-6w

Mawhinney, Dr Brian, *Under-Secretary of State for Northern Ireland*
Questions
Further education colleges, Northern Ireland 550-2w, 620-4w
Further education colleges, Youth training programme 551-2w
Further education teachers, Northern Ireland 623w

Maxton, Mr John
Debates etc
Legal Aid (Scotland) Bill (HL), Rep & 3R (14.07.86) 785, 798, 799

Questions
Doctors, Redundancy 443w
Greater Glasgow Health Board, NHS finance 497-9w
Hospital waiting lists, Scotland 498w
Scottish health boards, Patients 498w
Supplementary benefits, Social security recipients 156w
Youth training scheme 112w

Maxwell-Hyslop, Mr Robin
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 961
Tin (07.07.86) 74-5, 77, 79, 80, 82, 83, 86, 107-10
Tourism (09.07.86) 366, 371, 372, 383, 386-90
Questions
Steptiford, Roy Percy, Solicitors 185-6w

Mayhew, Rt Hon Sir Patrick, *Solicitor-General*
Debates etc
Latent Damage Bill (HL), Rep & 3R (07.07.86) 119-20, 130-2, 133, 134-5
Questions
Commercial court, Administrative delays 675-6

Maynard, Miss Joan
Debates etc
Control of Pesticides Regulations 1986 (16.07.86) 1121-2
Questions
Food, Irradiation 261w

Meacher, Mr Michael
Debates etc
Poverty, Elderly (16.07.86) 1062-7, 1068, 1069, 1073, 1096
Residential care (09.07.86) 326-31, 354
Social Security Bill, Points of order (14.07.86) 691
Questions
Computers in National Health Service, North Western Regional Health Authority 77w
Elderly, Local government services 420-1w
NHS administration, Pay 77w
NHS administration, Resignations 297-8w
Social workers, Cruelty to children 620w

Meadowcroft, Mr Michael
Debates etc
Criminal Justice (Northern Ireland) Order 1986 (09.07.86) 417
Finance Bill, Rep (08.07.86) 229, 238-9
Finance Bill, Rep & 3R (17.07.86) 1284-6
High technology (15.07.86) 900-3
Housing (Northern Ireland) Order 1986 (09.07.86) 406-7, 409
Open College (18.07.86) 1360-1
Questions
Civil defence, North West region 638w
Community transport, Voluntary organisations 249w
Defective housing, Demolition 39w
Defective housing, Housing Defects Act 1984 35w, 38-9w
Defective housing, Local government expenditure 35-8w
Fast reactors, Dounreay 113w
Food labelling 432-3
Front line states, Overseas aid 368w
Housing benefits, Private rented housing 156w
Multifibre arrangement, EC action 340w
Multifibre arrangement, Textile industry 992
NATO, Western Europe 495w
Nuclear accidents, Nuclear power stations 389-90w
Nuclear accidents, USSR 389w
Nuclear power, Defence 389w
Nuclear weapons 165-6w
Political refugees, UN resolutions 335w, 370w
Recorders, Public appointments 167w
Rent control, Private rented housing 95w
Royal ordnance factories, Barnbow 845
Royal Ulster Constabulary, Public order policing 1007
School administration, Leeds 157-8
Sellafield, Public access 389w
South Africa, Diplomatic service 296-7
South Africa, EC nationals 370w
Teachers, Contracts of employment 145w
Unemployment, Costs 1156
Young people, Music 85-6w

Means tested benefits
Children 618-9w
Low pay 1160

Medical boarding centres (respiratory diseases) 413w, 414w

Medical cards 643w
Northern Ireland 627w, 643w
Proof of identity 643w

Medical education
Geriatrics 236w
Manchester University 559w
Universities 236w
University finance 144w
University teachers 147-8w

Medical records
Disclosure of information 77w

Medical research
Babies (11.07.86) 656-62
Heart diseases 404-5w
Neurofibromatosis 74w

Medical students
Manchester University 523w
Students numbers 523w

Medical treatments
AIDS 616w
Hazardous materials 566-7w
Prisoners of war 406-7w

Medicines Inspectorate 76w, 170w, 410-1w, 446w
Civil service manpower 76w, 410-1w
Companies 170w
Manpower 446w

Mellor, Mr David, *Under-Secretary of State for the Home Department*
Debates etc
Mentally ill, Prisoners (16.07.86) 1149-53
Questions
Animals (Scientific Procedures) Act 1986 221w
Arrests, Young people 180w
Bail, Homelessness 62w
Bail hostels 59-60w, 60-1w
Body searches, Women 487w
Bombings, Public houses 57w
Breathalysers, Diplomatic service 61w
Castington Youth Custody Centre, Overtime 54w
Category A prisoners 485w
Detection rates, Leicester 486w
Drug abuse, Prisoners 58w
Drug abuse, Prisons 485-6w
Drug crimes, Avon 508-10w
Drug crimes, Bail 102w
Drug Trafficking Offences Act 1986 285w
Drugs, Prices 184w
Extradition, Republic of Ireland 486w
Fine defaulters, Prison sentences 58w
Licensing (Occasional Permissions) Act 1983 638w
Life imprisonment, Prison population 487-8w
Life imprisonment, Release on licence 488w
Local Government Boundary Commission for Wales, Clwyd 186w
Long term prisoners, Prison population 334-5w
Marsland, Lynne, Childbirth 104w
Marsland, Lynne, Holloway Prison 61-2w, 337w, 338w
Milton Keynes Prison, Category A prisoners 511w
Milton Keynes Prison, Prisoners 511w
Mullin, Christopher, Bombings 224w
Prison administration, Special category prisoners 489w
Prison education services 59-60w
Prison employment 59w
Prison employment, Working hours 490w
Prison visits 489w
Prisoners, Babies 180-1w
Prisoners, Handicapped 103w
Prisoners mail, Censorship 489-90w
Prisoners release 510w
Prisoners release, Homelessness 102-3w
Prisoners release, Prison population 57w
Prisons, Construction 488w, 489w
Prisons, Construction costs 488-9w
Prisons, Costs 102w
Prisons, Crown immunity 489w
Prostitution, Young offenders 55w
Segregation of prisoners, Rule 43 485w
South Africa, Voting rights 339w
Steptiford, Roy Percy, Solicitors 185-6w
Stocken hall, Rutland 335w
Sulley, David, Prisoners 335-6w
Video Recordings Act 1984, Prosecutions 223w
Wormwood Scrubs, Catering 104w, 184-5w
Young people, Alcoholic drinks 637w

Members
Royal Ulster Constabulary 624w

Members allowances 227-8w, (16.07.86) 1130-43, 1169

Members conduct
Speakers rulings & statements (08.07.86) 159, (15.07.86) 849, (16.07.86) 1110, (17.07.86) 1170

Members correspondence
Administrative delays 325w, 338w, 346w, 349-50w, 355w, 363w, 365w, 367w, 372w, 383w, 390w, 401w, 419w, 420w, 428w, 613-4w, 642-3w
Dept of Education & Science 355w
Dept of Employment 363w
Dept of Energy 390w
Dept of Health & Social Security local offices 419w
Dept of the Environment 325w
Dept of Trade & Industry 346w
Dept of Transport 401w
Driving tests 666
Entry clearances 101w
Foreign & Commonwealth Office 372w
Home Office 338w
Housing benefits 266w
Immigration appeals 637w
Latham, FM 270w
Ministry of Agriculture Fisheries & Food 365w
Ministry of Defence 428w
Northern Ireland Office 367w, 642-3w
Royal National Institute for the Blind 619w
Scottish Office 383w
Smith, Irene 420w
Social security payments 74w
Sulley, David 335-6w
Welsh Office 349-50w, 613-4w

Members domestic visits
Devon County Council 449w
Schools 449w

Members dress
Speakers rulings & statements (16.07.86) 1009

Members interests
Speakers rulings & statements (08.07.86) 180

Members interventions
Speakers rulings & statements (14.07.86) 744, (16.07.86) 1073, 1118, (18.07.86) 1351

Members speeches
Speakers rulings & statements (07.07.86) 103, (11.07.86) 600, 626-7, 640, (14.07.86) 742, (18.07.86) 1394

Members staff (16.07.86) 1130-43

Members travel
Buses 485w
Travelling expenses 485w

Men
Death rate 270w, 448w

Mental health
Codes of practice 385w
Scotland 385w

Mental Health Act 1983 415-6w

Mental health community care
Mental health services 168w, 664-5w
Mentally handicapped 669w

Mental Health (Scotland) Act 1984 385w

Mental health services
Local government social services 663-4w
Mental health community care 168w, 664-5w
Mental patients 663w
Scotland 240-2w
Strathclyde 239-40w

Mental illness
Hospital admissions 664w

Mental patients
Consent to medical treatment 415-6w
Mental health services 663w

Mentally handicapped
Mental health community care 669w
Prisoners (16.07.86) 1146-54
Scotland 240-2w
Strathclyde 239-40w

Mentally ill
Day centres 663-4w
Prisoners (16.07.86) 1146-54

Merchant, Mr Piers
Questions
Economic situation 1158
Falkland Islands Development Corporation 508w

Merchant ships
European Economic Community 396w
Shipbuilding 1001
Shipping safety 396w

Mercury pollution
Fish 365w
Liverpool bay 459w

Mergers
Agricultural research 517w
Defence procurement 92w
GEC 569w
Monopolies & Mergers Commission 454w
National security 345w

Merseyside
Arts Council 13-4
Arts finance 13-4, 615w
Bus services 595w
Employment opportunities 1-2
English Industrial Estates Corporation 541w, 542w
European Social Fund 587w
Ministers domestic visits 96w
Petroleum exploration 1-2
Redundancy fund 586w

Merseyside Development Corporation 481w, 631-2w
Directors 631-2w
Employment opportunities 481w
Occupations 631-2w

Merseyside Residuary Body 631w
Local government borrowing 631w

Merseyside task force 482w
Slum clearance 482w

Metropolitan Police (11.07.86) 584-603, 605-12, 622-54
Codes of practice 56w
Detection rates 513w
Drug crimes 337w
Drug seizures 337w
Helicopters 338w
Manpower 224w
Mobile police stations 224w
Offices 338w
Police patrolling 105w
Public order policing 105w
Road traffic control 338w

"**Metropolitan Police Instruction Book**" 56w

Meyer, Sir Anthony
Debates etc
European Communities (Amendment) Bill, Rem stages (10.07.86) 508, 515-6, 525, 537-8

Michie, Mr Bill
Questions
South Africa, EC action 198w

Microcomputers
Computers in schools 189w

Microelectronics industry
Manpower 30w
Redundancy 613w
Scotland 30w
Wales 613w

Middle East
EC action 203w
Peace negotiations 203w, 205w, 301-2

Mikardo, Mr Ian
Debates etc
Metropolitan Police (11.07.86) 629, 632-5, 644
Questions
South Africa, Howe, Geoffrey 304

Militant tendency 17-8

Military aircraft
Exercise Mallet Blow 90-1w, 430w
Falkland Islands 429w
Military excercises 430w
Nuclear weapons deployment 91w
USA 91w, 430-1w

Military attaches 207w
Deportation 207w
South Africa 207w

Military exercises
Military aircraft 430w
NATO 430-1w

Military police 426w
Arrests 426w

Military vehicles
Driving licences 426w

Milk
Production 261w
Production quotas 255-6w, 259w

Millan, Rt Hon Bruce
Questions
Civil service recruitment, Executive officers 97w
Commonwealth Games 862
Juries, Scotland 307
Supplementary benefits, Glasgow 447-8w
Supplementary benefits, Govan 447-8w

Mills, Mr Iain
Debates etc
Tin (07.07.86) 84, 110-1

Mills, Sir Peter
Debates etc
Agriculture (14.07.86) 706-8
Questions
Agricultural land, Rates & rating 275w
Butter, New Zealand 657w
Cereals, Co-responsibility levy 434
Farms, Industrial health & safety 259-60w
Members domestic visits, Schools 449w
Uganda, Overseas aid 19w
Willsworthy shooting range, Dartmoor National Park 836

Milton Keynes Prison 511w
Category A prisoners 511w
Prisoners 511w

Mining
Tin (07.07.86) 72-118

Ministerial responsibility
Speakers rulings & statements (14.07.86) 664

Ministerial speeches
Speakers rulings & statements (15.07.86) 907

Ministerial statements 514w
EC budget (11.07.86) 613-21
Higher education (17.07.86) 1187-97
Open College (18.07.86) 1358-67
Speakers rulings & statements (11.07.86) 604, 612, 654
UK 2000 (14.07.86) 683-9

Ministers
Birmingham City Council 5w
Broadcasting Complaints Commission 99-100w
Immigration appeals 637w
Speakers rulings & statements (09.07.86) 372, (15.07.86) 918, (18.07.86) 1350

Ministers correspondence 169-70w, 675
Crossroads scheme 169-70w
Solicitor-General 675

Ministers domestic visits
Cleveland 988-90
Glasgow University 133w
Huddersfield Polytechnic 129-30w
Liverpool 34w
Liverpool University 53w
Merseyside 96w
Strathclyde University 133w

Ministers visits abroad
Foreign & Commonwealth Office 236w
South Africa 21-2, 22-3, 24-5, 26, 162-3, 199-200w, 288-9, 605w
West Germany 542w, 550w

Ministry of Agriculture Fisheries & Food
Consumer protection 257w
Members correspondence 365w
Pollution monitoring 438

Ministry of Defence
Management consultants 88-9w
Members correspondence 428w
Trade union officials 91w

Missing persons
Police national computer 183-4w

Mitchell, Mr Austin
Questions
Arrests, Young people 180w
Average earnings 180w
Balance of trade, UK trade with EC 343-4w
Clearing banks, Greater London 431w
Dual jobholding 178-9w
Employment 108-11w
Employment level, EC countries 12-4w
European Coal & Steel Community, UK contributions 369-70w
Finance, Statistics 643-4w
Fishing vessels, Factory ships 197w
Green pound, Retail price index 438w
Home helps, Fees & charges 69w
Homelessness, Greater London 33w
Hospital waiting lists, NHS Management Board 157w
Industrial production 561-2w
Intergovernmental Agreement, 1984 123w, 124w
Manpower 179-80w
Manufacturing industries, Industrial investment 435w
Money supply 435w, 644w
National income 434w
Part-time employment, Working hours 12w
Petroleum production, National income 113w
Productivity, USA 434w
Pupils, Private education 449-50w
Radioactive waste disposal, Geology 308w
Regional Health authorities, NHS finance 553w
Resource Allocation Working Party, NHS finance 169w
Retail prices 362w

Security Intelligence Secretariat, International cooperation 4w
Semi-manufactured exports, Production 434-5w
Treaties, EC countries 124w
Water authorities, Privatisation 186w, 320-1w

Mitchell, Mr David, *Minister of State for Transport*
Debates etc
Channel tunnel, Roads (17.07.86) 1313-5, 1316, 1319, 1327, 1328-31
Questions
British Rail 396w
British Rail, Rolling stock 458w
Bus services, Concessionary fares 211-2w
Bus services, Greater London 314w, 673-4
Bus services, Hampshire 402w
Bus services, London Buses 313w
Bus services, London docklands 674
Bus services, Merseyside 595w
Bus services, Tenders 393w
Bus services, Transport Act 1985 395w
Bus services, Transport subsidies 393-4w
Channel tunnel 669
Channel tunnel, Customs 396w
Channel tunnel, Finance 396w, 669
Channel tunnel, Kent 396w, 668-9
Channel tunnel, Northern region 674-5
Channel tunnel, Waterloo station 314w, 400w
Drinking & driving, Departmental coordination 672
Greater Manchester Passenger Transport Executive, Finance 661w
London docklands railway 397w
London Regional Transport 400w
London Regional Transport, Directors 313w
National Bus Company, Privatisation 459w
One man buses, London Regional Passengers Committee 314w
Railway industry, Government grants 315w
Railway travel, British Rail 402w
Railway travel, Railway network 399w
Road safety, Buses 672
Shields, Neil, London Regional Transport 313w
"Tomorrows Buses", Departmental leaflets 661w
Transport Act 1985, Publicity 313w
West Midlands Passenger Transport Executive, Government grants 312w

Moate, Mr Roger
Debates etc
Channel tunnel, Roads (17.07.86) 1319, 1322-4, 1327
Latent Damage Bill (HL), Rep & 3R (07.07.86) 128-30, 134

Mobile classrooms
Leicestershire County Council 233w

Mobile police stations 224w
Metropolitan Police 224w

Mobility Advice & Vehicle Information Service 672-3

Mobility allowance
Social security recipients 668w

Money supply 435w, 438w, 644w
Sterling M3 606w

Monopolies & Mergers Commission
Mergers 454w

Monopolies & Mergers Commission reports 454w

Monro, Sir Hector
Debates etc
Agriculture (14.07.86) 725-8
Higher education, Scotland (17.07.86) 1191
Questions
Commonwealth Games 862
Home Service Force, Helicopters 841

Montgomery, Sir Fergus
Questions
Business statement 1175
Middle East, Peace negotiations 203w

Moore, Mr John, *Secretary of State for Transport*
Questions
Air fares, USA 398w
Airports Act 1986 563w
British Rail, Public service obligation grant 316w
Cycleways, Greater London 668
Cycling, Highway code 667-8
Cycling, Radiophones 668
Cycling, Roads 668
Dartford tunnel, Contracts 116w
EC law, Public corporations 399w
Free ports, Liverpool 564w
Gaelic language, Dept of Transport 459w
Heathrow, Perry Oakes sludge works 397w
Light dues 394w
Lorries, Weighing machines 399w
Lorry drivers, Working hours 665-6
Members correspondence, Dept of Transport 401w
M1, Road signs 398w
Navigational aids, Fishing crews 248w
North Sea oil, Offshore suppliers 398-9w
Piers, Southend 117w
Railway freight transport, Transport of hazardous materials 458w
Sea pollution, Plastics 250w
Sea transport, South Africa 401-2w
Severn Crossing Feasibility Study 670
Shipping safety, Merchant ships 396w
Transport infrastructure, Lancashire 397w
Transport of radioactive materials, Environment Select Committee 397w

Morecambe
M6 118w

Morocco
Polisario Front 373w

Morrich More 577w
Sites of special scientific interest 577w

Morris, Rt Hon Alfred
Debates etc
Finance Bill, Rep (08.07.86) 212, 215-6
Questions
Accidents, Sports 171-2w
Acute beds, Cost benefit analysis 559w
Aids for handicapped, Annual reports 159w
A59, Road works 118-9w
A65, Cottingley Bar 117w
A595, Cumbria 119-20w
Bus services, Concessionary fares 211-2w
Bypasses, Road construction 121-2w
Crossroads scheme, Ministers correspondence 169-70w
Department of Health & Social Security local offices, Manchester 171-2w
Furniture, Fire prevention 10w
Furniture, Polyurethane foam 454w
Handicapped drivers, Orange badge scheme 122w
Health Education Council, Finance 159w
Housing estates, Heating 75w
Manchester University, Medical education 559w
Motorways, Road construction 120-2w
M6, Morecambe 118w
M6, Road traffic 117-8w
M180, Road construction 118w
North of England Regional Association for the Blind, Optical charges 555w
North Western Regional Health Authority, Acute beds 557-8w
North Western Regional Health Authority, NHS finance 558w
North Western Regional Health Authority, Strategic plans 557w
Road construction, Dearne towns 122w
Road construction, Dual carriageways 121w
Road construction, Yorkshire & Humberside 121w
Roads, Northern region 121w
Roads, South Yorkshire 117w
Stalker, John, Royal Ulster Constabulary 105w
Supplementary benefits, Wythenshawe 666w
Vaccination, Children 160w
Vaccination, Nurses 160w
Vaccination, Research 159-60w
Vaccination, Take-up 159w
Vaccine damaged children, Compensation 160w
Vaccine damaged children, Costs 160-1w
Widness bypass, Road construction 117w

Morris, Rt Hon John
Questions
Juries 309-10

Morris, Mr Michael
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1201, 1202
Questions
Nene College, Northampton 152
Pharmacists, Contracts 665w

Morrison, Mr Peter, *Minister of State for Trade & Industry*
Debates etc
Tin (07.07.86) 111-3
Questions
British Leyland 529w
British Leyland, Privatisation 986, 994, 995-6
British Leyland, Public sector assets 994
British Shipbuilders, Shipbuilding 1001
British Steel Corporation, Clydesdale 998
British Steel Corporation, Profitability 998
Clothing industry, Capital investment 189-90w
Clothing industry, Industrial production 189w
EC Industry Council, Iron & steel 347w
English Industrial Estates Corporation, Finance 280w
English Industrial Estates Corporation, Liverpool 541w
English Industrial Estates Corporation, Liverpool Exchange station 542w
English Industrial Estates Corporation, Merseyside 542w
European Coal & Steel Community 998
Foreign investment in UK, USA 529-30w
General Motors, Dept of Trade & Industry 995
Government assistance to industry, Health 540w
Iron & steel industry, Factory closures 997-8
Iron & steel industry, Industrial production 344w
Iron & steel industry, Manpower 344-6w
Iron & steel industry, Redundancy 999
Iron & steel industry, Scotland 280w, 347w, 999
Iron & steel industry, Trade competitiveness 998-9
Land Rover, Privatisation 985
Leyland Bus, Laird Group 996
Leyland Bus, Privatisation 985, 994-5
Leyland Bus, Public sector assets 986
Leyland Bus, Rover Group 534w
Leyland Vehicles 532w
Leyland Vehicles, Freight Rover 532w
Regional aid 225w
Regional planning & development 528w
Regional planning & development, Expenditure 528w
Regional planning & development, Northern region 529w
Shipbuilding 1001
Shipbuilding, Contracts 536-40w
Shipbuilding, Frigates 1002
Shipbuilding, Trade competitiveness 1001-2
Shipyards, Smiths Shiprepairers 1001
Vickers Shipbuilding & Engineering, Government assistance to industry 639w

Mortgage relief
Costs 216-7w
House purchase 78w

Housing improvements 78w

Mortgages
Social security recipients 553w
Unemployment 553w

Mortuaries
Manpower 445w
Tameside 445w

Motherwell
Supplementary benefits 409-10w

Motor insurance
Road accidents 663-4
Unemployed 347w

Motor vehicle registration 2w, 593w, (16.07.86) 1012

Motor vehicle theft
Police national computer 183w

Motor vehicles
Rover 994

Motorcycles
EC action 397-8w
Lighting 458w
Noise pollution 397-8w

Motorway service areas
Marketing 589-90w
M4 564w

Motorways
Cones 671
Road accidents 211w
Road construction 120-2w, 592w
Road safety 399w
Road works 670-1
Safety barriers 212-3w

Moynihan, Mr Colin
Questions
Afghanistan, USSR 202w

Mudd, Mr David
Debates etc
Tin (07.07.86) 87-90

Mugabe, Robert 524-5w

Mullin, Christopher 224w, 512w
Bombings 224w

Mulroney, Brian 585w
Prime Minister official engagements 585w

Multifibre arrangement 530w, 531w, 990-1
Balance of trade 340w
Developing countries 531w
EC action 340w, 992-3
Import quotas 531w
Redundancy 531w
Social Democratic Party 991-2
Textile industry 990-1, 992
Unfair trading practices 992
USA 530-1w

Multiple occupation
Compulsory purchase 548w
Research 629-30w
Slums 261-3w

Murakhovsky, VS 307w

Murphy, Mr Christopher
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1350, 1368-9, 1377
Questions
Airships, Greater London 660w
Howe Dell School, Hatfield 523w
Public libraries, Fees & charges 15-6
Queen Elizabeth II Hospital, Welwyn Garden City 555w
Wellfield Hospital, Geriatrics 555w

Museums & galleries
Admission charges 86w, 304w
Insurance 85w

Music
Arts Council grants 85-6w
Arts finance 86w
Rural areas 86w
Young people 85-6w

Music therapy 238-40w

M1 398w, 438w
Road signs 398w

M2 438w

M3 2w
Contra-flow systems 2w
Road works 2w

M4 564w
Motorway service areas 564w

M6 117-8w
Blackburn 117-8w
Industrial development 118w
Morecambe 118w
Road traffic 117-8w

M23 587w

M25 212w, 250w, 564w
Road traffic 212w, 250w, 564w
Road works 212w, 564w

M55 118w
Road traffic 118w

M62
Road works 671-2

M63
Road works 671-2

M180 118w
Road construction 118w

Namibia
South Africa 209w
SWAPO 65w

Nassau Summit 453w, 523w, 525w

National Advisory Body for Local Authority Higher Education 160

National Advisory Body for Public Sector Higher Education 128w, 142w
Polytechnics 128w, 160

National Agency on Alcohol Misuse 415w
Government grants to voluntary organisations 415w

National Association of Teachers in Further & Higher Education 125w

National Bedding Federation 227w

National Bus Company
Privatisation 459w

National Coal Board
Coal mining 24w
Northumberland 22w

National Council for Vocational Qualifications 653w
Finance 653w

National Drugs Intelligence Unit 336w
Drug squads 336w
Housing estates 105w
Manpower 336-7w

National Economic Development Council
Manufacturing industries 999-1000

National Garden Festival
Glasgow 238w

National income 434w
Educational finance 578-9w
Natural gas production 113w
Petroleum production 113w

National insurance contributions 443
Average earnings 1159-60

National Museums & Galleries Act 1964 86w

National Nuclear Corporation 389w

National Radiological Protection Board
Pollution monitoring 619w

National security
Computer privacy 216w
Data Protection Act 1984 216w
Mergers 345w

National Seed Development Organisation 257-8w
Privatisation 257-8w

National Union of Students 142w

Nationalisation
Shareholders 444

Nationalised industries
Privatisation 527w
Procurement 8w

Nationality
Immigration controls 284-6w

NATO
Chemical weapons 491w
Defence expenditure 425w
FB111 aircraft 64-5w
Military exercises 430-1w
Nuclear weapons 429w
Nuclear weapons deployment 191w
Publicity 839
US bases 839
Western Europe 495w

NATO Defence Planning Committee 839

NATO Nuclear Planning Group 427w

Natural Environment Research Council
Exhibitions 178w
Upper Waiting Hall 178w

Natural gas production
National income 113w

Natural History Museum 282w
Admission charges 282w

Nature conservation 365w
Compensation 94w
"DOE Circular 108/77" 325-6w
Hedgehogs 94w

"Nature Conservation & Afforestation in Britain" 293w

Navigational aids
Fishing crews 248w

Navy
Defence contracts 838
Defence procurement 491w, 524w
Vosper Thornycroft 838
Warships 841-2

NCB (Enterprise) Ltd 113-4w
Employment opportunities 113-4w
Investment 113-4w

Neale, Mr Gerrard
Questions
Board & lodging charges, EC nationals 420w
Call routing apparatus 9w

Needham, Mr Richard, *Parliamentary Under-Secretary of State for Northern Ireland*
Debates etc
Housing (Northern Ireland) Order 1986 (09.07.86) 399-401, 407-9
Questions
Board & lodging charges, Northern Ireland 503w
Divis flats 367w
Drug abuse, Northern Ireland 641w
Medical cards, Northern Ireland 627w, 643w
Northern Ireland Housing Executive, Council house sales 503w
Northern Ireland Housing Executive, Housing subsidies 503-4w
Road works, Donaghadee Road 503w
Sewers, Newtownbreda 114w

Negligence (07.07.86) 119-35

Nellist, Mr Dave
Questions
Business statement 452, 1180-1
Cervical cancer, Screening 448w
Coal mining, Industrial disputes 246w
Homelessness, Coventry 278w, 326w
Hospital waiting lists, Coventry 162-3w
Job creation schemes, Coventry 360w

Manufacturing industries, Industrial production 1166-7
National Advisory Body for Public Sector Higher Education 142w
Privatisation, Share ownership 1161-2
Rolls-Royce Aeroengines, Capital investment 226w
Rolls-Royce Aeroengines, Wealth 226-8w
South Africa, Emergency powers 199w
Sulley, David, Prisoners 335-6w
Supplementary benefits, Coventry 447-8w
Vacancies, Coventry 13w
Virgin Atlantic Challenger, Nimrod aircraft 92w
Youth unemployment, Coventry 229-32w

Nelson, Mr Anthony
Questions
Business statement 449-50
Middle East, Peace negotiations 203w

Nene College
Northampton 152
Polytechnics 152

Nepal
Christianity 205w
Human rights 205w

Nervous system disorders
Neurofibromatosis 74w

Neurofibromatosis
Medical research 74w
Nervous system disorders 74w

Nevada
Nuclear weapons tests 847

New blood lectureships 138-9w

New businesses 455w, 492w, 987-8
Cleveland 987-8
Defence contracts 492w
Derbyshire 455w

New clauses
Speakers rulings & statements (15.07.86) 917

New Commonwealth & Pakistan 104w
Immigrants overstaying 104w
Overseas trade 640w

New Forest District Council 31w, 32w
Planning appeals 32w
Planning permission 31w

New towns
Government loans 542-7w

New towns development corporations
Finance (18.07.86) 1340-57, 1368-98

New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1340-57, 1368-98

New York 245-6w

New Zealand
Butter 436, 442, 560-1w, 657w
EC external trade 657w

Newham
Helicopters 511-2w
Social security recipients 408w
Supplementary benefits 408w

News International 164, 225w
Hampshire 164
Industrial disputes 57w, 225w
Public order policing 57w, 225w
SOGAT 82 164

Newton, Mr Tony, Minister of State for Social Security
Debates etc
Poverty, Elderly (16.07.86) 1067-74
Residental care (09.07.86) 324
Tourism (09.07.86) 389
Questions
Aids for handicapped, Annual reports 159w
Attendance allowance, Pearce, W 269w
Blind, Certification 619w
Board & lodging charges, EC nationals 420w
Chronically Sick & Disabled Persons Act 1970, Local government maladministration 170w
Conductive education 157w, 158w
Disabled Persons (Services Consultation & Representation) Act 1986 416-7w
Exceptional needs payments 69-70w, 418w
Handicap benefits, Costs 419w
Hearing aids, Tenders 76w
Housing benefits, Social security benefits rules 265-6w
Income support scheme, Single people 618w
Industrial diseases benefits, Appeals 413w
Invalidity benefits, Social security recipients 169w
Means tested benefits, Children 618-9w
Medical boarding centres (respiratory diseases) 414w
Multiple occupation, Slums 261-3w
North of England Regional Association for the Blind, Optical charges 555w
Pensioners, Exceptional circumstances additions 666w
Pneumoconiosis, Appeals 413-4w
Pneumoconiosis, Compensation 413w
Rapid Action for Conductive Education 158w
School meals 420w
School meals, Costs 420w
Severe disablement allowance, Costs 419w
Severe disablement allowance, Married women 419w
State earnings related pension scheme, Expenditure 618w
Wheelchairs 157w

Newtownbreda
Sewers 114w

NHS
Bedding 68w
Contracts for services 406w, 444w
Energy efficiency 5-6
Hospital patients 66-8w, 553-4w
Hospital waiting lists 66-8w
Out-patients 553-4w
Per capita costs 414-5w
Privatisation 406w, 444w
Research 153-5w
Speech therapy 75-6w, 163w

NHS administration
Dismissal 297-8w
Pay 77w
Resignations 297-8w

NHS finance 215w
Bexley Health Authority 162w
East Surrey Health Authority (17.07.86) 1332-8
Greater Glasgow Health Board 497-9w
Greater London 413w
Inner London boroughs 413w
North Western Regional Health Authority 557-8w
Pay 162w, 298w
Per capita costs 414-5w
Regional health authorities 553w
Resource Allocation Working Party 169w
Scotland 115w
South West Thames Regional Health Authority 448w
Teaching hospitals 75w

NHS Management Board 157w
Hospital waiting lists 157w

Nicaragua
Bilateral aid 681
Inter-American Development Bank 680-1

Nicholls, Mr Patrick
Questions
Health education, Curriculum 126w
Inflation 606w
Juries 308
South Africa, Overseas trade 188w
Speech therapists, Pay 668w
Unemployment, Costs 1156-7

Nigeria
Human rights 647w

Nimrod aircraft 7w, 92w, 493w, 846
Air force flying 92w
British Aerospace 846
Defence contracts 846
Early warning systems 493w, 843, 846
Virgin Atlantic Challenger 7w, 92w, 304w

Noise pollution
Motorcycles 397-8w
RAF Cottesmore 839-40

Non-departmental public bodies 20

Non-teaching staff
State education 47-8w

Norfolk County Council 132w
General Certificate of Secondary Education 132w

Normanton
Supplementary benefits 409-10w

Norris, Mr Steve
Questions
Rover 800 442-3

North Atlantic Fisheries Organisation 658w
Fishery agreements 658w

North British Hotel 383w
Historic Buildings Council 383w
Scottish Development Agency 383w
Scottish Tourist Board 383w

North East Thames Regional Health Authority 413w

North of England Regional Association for the Blind 555w
Optical charges 555w

North Sea
Petroleum exploration 303w

North Sea oil
Iron & steel industry 999
Offshore suppliers 398-9w
Oil exports 441w
Oil prices 25w
Oil reserves 609w
Oil revenues 1167-8

North Wales 229-30w, 507w
Radioactivity 229-30w, 507w

North West Hertfordshire District Health Authority 296w
Public appointments 296w

North West region
Civil defence 638w
Defence contracts 248w
Prime Minister domestic visits 4-5w
Roads 121w
Vacancies 652w
Wages councils 589w

North West Thames Regional Health Authority 413w, 555w

North West Water Authority 324w
River Mersey 324w

North Western Regional Health Authority 77w, 557-8w
Acute beds 557-8w
Computers in National Health Service 77w
NHS finance 557-8w
Strategic plans 557w

North Yorkshire 524w
Armed forces housing 524w

Northampton
Nene College 152

Northern Constabulary (17.07.86) 1236-46

Northern Ireland
Action for Jobs campaign 193w
Armed forces deployment 492w
Board & lodging charges 503w
Body searches 504w
Company liquidations 193w
Company registrations 193w
Criminal law (09.07.86) 410-9
Demonstrations 627w
Drug abuse 641w
Elections 625w

Employment discrimination 81w, 192-3w, 365-6w, 366-7w
Employment schemes 193w
Further education colleges 550-2w, 620-2w, 621-4w
Further education teachers 620-2w, 623w
House of Commons division of time 484w
Housing (09.07.86) 399-409
Local government elections 624-6w
Lost working days 84w
Medical cards 627w, 643w
Orders & regulations 484w
Social security recipients 616-7w
Unemployment 84-5w
Youth training programme 552w

Northern Ireland Assembly
Libraries 280w

Northern Ireland civil service 85w
Employment discrimination 85w

Northern Ireland district councils
By elections 624-6w

Northern Ireland Education & Library Boards 550-2w

Northern Ireland government
Anglo-Irish Agreement 1005, 1006-7
Republic of Ireland 1005, 1006-7

Northern Ireland Housing Executive
Council house sales 503w
Housing subsidies 503-4w
Sitting tenants 503w

Northern Ireland Office
Members correspondence 367w, 642-3w

Northern region
Brussels 402w
Channel tunnel 674-5
Polytechnics 160
Regional aid 988
Regional planning & development 529w
Roads 121w
Tate Gallery 615w
Wages councils 587-8w

Northumberland
Coal reserves 22w
National Coal Board 22w

Norway
Fish 595w, 659-60w
Herring 252w

Notifiable diseases
Legionnaires disease 554w

Nuclear accidents
Disclosure of information 386w, 570w
Kyshtym 386w
Nuclear power stations 389-90w
Research 386w, 389-90w
Sellafield 570w
USSR 307w, 364w, 389w, 619w

Nuclear artillery shells
BAOR 427w

Nuclear fuels
Defence 570w
Transport of radioactive materials 570w

Nuclear Installations Inspectorate
Chapelcross power station 174w
Civil service manpower 112-3w, 363w
Civil service recruitment 112-3w
Manpower 12-3
Recruitment 363w

Nuclear power
Defence 389w
Energy research 386-8w
Nuclear weapons 389w
Privatisation 9-10

Nuclear power stations 27w
Daya 440w
Hong Kong 440w
Nuclear accidents 389-90w
Nuclear safety 587w

Nuclear reactors
Disclosure of information 442w
Nuclear safeguards 388w

Nuclear safeguards
Nuclear reactors 388w
Plutonium 388w

Nuclear safety 13
European Council 216w
International cooperation 216w
Magnox reactors 27w, 28w, 442w
Nuclear power stations 587w

Nuclear test ban
Seismic monitoring 847
USA 207w
USSR 207w

Nuclear war
Treaties 370w

Nuclear weapons 165-6w
Air force bases 428-9w
Chapelcross power station 174w
NATO 429w
Nuclear power 389w

Nuclear weapons deployment
Military aircraft 91w
NATO 191w

Nuclear weapons policy
Conventional weapons 495w

Nuclear weapons tests 492w, 847
Nevada 847
USSR 847

Numeracy
Mathematics education 233-4w

Nunan, Manus 317w
Recorders 317w
Termination of employment 317w

Nurses
Hospital closures 668-9w
Profit sharing 1161
Unemployment 620w
Vaccination 160w

Nurses training 264-5w

Nurses homes
Malak Emil 384w

Oakes, Rt Hon Gordon
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 968-9
Questions
Cyprus, EC external relations 210w

Objects in lieu of tax
Capital tranfer tax 97w

O'Brien, Mr William
Questions
Coal, Imports 4
Coal prices, Central Electricity Generating Board 23w
EC external relations, EC integration 207w
HM Inspectorate of Schools, Local government expenditure 127w
Rhubarb, Imports 259w
Supplementary benefits, Normanton 409-10w
Unemployment benefits 360w

Occombe
Golf 629w

Occupational pensions (08.07.86) 171, (17.07.86) 1228-36
British Council (16.07.86) 1143
Commonwealth Institute (16.07.86) 1143

Occupational therapists
Community care 411w
Manpower 411w
Training 411-2w
Vacancies 411w

Occupations
Merseyside Development Corporations 631-2w

O'Dowd, George
Drug crimes 336w

OECD countries
Interest rates 607w
Unemployment 1157

Offences against children
Convictions 635w

Offenders
IRA 17-9w, 81-3w, 83-4w

Office of Fair Trading
Garages & petrol stations 345-6w
Pharmacists 665w

Office of Population Censuse & Surveys 6-7w
Inquiries 319-20w
Statistics 319w

Offices
Intervention Board 307w
Metropolitan Police 338w
Trade marks 540w

Official engagements
Royal Ulster Constabulary 114w
Shevadnadze, Eduard 647w

Official publications
Departmental records 460w

Official Report
Manpower 294w

Official secrets
Committee on Safety of Medicines 268w
Drugs 267-8w

"Official Secrets Act" 678

Official Secrets Acts 167w, 425w
Commercial secrets 167w
Committee on Safety of Medicines 268w, 425w
Food Advisory Committee 197w
Gentleman, Brian 678
Prosecutions 678
Public appointments 167w

Official visits 372w
Royal Ulster Constabulary 247w
Shevardnadze, Eduard 202w, 203w, 204w, 205-6w
USSR 208w
Weizsacker, President 208-9w

Offshore drilling
Petroleum production licences 442-3w

Offshore suppliers
Market share 398-9w
North Sea oil 398-9w

Oil exports
Economic sanctions 441w
Export controls 192w
Israel 25w
North Sea oil 441w

Oil fired power stations
Central Electricity Generating Board 26w
Scotland 29w
South of Scotland Electricity Board 26w

Oil industry
Employment 25w

Oil prices
Economic situation 1167, 1168-9
North Sea oil 25w
Petroleum exploration 2

Oil reserves
North Sea oil 609w

Oil revenues
North Sea oil 1167-8

Okehampton bypass 123w
Spoil heaps 123w

Old peoples homes
Borders Region (14.07.86) 826-34

Ombudsman
Scotland 380-2w

One man buses 314w, 673
Greater London 673
London Regional Passengers Committee 314w

One parent benefits 405w

One parent families
Supplementary benefits 405w

£1 notes (08.07.86) 169-71

O'Neill, Mr Martin J
Debates etc
Higher education, Scotland (17.07.86) 1196
Questions
Nimrod aircraft, Early warning systems 846

Onslow, Mr Cranley
Questions
Defence contracts, Billing 497w
Ministers visits abroad, South Africa 23
River pollution, Farms 196w
River pollution, Fish farming 196w

Open College 526w, (18.07.86) 1358-67
Ministerial statements (18.07.86) 1358-67

Open government 424-5w
Wass, Sir Douglas 294w

Open University
Government grants 134w
Student numbers 134w
Vocational education 526w

Opencast mining
Planning permission 548w

Operating costs
Commonwealth 605w
Gibraltar dockyard 603w
Torness power station 653w

Oppenheim, Mr Phillip
Debates etc
High technology (15.07.86) 892, 903-5
Questions
Dairy farming, Production quotas 436-7
Employment schemes, Derbyshire 357w
Health service staff, Derbyshire 443-4w
Higher education, Derbyshire 353w
Manufacturing industries, Industrial production 1166
Nationalised industries, Privatisation 527w
New businesses, Derbyshire 455w
Pupil-teacher ratios, Derbyshire 351-2w
School leaving certificates, Derbyshire 352-4w
Self-employed, Derbyshire 289w

Opposition days
High technology (15.07.86) 873-915
Pensioners (16.07.86) 1062-106
South Africa (16.07.86) 1013-61

Optical charges
North of England Regional Association for the Blind 555w

Optical charges exemptions
Lenses 77w, 164w

Oral questions
Speakers rulings & statements (09.07.86) 310, (17.07.86) 1161

Orange badge scheme 122w
Handicapped drivers 122w, 673

Orange Order 642w
Demonstrations 367w, 642w
Republic of Ireland 367w

Orders & regulations
Northern Ireland 484w
Plugs & sockets 568w
Speakers rulings & statements (17.07.86) 1331-2
Transport of hazardous materials 594w

Ordinary residence 243w

Organ donors 554-5w
Codes of practice 554-5w

Orme, Rt Hon Stanley
Questions
British Gas Corporation, Privatisation 10
Coal, Imports 4-5
National Coal Board, Coal mining 24w

Osborn, Sir John
Questions
STOLport, Sheffield 669-70

Ottaway, Mr Richard
Debates etc
Ratushinskaya, Irina, Public petitions (11.07.86) 583
Questions
Arts finance, Merseyside 14
Commercial court, Administrative delays 675-6
Nature conservation, "DOE Circular 108/77" 325-6w
Town & country planning, Special development orders 325w

Out-patients
NHS 553-4w

Outer Space Bill (HL) 1985/86
Royal assent (18.07.86) 1367

Outgoers scheme 259w

Overpayments 445-6w
Housing benefits 445-6w

Overseas aid
Africa 99w
Central America 680-1
Ethiopia 678-9
Front line states 368w, 441, 682
Ghana 368w
Gujerat 681-2
Police 19w
Refugees 567w
South Africa 297, 441
Uganda 19w
Urban Foundation 297

Overseas investment
South Africa 849

Overseas loans
South Africa 460w

Overseas students
Cyprus 281w
Libyan Arab Republic 62w
South Africa 368w

Overseas trade
Clothing 341w
Commonwealth 526w, 640w
New Commonwealth & Pakistan 640w
South Africa 188w, 401-2w, 569w

Overtime
Castington Youth Custody Centre 54w
Further education teachers 550-2w

Owen, Rt Hon David
Questions
Business statement 1175
South Africa, Economic sanctions 1168-9

Own resources 437w, (10.07.86) 461-503, 644w
EC budget 644w

Owner occupied housing
Greater London 33-4w

Page, Sir John
Debates etc
Patents Designs & Marks Bill (HL) (08.07.86) 265-6
South Africa (16.07.86) 1045

Page, Mr Richard
Debates etc
High technology (15.07.86) 894-6
Questions
EUREKA, Companies 996
Greenbelt, Hertfordshire 308w
Hedges & ditches 276-7w
Hospitals, Contract catering 295w
Hospitals, Food poisoning 295w
NHS, Privatisation 444w
Nuclear safety 13
Sizewell Inquiry, Publishing 24w

Pakistan
Defence contracts 493-4w, 837-8
Frigates 493-4w, 837-8
India 838

Palace of Westminster
Energy efficiency 5
Property Services Agency 323w

Palestine 302
Israel 302

Palestine Liberation Organisation
Arafat, Yasser 301-2
Peace negotiations 206w
Syrian Arab Republic 302

Pan American Airways 398w

Parachuting
Accidents 400-1w
Safety 217w
Training 217w, 400-1w

Parellel imports
Drugs 170w

Paramilitary forces
Drug abuse 641w

Parental contributions
Educational finance 357w

Park, Mr George
Debates etc
Manufacturing industries (07.07.86) 43-5, 48
Questions
British Leyland, Privatisation 994
Cervical cancer, Coventry 295w
HM Inspectorate of Schools, Local government expenditure 126-7w
Police, West Midlands 103w
South Africa, EC action 198-9w

Parkinson, Rt Hon Cecil
Debates etc
Manufacturing industries (07.07.86) 34-7, 63, 64

Parliamentary questions 320w

Parliamentary recess 279w

Parry, Mr Robert
Questions
Albert dock, Liverpool 481w
Arts finance, Merseyside 615w
Body searches, Northern Ireland 504w
Body searches, Women 487w
Business statement 453, 1178
Cement, Imports 341w, 342w, 451-2w
Cement, Manpower 323w
English Industrial Estates Corporation, Liverpool 541w
English Industrial Estates Corporation, Liverpool Exchange station 542w
English Industrial Estates Corporation, Merseyside 542w
European Social Fund, Merseyside 587w
Free ports, Liverpool 564w
Ghana, Foreign policy 124w
Ghana, Overseas aid 368w
Hong Kong, District boards 372w
Merseyside Development Corporation 481w
Merseyside Development Corporation, Employment opportunities 481w
Merseyside Task Force, Slum clearance 482w
Ministers domestic visits, Liverpool 34w
Ministers domestic visits, Merseyside 96w
Official visits 372w
Palestine Liberation Organisation, Peace negotiations 206w
Parachuting, Training 400-1w
Prime Minister official engagements, Mulroney, Brian 585w
Public order offences, Portadown 504w
Redundancy fund 586w
Redundancy fund, Bibby Edible Oils 586w
Redundancy fund, Merseyside 586w
Sheep, Radioactivity 251-2w
South Africa, Zimbabwe 524-5w
Spain, Foreign policy 440w
Tate Gallery, Northern region 615w
University finance, Association of University Teachers 137-8w
USSR, Foreign policy 647w

Violence, Portadown 623w

Part-time education
Universities 145w
Young people 656w

Part-time employment
Working hours 12w

Passport Office 337w
Administrative delays 337w
Glasgow 337w

Patchett, Mr Terry
Questions
British Gas Corporation, Gas tariffs 26w
HM Inspectorate of Schools, Local government expenditure 126w
Interest rates, OECD countries 607w
Multifibre arrangement 530w
Planning permission, Land drilling 277w
Supplementary benefits, Barnsley 410w
USA, Central America 209w

Patent Office (08.07.86) 263-6

Patents (08.07.86) 263-6
Royal ordnance factories 305w

Patents Designs & Marks Bill (HL) 1985/86 (08.07.86) 260
Rep & 3R (08.07.86) 263-6
Royal assent (18.07.86) 1367

Patients
Scottish health boards 498w

Patronage (Benefices) Measure 1986
Royal assent (18.07.86) 1367

***Patten, Mr Chris,** Minister of State for Education & Science*
Questions
Adult education, Dept of Education & Science 235w
Curriculum, Pupils 129w
Education, Public expenditure 140-1w
Education support grants, Crime prevention 156
Education support grants, Lower attaining pupils 141w
Education support grants, Sports 156
Educational equipment, Local government expenditure 127-8w
Educational finance, Inflation 236w
Educational finance, National income 578-9w
Educational finance, Parental contributions 357w
Educational finance, Schools 130w
Educational finance, Secondary education 130w
Educational policy, Lower attaining pupils 143w
Educational publications, Copyright 151
Educational publications, Educational finance 151
Educational publications, Expenditure 150
Educational publications, Schools & parents 150
GCE A level 282w
General Certificate of Secondary Education 131w
General Certificate of Secondary Education, Curriculum 132w
General Certificate of Secondary Education, Local education authorities 132w
General Certificate of Secondary Education, Norfolk County Council 132w
General Certificate of Secondary Education, Teacher training 131-2w
Health education, Curriculum 125w, 126w
HM Inspectorate of Schools, Local government expenditure 126-7w
In-service training 178w
Pre-vocational education 148-9w
Pupil-teacher ratios, Educational standards 140w
Russian language, Languages education 130-1w
School administration, Educational finance 150
School attendance 130w
School attendance, Departmental circulars 655-6w
School leaving, Young people 235w
School libraries, Local government expenditure 129w
School teachers, Graduates 451-2w
School teachers, Mathematics education 176w
School teachers, Retirement pensions 234w
Schools, Collective worship 146w
Schools, Crime prevention 142-3w
Schools, Curriculum 146w
Sex education, Family & Youth Concern 130w
Sex education, Professional qualifications 50w
State education, Non-teaching staff 47-8w
Teacher training, School administration 144w
Teachers, Careers development 356-7w
Teachers, Contracts of employment 145w
Teachers, Early retirement 281w
Teachers, In-service training 146w
Teachers, Industrial disputes 132-3w
Teachers, Manpower 521-2w
Teachers, Pay 353w, 356w, 656w
Teachers, Professional qualifications 354w
Teachers, Shortage subjects 140w

***Patten, Mr John,** Minister of State for the Environment (Housing, Urban Affairs & Construction)*
Questions
Albert dock, Liverpool 481w
Cement, Building industry 627-8w
Cement, Greece 627w
Cement, Manpower 323w
Defective housing 628w
Fish farming, Water pollution 275-6w
Flats, Right to buy 628w
Housing starts, Public sector housing 188w
Merseyside Development Corporation 481w, 631w
Merseyside Development Corporation, Employment opportunities 481w
Merseyside Development Corporation, Occupations 631-2w
Ministers domestic visits, Liverpool 34w
Ministers domestic visits, Merseyside 96w
Private rented housing 187-8w
River Mersey, River pollution 324w
Urban programme 278w
Water, Research 480w
Water authorities, Privatisation 186w, 320-1w

***Pattie, Mr Geoffrey,** Minister of State for Information Technology*
Debates etc
High technology (15.07.86) 878-86, 887, 908-9
Questions
Audio equipment, Age 8-9w
Citizens band radio, Prosecutions 453w
EC Trade Mark Office 341w, 540w
EUREKA, Support for innovation scheme 640w
EUREKA, Yugoslavia 640w
Microcomputers, Computers in schools 189w
Rolls-Royce Aeroengines, Capital investment 226w
Rolls-Royce Aeroengines, Wealth 226-8w

Pavitt, Mr Laurie
Questions
Brazil, Debts 209w
Hearing aids, Tenders 76w
Ministers visits abroad, South Africa 25
World Health Organisation, Antismoking campaign 76w

Pawsey, Mr J F
Questions
Cement 452w
Cement, Building industry 627-8w
Cement, Greece 627w
Cement, Imports 342w
Employment, Rugby 357-8w
Grammar schools 145w
Prime Minister domestic visits, Easenhall 99w
Prime Minister domestic visits, Flecknoe 215w
Prime Minister domestic visits, Harborough Magna 583w
School buildings, Leisure facilities 153
Wheelchairs 157w

Pay
Barristers 677-8
Branson, Richard 632w
Duty solicitors 17w
Further education teachers 355w
Hospital staff 667w
NHS administration 77w
NHS finance 162w, 298w
Solicitors 677-8
Speech therapists 668w
Surgery 667w
Teachers 353w, 356w, 580-2w, 656w

Pay incentives
Profit sharing 432w

Pay settlements
Employment opportunities 163-4
Profit sharing 1161

Pay systems
Army 842
Falkland Islands 842

"Paying for Local Government Consultation Paper" 174w, 629w
Scotland 174w

Peace convoy 662w

Peace negotiations
Central America 208w
Middle East 203w, 205w, 301-2
Palestine Liberation Organisation 206w
South Africa 292

Peacock, Mrs Elizabeth
Questions
Air routes, Brussels 402w
Air services, Brussels 313w
Ministers domestic visits, Huddersfield Polytechnic 129-30w
Unemployment, Job creation schemes 293w

Peacock Committee see BBC Advertising & Sponsorship Review

Pearce, W 269w
Attendance allowance 269w

Pedestrian areas
Rural areas 595w

Pedestrian crossings
Greater London 315-6w

Pegasus engines
Rolls-Royce Aeroengines 836

Penguins
Animal diseases 371w
Death 647w
Falkland Islands 370-1w, 647w

Penhaligon, Mr David
Debates etc
Finance Bill, Rep (08.07.86) 196, 246
Finance Bill, Rep & 3R (17.07.86) 1251-2, 1257-8
Tin (07.07.86) 78, 90-2
Questions
Investment income surcharge 1160
Profit sharing, Pay settlements 1161

Penistone
Unemployment 230w

Pension funds 10-1w
Companies 11w

Pensioners
Concessionary television licences 319w, 512-3w
Exceptional circumstances additions 666w
Housing benefits 617w
Opposition days (16.07.86) 1062-106
Retail price index 608w

Pentland
Regional parks 31w

Per capita costs
NHS 414-5w
NHS finance 414-5w

Percival, Rt Hon Sir Ian
Questions
Business statement 449

Perry Oakes sludge works 397w
Heathrow 397w

Personal equity plans (08.07.86) 172-262, 607w, 610-1w, 1161
Investment 610-1w
Share ownership 1161

Personal income
Employment 405-6w
Unemployed 405-6w

Personal tax allowances
Tax yields 437w

Pesticides (16.07.86) 1107-29

Peter Cameron Webb Syndicate 16-7w, 676
Inquiries 16-7w
Prosecutions 677

Petrol
Prices 23w

Petroleum exploration
Land drilling 277w
Merseyside 1-2
North Sea 303w
Oil prices 2
Tax allowances (08.07.86) 256-62
Taxation 2

Petroleum production
National income 113w

Petroleum production licences
Offshore drilling 442-3w

Pharmacists 669w
Civil servants 161-2w
Contracts 665w
Office of Fair Trading 665w
Whitley councils 161w

Physics
Teachers 155

Physiotherapists
Scotland 238-40w

Physiotherapy
Welwyn Garden City 555w

Piers 33w, 117w
Repairs & maintenance 33w
Shipping accidents 117w
Southend 117w
Southend on Sea Borough Council 33w

Pig diseases
Pigmeat 307w

Pigmeat
Imports 307w
Pig diseases 307w

Pike, Mr Peter
Questions
Cervical cancer, Burnley 667-8w
Defence contracts, Transport 604w
Economic sanctions, South Africa 165
Falkland Islands, Air routes 603w
Falkland Islands, Virgin Atlantic 603w, 604w
Food labelling 433
Food labelling, Fats 253w
Gas levy 25w
Greater Manchester Passenger Transport Executive, Finance 661w
HM Inspectorate of Schools, Local government expenditure 127w
Multifibre arrangement 530w
Multiple occupation, Research 629-30w
M62, Road works 671-2
Prime Minister official engagements 218w
Royal ordnance factories, Privatisation 90w
South Africa, Refugees 168w
"Tomorrows Buses", Departmental leaflets 661w
Trade competitiveness, Exports 1165-6
Transport infrastructure, Lancashire 397w
Vacancies, North West region 652w
Wages councils, North West region 589w

Pipelines
Public inquiries 577w
Sites of special scientific interest 576-7w
Tain 576-7w

Pitman, Donald
Thorn EMI 844

Planning
Bureaucracy 93w
Industrial development 93-4w
Student numbers 300w

Planning appeals
Cumbria 630w
New Forest District Council 32w
Planning Inspectorate 33w
Small businesses 93w
St Albans District Council 550w, 632-4w
Test Valley Borough Council 32w

Planning inquiries
Dounreay 501w
Public expenditure 501w

Planning Inspectorate 33w, 93-4w
Planning appeals 33w
Training 93-4w

Planning permission
Agricultural land 260w
Bus lanes 400w
Bypasses 395-6w
Greenbelt 33w, 308w
Land Drilling 277w
New Forest District Council 31w
Opencast mining 548w
Test Valley Borough Council 31w

Plant Breeding Institute 257-8w
Privatisation 257-8w

Plant genetics 452w

Plastic bullets
Portadown 623w, 641w

Plastics
Sea pollution 250w

Playing fields
Building land 309w
Schools 53w

"Pleasure Leisure & Jobs" 527w

Plessey
GEC 569w

Plugs and sockets
Electrical safety 568w
Orders & regulations 568w

Plutonium
Chapelcross power station 174w
Fast reactors 113w
Nuclear safeguards 388w

Plymouth City Council Bill (HL) 1985/86
2R order read (08.07.86) 149, (10.07.86) 492, (17.07.86) 1155

Pneumoconiosis 414w
Appeals 413-4w
Compensation 413w

Pneumoconiosis benefits 413w

Pneumonia
Legionnaires disease 665w

Points of order (10.07.86) 520, 521
Speakers rulings & statements (09.07.86) 311, (14.07.86) 682, (15.07.86) 835, 857, 859, 922, (18.07.86) 1350

Police
Custody officers 103w
Drug squads 336-7w
Fraud 511w
Manpower 103w
Overseas aid 19w
Police national computer 182w
Sick leave 104w
Travelling expenses (17.07.86) 1236-46
West Midlands 103w

Police authorities
Local government reform 566w

Police civilians
Drug squads 336-7w

Police community liaison committees (11.07.86) 584-603, 605-612, 622-54

Police Complaints Authority 105w

Police detention
Foreign tourists 102w

Police dogs
Antrim 623w
Royal Ulster Constabulary 623w

Police equipment
Helicopters 511-2w
Public order policing 339w

Police misconduct
Rewards 181w
Standing Order No 10 applications (15.07.86) 868-9

Police national computer 104w, 182-4w, 512w
Computer privacy 181w
Convictions 222w
Criminal records 182w
Missing persons 183-4w
Motor vehicle theft 183w
Police 182w
Scotland 237w

Police national reporting centre 224w

Police patrolling
Metroplitan Police 105w
Roads 339w

Police powers
Litter 104w

Police stations
Haringey 223w
Royal Ulster Constabulary 247w, 623-4w

Police surgeons 31w
Women 31w

Police training
Drug squads 336-7w

Polisario Front 373w
Morocco 373w

Political affiliations 87w, 562w
Civil servants 87w, 562w

Political parties
South Africa 1170

Political prisoners
Mandela, Nelson 21-2, 23, 303
South Africa 648-9w

Political refugees
Apartheid 335w, 370w
UN resolutions 335w, 370w

Politics & government
South Africa 851-2

Pollock, Mr Alexander
Questions
Family law, Scotland 385-6w
Macaulay Institute for Soil Research, Hill Farming Organisation 517w
Prisons, Scotland 578w
Scottish courts 654-5w
Sea Fish Industry Authority, Fishing vessels 253w
Unfair trading practices, Japan 993

Pollution control
Computer applications 96-7w
EC action 95w
Exhaust emissions 96-7w
River Thames 629-30w
Sea pollution 250w

Pollution monitoring
Institute of Terrestrial Ecology 438

Ministry of Agriculture Fisheries & Food 438
National Radiological Protection Board 619w
Radioactivity 229w, 252w, 254w, 260-1w, 437, 438, 483-4w, 560w, 649w, 657-8w

Polychlorinated biphenyl
EC law 310w, 326w

Polytechnics
Cost per student 152
Educational finance 152-3, 398, 160
National Advisory Body for Public Sector Higher Education 128w, 160
Nene College 152
Northern region 160
Postgraduate education 152
School leaving 128-9w
Student numbers 128-9w, 134-6w, 151-2

Polyurethane foam
Furniture 454w

Population
Education 157
Falkland Islands 373-4w

Port Glasgow 668w

Portadown
Civil disorder 641w
Demonstrations 641w
Plastic bullets 623w, 641w
Public order offences 504w
Violence 623w

Porter, Mr Barry
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 966, 967
Private notice question point of order (09.07.86) 311
Tin (07.07.86) 85

Portillo, Mr Michael
Questions
British Gas Corporation, Privatisation 10
Coal mining, Private sector 7
Shareholders, Share ownership 607w
Shevardnadze, Eduard, Official visits 205-6w
Sizewell Inquiry, Publishing 24w

Ports (14.07.86) 734-70, (15.07.86) 916-52
EC law 399w

Portugal
Defence contracts 248w
Foreign policy 294
Western European Union 294

Postgraduate education
Polytechnics 152

Postgraduate students
Higher education 44w

Powell, Rt Hon J Enoch
Debates etc
Criminal Justice (Northern Ireland) Order 1986 (09.07.86) 415-7
EC budget (11.07.86) 619
European Communities (Amendment) Bill, Rem stages (10.07.86) 512-3, 526-9, 538, 554, 560, 561
Housing (Northern Ireland) Order 1986 (09.07.86) 403-6, 408
Questions
Cereals, Co-responsibility levy 434
House of Commons division of time, Northern Ireland 484w
Northern Ireland government, Republic of Ireland 1005

Powell, Mr Ray
Questions
HM Inspector of Schools, Local government expenditure 126w
Sheep, Radioactivity 430-1
South Africa, EC action 200w
South Africa, Import controls 444

Power industry
Industrial health & safety 561w

Power station closures
Coal fired power stations 246w

Powers of entry
Civil servants 615w
Dept of Health & Social Security 615w

Pregnancy
Holloway prison 337w, 338w

Premium bonds
Prize money 1164

Pre-school education 149-51w

Prescription charges
Scotland 244w

Prescriptions
Drug side effects 422w, 423w
Family doctors 295-6w
Tranquillisers 70w

Press releases
Gaelic language 500-1w

Prevention of Crime Act 1953 223w

Pre-vocational education 148-9w

Price, Sir David
Debates etc
Residential care (09.07.86) 321-3, 335, 347
Questions
Armed forces 842
EC law, Public corporations 399w
Educational finance 99w
Ministers visits abroad, South Africa 25
NHS finance 215w
Shipping safety, Merchant ships 396w
Type 23 frigates, Defence contracts 856

Price increases
Food prices 252w

Prices
Discounts 994
Drugs 184w
Petrol 23w
Sheep 251w
Sheep meat 196w, 437
Tractors 583w

Primary education
Cost per pupil 144-5w
Kidsgrove 52w
School population 655w

Prime Minister
South Africa 291, 295-6, 299, 442, 444

Prime Minister domestic visits
Batley 459w
Bournemouth 583w
Cannock 583w
Dewsbury 459w
Easenhall 99w
Flecknoe 215w
Harborough Magna 583w
Macclesfield 459w
North West region 4-5w
Strathclyde 215w

Prime Minister official engagements 100w, 218w, 479w, 585w
Mulroney, Brian 585w

Prime Minister visits abroad 218w, 638-9w
EC countriesl 5w
European Court of Justice 100w
USA 5w

Prince of Wales
Royal festivals & state occasions 4w, 57w

Prison administration
Scotland 515w
Special category prisoners 489w

Prison education services 59-60w
Scotland 515-6w

Prison employment 59w
Scotland 515-6w
Working hours 490w

Prison population
Life imprisonment 487-8w
Long term prisoners 334-5w
Prisoners release 57w

Prison rules
Prisoners on remand 516w

Prison sentences
Drinking & driving 663
Drug crimes 508-10w
Fine defaulters 58w

Prison staff
Courts 513w
Efficiency scrutinies 513w
Industrial disputes 224w

Prison visits 489w

Prisoners
Alcoholism 58w
Armed forces pensions 247-8w
Babies 180-1w
Body searches 487w
Confessions 513w
Drug abuse 58w
Handicapped 103w
Mentally handicapped (16.07.86) 1146-54
Mentally ill (16.07.86) 1146-54
Milton Keynes Prison 511w
Robinson, John 369w
Scotland 516w
Suicide 515w
Sulley, David 335-6w
Telephones 516w
Training 59-60w
War pensions 162w

Prisoners mail
Censorship 489-90w

Prisoners of war
Japan 406-7w
Medical treatments 406-7w
Waldheim, Kurt 370w, 427w

Prisoners on remand
Prison rules 516w
Scotland 516w

Prisoners release 510w
Cavalho, Otelo 294
Homelessness 102-3w
Mandela, Nelson 303-4
Prison population 57w

Prisons
Building repairs 488-9w
Children 578w
Construction 488w, 489w
Construction costs 488-9w
Costs 102w
Crown immunity 489w
Drug abuse 485-6w
Scotland 578w

Private Bills
Speakers rulings & statements (15.07.86) 916

Private education
Pupils 449-50w

Private health services
Speech therapy 75-6w, 163w

Private hospitals
Hospital costs per patient 667w

Private investment
Bypasses 249w
Renationalisation 1000

Private Members motions
Agriculture (14.07.86) 694-733
Manufacturing industries (07.07.86) 27-70

Private notice questions 514w
Speakers rulings & statements (09.07.86) 310, (15.07.86) 865

Private rented housing 187-8w
Housing benefits 155w, 156w
Rent control 95w

Private sector
Coal mining 3-4, 7
Service industries 8w

Private sector borrowing
Agriculture 255w

Privatisation
Ambulance services 413w
British Gas Corporation 10, 11, 12, 23w, 245-6w, 570-3w
British Leyland 986, 994, 995-6
Crown Suppliers 16-7
Electricity supply industry 9-10
Gas tariffs 11
Labour Party 848
Land Rover 985
Leyland Bus 985, 994-5
National Bus Company 459w
National Seed Development Organisation 257-8w
Nationalised industries 527w
NHS 406w, 444w
Nuclear power 9-10
Plant Breeding Institute 257-8w
Royal ordnance factories 90w, 191w, 427w, 845
Scottish Development Agency 237-8w
Security vetting 646w
Share ownership 1161-2
Tax yields 1164-5
Water authorities 186w, 320-1w

Prize money 1164
Premium bonds 1164

Probation hostels 59-60w, 60-1w

Processed food
Food labelling 433

Proctor, Mr K Harvey
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1379
Questions
By election, Northern Ireland district councils 624-6w
Dartford tunnel, Contracts 116w
Demonstrations, Antrim 624w
Dept of Health & Social Security local offices, Basildon 418w
Elections, Northern Ireland 625w
Electricity supply industry, Privatisation 9
Immigrants overstaying, New Commonwealth & Pakistan 104w
Interviews, Belfast Telegraph 627w
IRA, Explosives 625-6w
Medical cards, Northern Ireland 627w, 643w
Psychosurgery 416w
Psychosurgery, Consent to medical treatment 415-6w
Royal Ulster Constabularly 114w
Royal Ulster Constabularly, Antrim 114w
Royal Ulster Constabularly, Police dogs 623w
Royal Ulster Constabularly, Police stations 247w, 623-4w
Royal Ulster Constabularly, Schools 623w
Terrorism, IRA 626-7w

Procurement
Nationalised industries 8w

Product liability
Agricultural products 532w
Compensation 533w
EC law 533w
Harmonisation of legislation 533w
Industry 533w

Production quotas
Dairy farming 436-7
Milk 255-6w, 259w

Productivity
British Coal Corporation 6-7
Castlehill mine 7
Chadley Hill mine 8
Coal mine closures 8
Coal mining 6-7, 7-8
USA 434w

Professional qualifications
Higher civil servants 18-9
Sex education 50w
Teachers 354w

Profit sharing 610w, 1160-1
Nurses 1161
Pay incentives 432w
Pay settlements 1161

Profitability
British Steel Corporation 997-8
Clearing banks 431w

Projects
Channel tunnel 194w

Proof of identity
Elections 625w
Medical cards 643w

Propaganda
Schools 1172
West Yorkshire 1172

Property Services Agency
Civil service dispersal 39w
Leeds 39w
Palace of Westminster 323w
Redundancy 323w
Second homes 3w

Property transfer
County hall 549w
Education 158
London Residuary Body 34w
Sports facilities 158
Stocken hall 335w

Prosecutions
Alcoholic drinks 637w
Citizens band radio 453w
Disabled Persons (Employment) Act 1944 457w
Drug crimes 336-7w
Fraud 676-7
Gays the Word 79w, 80w
Official Secrets Acts 678
Peter Cameron Webb Syndicate 677
Tipping of waste 480w
Video Recordings Act 1984 223w
Wages councils 588w, 589w

Prostitution
Young offenders 55w

Protection of Military Remains Bill 1985/86
Royal assent (08.07.86) 149

Psychiatry
Hospital beds 664w

Psychosurgery 416w
Children 416w
Consent to medical treatment 415-6w

Public access 389w
Sellafield 389w

Public Accounts Committee
Defence procurement 844-5

Public appointments
Dept of Health & Social Security 421-2w
Food Advisory Committee 197w
Forestry Commission 382-4w
London Regional Transport 313w
North West Hertfordshire District Health Authority 296w
Official Secrets Acts 167w
Radioactive Waste Management Advisory Committee 321w
Recorders 167w
Science Research Council 51-2w
Welsh Water Authority 649w, 650w

Public Bills
Speakers rulings & statements (14.07.86) 691

Public bodies 186w, 384w, 480-1w
Land acquisition 186w
Surplus land 186w

Public corporations
EC law 399w

Public expenditure (08.07.86) 172-262, (17.07.86) 1198-1312
Education 140-1w
Employment opportunities 1162-3
Government departments 5-6w
Health services 441-2
Higher education 45-6w
Low pay 194w
Planning inquiries 501w
Road works 1w
Shares 1165
Social services 441-2
Unemployment 608w, 1156-7, 1163-4
Wales 349w

"Public Expenditure White Paper" 236w
Educational finance 236w

Public houses
Bombings 57w, 512w

Public inquiries
Costs 501w
Dounreay 501w
Hereford bypass 3w
Pipelines 577w
Regional parks 31w

Public lending right
EC action 86w

Public libraries
Fees & charges 15-6, 86w
Students 16

Public order offences
Greater London 56-7w
Portadown 504w

Public order policing
Expenditure 339w
Hampshire 224w
House of Commons 565w
Housing estates 105w
Lobbying 565w
Metropolitan Police 105w
News International 57w, 225w
Police equipment 339w
Royal Ulster Constabulary 1005, 1006, 1007, 1008

Public petitions
Arnott Road Clinic (18.07.86) 1339
Ratushinskaya, Irina (11.07.86) 583, (16.07.86) 1144-5

Public sector
Energy efficiency 6
Fair Employment Agency 365-6w
Staff-student ratios 177w

Public sector assets
British Leyland 994
Fixed assets 608w
Leyland Bus 986

Public sector borrowing
London Residuary Body 311w

Public sector housing
Housing starts 188w
Rented housing 322w

Public service obligation grant 316w
British Rail 316w

Public Trustee & Administration of Funds Bill (HL) 1985/86
Ref to 2R Com (07.07.86) 26

Publicity
Drinking & driving 395w, 663
Handicapped 416-7w
Lead free petrol 96w
Litter 479w
NATO 839
Road safety 399w
Transport Act 1985 313w

Publishing
Sizewell Inquiry 24w

Punishment
VAT 607w

Punjab
Human rights 206w

Pupil-teacher ratios 152-4w
Derbyshire 351-2w
Educational standards 140w
Hampshire 656-7w

Pupils
Curriculum 129w
Private education 449-50w
State education 449-50w

Wales 650w

Pyramid selling 343w
Law reform 343w

Q ray compresses 323w
Radiography 323w
Safety 323w

Quality control
Drugs 268w

Quangos 20

Queen
Commonwealth 1169-70

Queen Elizabeth II Hospital, Welwyn Garden City 555w

Quota of handicapped workers 588w
Companies 457w
Government departments 441w

Racial attacks 181w, 565w
Highbury 565w
Holloway 565w
Joint Committee Against Racialism 181w

Racial conflict
Crimes of violence 222w

Racial discrimination
Army 491w, 842
Household Cavalry 248w

Racial harassment
Finsbury Park 635-6w

Racial incitement
Crimes of violence 222w

Radar
USSR 370w

Radiation hazards
Emergency services 310w
Information 309-10w
Ionizing radiation 309-10w

Radice, Mr Giles
Questions
Educational publications, Educational finance 151
Higher education, Mature students 137w
Higher education, Public expenditure 45-6w
Mathematics education, Teachers 155-6
Universities, Part-time education 145w
University finance 138-9w
Workers Educational Association, Government grants to voluntary organisations 49w

Radio Thamesmead 185w
Broadcasting licences 185w

Radioactive waste disposal 94w
Geology 308w
Radioactive Waste Management Advisory Committee 630w
South Killingholme 308w

Radioactive Waste Management Advisory Committee 321-2w, 630w
Annual reports 322w
"Environmental Select Committee on Radioactive Waste" 630w
Public appointments 321w
Radioactive waste disposal 630w
Research 321-2w

Radioactivity
Agricultural products 649w
Coal fired power stations 570w
Compensation 251-2w, 307w
Domestic appliances 324w
Emergency planning 309w, 310w
Food 252w
Food contamination 657-8w
Game 379-80w, 560w
Grass 252w
Livestock 260w
North Wales 229-30w, 507w
Pollution monitoring 229w, 252w, 254w, 260-1w, 437, 438, 483-4w, 560w, 649w, 657-8w
Scotland 379-80w
Sheep 196w, 228w, 229-30w, 251-2w, 254w, 256w, 260-1w, 364w, 379w, 384-5w, 430-1, 431-2, 437, 438, 482-3w, 483-4w, 507w, 560w
Sheep meat 3-4w, 611-2w, 612-3w
Smoke & chimney gases 570w

Radiography
Q ray compresses 323w

Radiophones
Cycling 668

RAF Bentwaters 428-9w

RAF Caerwent 426w
Arrests 426w

RAF Cottesmore 839-40
Noise pollution 839-40

RAF Fylingdales 166w
Strategic nuclear weapons 166w
USA 166w

RAF Lakenheath 428-9w

RAF Mildenhall 426w
F19 aircraft 426w

RAF Upper Heyford 428-9w

RAF Waddington
Early warning systems 846

Railway freight transport
Transport of hazardous materials 458w

Railway industry
Government grants 315w

Railway network
Channel tunnel 314w, 674-5
Railway travel 399w
River Severn 394w

Railway travel
British Rail 402w
Railway network 399w

Rainbow Warrior 657w

Raison, Rt Hon Timothy, Minister of State for Overseas Development
Questions
Africa, Bilateral aid 680
Africa, Disaster relief 167-8w
Africa, UNICEF 368w
Aid financed trade 21-2w
Bilateral aid 20-2w, 368w, 508w
Bilateral aid, Commonwealth 508w
Bilateral aid, Industry 369w
Central America, European Development Fund 681
Central America, Overseas aid 680-1
Developing countries, Economic recession 680
Ethiopia, Overseas aid 678-9
Falkland Islands, European Development Fund 288w
Falkland Islands Development Corporation 508w
Front line states, Overseas aid 368w, 682
Ghana, Overseas aid 368w
Gujerat, Overseas aid 681-2
Nicaragua, Bilateral aid 681
South Africa, EC aid 20w
South Africa, Overseas students 368w
South Africa, Refugees 168w
Uganda, Overseas aid 19w
World Bank, Africa 680
World Bank, Developing countries 679-80

Randall, Mr Stuart
Debates etc
High technology (15.07.86) 895, 904

Rapid Action for Conductive Education 158w

Rate arrears 325w

Rate rebates
Lambeth 75w

Rate support grants
Hippies 662w

Rates & rating 1163
Agricultural land 275w
Local government finance 629w

Rathbone, Mr Tim
Questions
Ministers visits abroad, South Africa 22
South Africa, Economic sanctions 299

Ratushinskaya, Irina (11.07.86) 583, (16.07.86) 1144-5
Public petitions (16.07.86) 1144-5

Raynsford, Mr Nick
Debates etc
Poverty, Elderly (16.07.86) 1070-1, 1073
West London Hospital (18.07.86) 1399-402
Questions
Housing benefits 266w
Housing benefits, Costs 216-7w
Housing benefits, Local authorities 445-6w
Housing benefits, Social security benefits uprating 155w, 156w
Students, loans 143w

Recorders
Nunan, Manus 317w
Public appointments 167w

Recruitment
Graduates 129w
Nuclear Installations Inspectorate 363w

Recycling
Road accidents 590w

Redmond, Mr Martin
Questions
Coal mining, Redundancy 4

Redundancy
Armed forces civilians 164w
British Steel Corporation 998
Cement 627w
Coal mining 4
Doctors 443w
Economic sanctions 11w
Glasgow 30w
Iron & steel industry 532w, 999
Liverpool 1000
Manufacturing industries 13-5w
Microelectronics industry 613w
Multifibre arrangement 531w
Property Services Agency 323w
Rutherglen 30w
Teaching hospitals 74w
Textile industry 531w

Redundancy fund 586w
Bibby Edible Oils 586w
Merseyside 586w

Redundancy pay
Armed forces civilians 89w
Coal mining 246w

Rees, Rt Hon Merlyn
Questions
Business statement 450
South Africa, Commonwealth 206w

Refugees
Education 168w
Overseas aid 567w
Somalia 678-9
South Africa 168w
Sri Lanka 567w

Regional aid 225w
Northern region 988

Regional airports
Air traffic 249w
"Air Traffic Distribution in the London Area" 249w

Regional development grants
Cleveland 987-8, 988-90

Regional health authorities
Agency nurses 72-4w
Employment agencies 72-4w
Expenditure 616w
Management consultants 76w
NHS finance 553w

Regional parks 31w
Pentland 31w
Public inquiries 31w

Regional planning & development 528w
Expenditure 528w
Northern region 529w

Registered homes 415w

Registered homes tribunals 415w
Finance 415w

Registration of births deaths & marriages
Gaelic language 501w

Release on licence 488w
Life imprisonment 488w

Remand in custody 510w

Renationalisation
Private investment 1000
Share ownership 1162
Shares 1165

Rent Act 1977 187-8w

Rent arrears
Council housing 325w

Rent control
Departmental circulars 69w
Private rented housing 95w
Wales 349w

Rent increases
Seaside & country homes scheme 312w, 332w

Rent rebates
Lambeth 405w

Rented housing
Public sector housing 322w
Young people 322-3w

Renton, Mr Tim, *Minister of State for Foreign & Commonwealth Affairs*
Questions
Arms control treaties 204w
European Security Conference 301
European Security Conference, International conferences 297-8
European Security Conference, USA 298-9
Hong Kong, Container terminals 526w
Hong Kong, District boards 372w
Hong Kong, Law enforcement 525-6w
Iran, Arms trade 287w
Marychurch, Sir Peter, Government Communications Headquarters 237w
Middle East, Peace negotiations 203w, 205w, 302
NATO, FB111 aircraft 64-5w
Nuclear power stations, Daya 440w
Palestine 302
Palestine Liberation Organisation, Arafat, Yasser 301-2
Palestine Liberation Organisation, Peace negotiations 206w
Romania, Foreign policy 202w
Shavardnadze, Eduard, Official visits 205-6w
Surveillance 287-8w
USA, Nuclear test ban 207w
USSR, Arms control treaties 204w
USSR, Economic sanctions 372-3w
USSR, Human rights 203w, 300-1
USSR, Official visits 208w
USSR, Radar 370w
Waldheim, Kurt, War crimes 298
Western Sahara, Foreign policy 373w

Repairs & maintenance
Lower Leigh 34-5w
Piers 33w
School buildings 127w, 299w

Representation of the People Act 1985 286-7w

Republic of Ireland
Anglo-Irish Agreement 642w
Belfast Telegraph 367w
Demonstrations 627w, 642w
Extradition 486w
Northern Ireland Government 1005, 1006-7
Orange Order 367w
Royal Ulster Constabulary 1005, 1006, 1007, 1008

Research
Edinburgh University 161
Multiple occupation 629-30w
NHS 153-5w
Nuclear accidents 386w, 389-90w
Radioactive Waste Management Advisory Committee 321-2w
Vaccination 159-60w
Water 480w

Research finance
Agricultural & Food Research Council 107w
AIDS 412w
Companies 996
Dept of Education & Science 144w
Dept of Health & Social Security 168-9w
Dept of Trade & Industry 341w
EUREKA 996-7
Heart diseases 404-5w
Science & technology 517-8w
University Grants Committee 161

Residential care
Estimates days (09.07.86) 318-57
Geriatric patients 170-1w
Supplementary benefits (09.07.86) 318-57

Residuary bodies 312w
Local government property 312w

Resignations
Dept of Health & Social Security 421-2w
NHS administration 297-8w

Resource Allocation Working Party 169w, 553w
NHS finance 169w

Resources exploration
British Gas Corporation 12

Restart programme 291-3w, 358w, 650-2w, 652-3w
Dept of Health & Social Security local offices 527w
Social security benefits disqualification 650-2w
Social security recipients 652w
Supplementary benefits disregards of income 527w

Retail price index
Green pound 438w
Pensioners 608w

Retail Price Index Advisory Committee 457w

Retail prices 362w

Retail trade
Companies 10w
Discounts 993-4
Food standards 106w
Furniture 986-7
Sheep meat 440

Retirement age
Unemployment 12w, 231-2w

Retirement pensions (16.07.86) 1062-106
British residents abroad 264w
School teachers 234w

Retraining
Iron & steel industry 532w

Rewards
Crime 181w
Police misconduct 181w

Reyes syndrome 263w, 264w, 422w
Analgesics 263-4w, 422w
Committee on Safety of Medicines 422w

Rhodes James, Mr Robert
Debates etc
Education (No 2) Bill, Rep & 3R (07.07.86) 140, 141
Felixstowe Dock & Railway Bill, Rep (15.07.86) 919, 920, 922, 924, 939, 940, 941
Finance Bill, Rep & 3R (17.07.86) 1202, 1213-4, 1215
Open College (18.07.86) 1360
Questions
Waldheim, Kurt, War crimes 298

Rhubarb
Imports 259w

Rhys Williams, Sir Brandon
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1228-33, 1235-6, 1278, 1301-3, 1304-11
Open College (18.07.86) 1363
Poverty, Elderly (16.07.86) 1083-5
Questions
Housing benefits, Council tenants 617w
Housing benefits, Social security reform 617w
Income support scheme, Single people 618w
Investment income 610w
Judicial review 650w
Low incomes, Families 157w
Means tested benefits, Children 618-9w
One parent families, Supplementary benefits 405w
Personal income, Employment 405-6w
Personal income, Unemployed 405-6w
Social security benefits 618w
State earnings related pension scheme, Expenditure 618w
Tax yields, Capital gains tax 294w
Tax yields, Income tax 584w

Rice
Import controls 640w
India 640w

Richardson, Ms Jo
Debates etc
Metropolitan Police (11.07.86) 639-40
Questions
Leyland Vehicles, Freight Rover 532w
South Africa, Commonwealth 852

Ridley, Rt Hon Nicholas, *Secretary of State for the Environment*
Questions
Local government revenue 549w
Members correspondence, Dept of the Environment 325w
Merseyside Task Force, Slum clearance 482w
Owner occupied housing, Greater London 33-4w
Urban programme 550w

Ridsdale, Sir Julian
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 765

Rifkind, Mr Malcolm, *Secretary of State for Scotland*
Debates etc
Higher education, Ministerial statements (17.07.86) 1187-97
Western Isles Island Council (Berneray Harbour) Bill, 1R (10.07.86) 429
Questions
Acute beds, Scottish health boards 115w
Commonwealth Games 860-1, 861-2, 863-4, 864-5, 866, 867
Commonwealth Games, Sports boycotts 862-3, 864, 865-6
Family law, Scotland 385-6w
Gaelic language, Government grants 499w, 500w
Gaelic language, Registration of births deaths & marriages 501w
Gaelic language, Scottish Office 499w, 500-1w
Hospital beds, Scottish health boards 114-6w
Hospital waiting lists, Scottish health boards 243-4w
Hospitals, Scotland 244w
Macaulay Institute for Soil Research, Hill Farming Organisation 517w
Malak, Emil, Highlands & Islands Development Board 384w
Members correspondence, Scottish Office 383w
Mental health, Codes of practice 385w
Microelectronics industry, Scotland 30w

North British Hotel, Historic Building Council 383w
North British Hotel, Scottish Development Agency 383w
North British Hotel, Scottish Tourist Board 383w
Planning inquiries, Dounreay 501w
Prescription charges, Scotland 244w
Prisons, Scotland 578w
Public inquiries, Dounreay 501w
Redundancy, Glasgow 30w
Redundancy, Rutherglen 30w
Scottish courts 654-5w
Scottish Special Housing Association 115-6w
Sheep, Radioactivity 385w
Small businesses, Scotland 29-30w
Tertiary education, Scotland 573-6w
University finance, Scotland 31-2w

Rifles
Home Service Force 841

Right to buy
Flats 628w

Riot control weapons
Water cannon 181w

Risley Remand Centre 333w
Industrial disputes 333w

River Kennett 629w
River pollution 629w

River Mersey 324w
North West Water Authority 324w
River pollution 324w
Sewage 324w

River pollution
Farms 196w
Fish farming 196w
River Kennett 629w
River Mersey 324w

River Severn 394w
Bridges 394w
Consultants 394w
Railway network 394w

River Thames 629-30w
Pollution control 629-30w

Riverside Health Authority (18.07.86) 1399-406

Road accidents
Arrests 339w
Bicycles 667-8
Buses 672
Casualties 394w
Civil liability 17w
Death 660-1w
Driving licences 663-4
Health & Safety Executive 587w
Lorries 211w
Lorry drivers 665
Motor insurance 663-4
Motorways 211w
Recycling 590w
Road safety barriers 660-1w
Safety measures 393w
Transport of hazardous materials 566-7w, 587w, 594-5w

Road construction
Arundel bypass 661w
Bypasses 121-2w, 395w
Cheshire 592-4w
Construction costs 121w
Dearne towns link road 122w
Dual carriageways 121w
Earls Court 313w
Ilminster bypass 395w
Motorways 120-2w, 592w
M180 118w
Tunnels 1w
Widnes bypass 117w
Yorkshire & Humberside 121w

Road humps 593-4w
Local authorities 593-4w

Road mileage
Bypasses 395w
Cheshire 592-4w

Road Races (Northern Ireland) Order 1986 (10.07.86) 573

Road safety
Bicycles 667, 668
Buses 672
Motorways 399w
Publicity 399w
Rural areas 595w

Road safety barriers
Road accidents 660-1w

Road signs
M1 398w

Road traffic
Greater London 564w
Heathrow 212w, 564w
M6 117-8w
M25 212w, 250w, 564w
M55 118w

Road traffic control
Greater London 339w
Kensington & Chelsea 55w
Local authorities 593w
Lorries 314w, 400w
Metropolitan Police 338w

Road Traffic Regulation (Parking) Bill 1985/86
Royal assent (08.07.86) 149

Road transport workers
Harmonisation of legislation (15.07.86) 953-75
Working hours (15.07.86) 953-75

Road works 562-3w
A1 116-7w
A19 591-2w
A45 1w
A59 118-9w
A595 119-20w
Bradford City Council 122w
Donaghadee Road 503w
Expenditure 122-3w
Local government expenditure 122w
Motorways 670-1
M3 2w
M25 212w, 564w
M62 671-2
M63 671-2
Public expenditure 1w

Roads
A140 (09.07.86) 420-8
Bicycles 668
Channel tunnel (17.07.86) 1313-31
Cones 671
Cycling 668
North West region 121w
Northern region 121w
Police patrolling 339w
Snow & ice 117w
South Yorkshire 117w

Roberts, Mr Allan
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 735, 744, 747-9
UK 2000 (14.07.86) 686
Questions
South Africa, Commonwealth 206w

Roberts, Mr Ernie
Debates etc
Metropolitan Police (11.07.86) 642-3

Roberts, Mr Wyn, Under-Secretary of State for Wales
Questions
Job centres, Welsh language 228w
Pupils, Wales 650w
Sheep, Anglesey 482-3w
Sheep, Radioactivity 483-4w
Welsh language, Welsh Office 484w

Robertson, Mr George
Debates etc
EC budget (10.07.86) 472-7
European Communities (Amendment) Bill, Rem stages (10.07.86) 506-9, 546-8, 551-2
Questions
European Security Conference, USA 298-9
Virgin Atlantic Challenger, Nimrod aircraft 7w

Robinson, Mr Geoffrey
Debates etc
High technology (15.07.86) 881, 886-94
Questions
EUREKA, Research finance 996-7
Supplementary benefits, Coventry 666w

Robinson, John 369w
Prisoners 369w
Zambia 369w

Robinson, Mr Mark, Parliamentary Under-Secretary of State for Wales
Questions
Hospital admissions, Wales 230w
Housing, Wales 649w
Housing, Welsh Office 3w
Second homes, Gwynedd 3w
Welsh Water Authority, Public appointments 649w, 650w

Roe, Mrs Marion
Debates etc
Horticulture, Lea valley (07.07.86) 142-4
Questions
Inflation 606w

Rogers, Mr Allan
Questions
Bankruptcy 528w
Coal mining, Wales 7-8
Food, Radioactivity 252w
Gas tariffs, Privatisation 11

Rolling stock
British Rail 458w

Rolls-Royce Aeroengines
Capital assets 226-8w
Capital investment 226w
Defence procurement 835-6
Government assistance to industry 226w
Pegasus engines 836
RTM322 engines 836
Wealth 226-8w
XG40 engines 836

Romania
Foreign policy 202w

Rooker, Mr Jeff
Questions
Ministers, Birmingham City Council 5w

Rose Bruford College of Speech & Drama 233w

Roskill Committee see Criminal Proceedings Arising from Fraud Review Committee

Ross, Mr Ernie
Debates etc
Higher education, Scotland (17.07.86) 1195
Questions
Palestine Liberation Organisation, Arafat, Yasser 301-2
South Africa, Commonwealth 1171-2

Ross, Mr Stephen
Questions
Archaeological sites, Urban areas 309w
Navy, Defence procurement 524w
Regional aid 225w

Rost, Mr Peter
Questions
District heating, Electricity areas boards 24w
Energy efficiency, Public sector 6

Rover
Motor vehicles 994

Rover Group
Leyland Bus 534w

Rover 800 442-3, 850
Design 444-6, 850

Rowe, Mr Andrew

Questions
EC Presidency, Dept of Trade & Industry 527w
Nature conservation 365w
Severn barrage, Environmental impact assessment 570w
Teacher training, School administration 144w

Rowlands, Mr Ted
Questions
Energy efficiency, NHS 5-6
Gas tariffs 11
North Sea oil, Oil prices 25w
Petroleum exploration, North Sea 303w

Royal College of Psychiatrists 664w

Royal family
Marriage 4w, 57w, 90w, 306-7w, 490w
Security 90w

Royal festivals & state occasions
Armed forces deployment 90w, 306-7w, 490w
Prince of Wales 4w, 57w
Security 166w, 306w

Royal fleet auxiliary 603w
Gibraltar dockyard 603w
Harland & Wolff 164, 838
Swan Hunter Shipbuilders 857-8

Royal Greenwich Observatory 144w, 158, 159-60
Disclosure of information 158, 159
Science Research Council 158-9

Royal National Institute for the Blind 619w
Members correspondence 619w

Royal ordnance factories
Barnbow 646w, 845
Defence contracts 845
Factory closures 305w
Intellectual property 305w
Labour mobility 305w, 646w
Leeds 427w
Patents 305w
Privatisation 90w, 191w, 427w, 845
Vickers Shipbuilding & Engineering 305w

Royal Ulster Constabulary 114w
Anglo-Irish Agreement 1006
Antrim 114w, 623w
Criminal investigation 247w
Demonstrations 624w
Disciplinary proceedings 623-4w
Inquiries 105w
Members 624w
Official engagements 114w
Official visits 247w
Police dogs 623w
Police stations 247w, 623-4w
Public order policing 1005, 1006, 1007, 1008
Republic of Ireland 1005, 1006, 1007, 1008
Schools 623w
Stalker, John 105w, 318-9w, 566w, 1168

RTM322 engines
Helicopters 836
Rolls-Royce Aeroengines 836

Rugby
Employment 357-8w

Rule 43
Segregation of prisoners 485w

Rumbold, Mrs Angela, *Parliamentary Under-Secretary of State for the Environment*
Debates etc
Wedholme flow, Sites of special scientific interest (15.07.86) 979-84
Questions
Agricultural land, Rates & rating 275w
British Geological Survey, Government grants 40w
Common land, Land registration 321w
Common Land Forum, Law reform 34w
Community relations councils, Local government expenditure 628w
Croxteth Hall 632w
Dog licences, Fees & charges 548w
Fish, Death 629-30w
Hedgehogs, Nature conservation 94w
Hedges & ditches 276-7w
Litter, Employment schemes 632w
Litter, Publicity 479w
Litter Act 1983, Local authorities 479w
Local authorities, Loans 312w
Local government expenditure 188w
Local government reform, Employment schemes 312w
London Residuary Body, County hall 311w, 549w
London Residuary Body, Government grants to local authorities 548-9w
London Residuary Body, Greater London Council 310-1w
London Residuary Body, Local government borrowing 549w
London Residuary Body, London boroughs 310w
London Residuary Body, London marathon 548w
London Residuary Body, Public sector borrowing 311w
London Residuary Body, Trust for London 311w
Merseyside Residuary Body 631w
Merseyside Residuary Body, Local government borrowing 631w
Nature conservation, Compensation 94w
Planning appeals, Cumbria 630w
Q ray compresses, Radiography 323w
Radioactive Waste Management Advisory Committee, Annual reports 322w
Radioactive Waste Management Advisory Committee, "Environment Select Committee on Radioactive Waste" 630w
Radioactive Waste Management Advisory Committee, Public appointments 321w
Radioactive Waste Management Advisory Committee, Research 321-2w
Radioactivity, Domestic appliances 324w
Rate support grants, Hippies 662w
Residuary bodies, Local government property 312w
Tipping of waste, Prosecutions 480w
Trust for London, Finance 549w
UK 2000, Bradford 662w
Wildlife & Countryside Act 1981, Management agreements 278w

Rural areas
Music 86w
Pedestrian areas 595w
Road safety 595w

Russian language
Languages education 130-1w

Rutherglen
Employment opportunities 30w
Gas explosions 28w
Redundancy 30w

Rutland
Stocken hall 335w

Ryder, Mr Richard
Questions
Schools, Crime prevention 142-3w

Ryman, Mr John
Questions
Medical education, University finance 144w
Medical education, University teachers 147-8w
Teaching hospitals, Redundancy 74w

Sackville, Mr Tom
Debates etc
UK 2000 (14.07.86) 689
Questions
British Gas Corporation, Privatisation 12
Curriculum, Pupils 129w
Peter Cameron Webb Syndicate, Prosecutions 677
Road accidents, Motor insurance 663-4

Sadlers Wells Theatre 86w
Arts finance 86w

Safety
Drugs 267w
Parachuting 217w
Q ray compresses 323w

Safety barriers
Motorways 212-3w

Safety measures
Accidents 393w
Road accidents 393w

Safety standards
Coal mining 13

St Albans District Council 632-4w
Planning appeals 550w, 632-4w

St Helens
Dept of Health & Social Security local offices 410w
Housing insulation 662w
Supplementary benefits 410w, 447-8w
Urban development corporations 662w

St Mary's Hospital, Manchester 557-8w

St Peter & St Paul School, Syston 233w

Saltby School 233w
Leicestershire County Council 233w
School buildings 233w

Sampson, Colin 105w, 318-9w

Sanitation
School buildings 655w

Savage, Wendy 443

Save Our Schools
Education finance 1171

Sayeed, Mr Jonathan
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 734, 737, 738, 744, 745, 753, 757, 758, 766
Questions
Football, Hooliganism 584-5w
Type 23 frigates, Defence contracts 856

Scargill, Arthur 6

School administration 161
Administrative delays 131w
Educational finance 150
Leeds 157-8
Secondary education 161-2
Teacher training 144w

School attendance 130w
Departmental circulars 655-6w
Local education authorities 655-6w

School buildings 139-40w, 143w, 353w
Fees & charges 153-4
Kidsgrove 52w
Leisure facilities 153
Repairs & maintenance 127w, 299w
Saltby School 233w
Sanitation 655w
Scotland 299w

School choice
Blackburn House School 356w
Single sex schools 141-2w

School closures 161
Howe Dell School 523w
Leeds 157-8
Scotland 299w
Village schools 449-50w, 451w

School leaving
Higher education 44-6w, 142w
Polytechnics 128-9w
Young people 235w

School leaving certificates 143w
Derbyshire 352-4w
GCE O Level 46-8w
Hampsire 581-4w
Hertfordshire 46-8w, 580w

School libraries 129w
Local government expenditure 129w

School meals 420w
Costs 420w

School population
Hampshire 521w
Primary education 655w
Secondary education 655w

School teachers
Graduates 451-2w
Hertfordshire 579-80w
Mathematics education 176w
Retirement pensions 234w
Science education 176w

School transport
Bus services 580w

School year 147w

Schools
Collective worship 146w
Crime prevention 142-3w
Curriculum 146w
Educational finance 130w
Expenditure 518-20w
Farms 256w
HM Inspectorate of Schools 47-9w
Land acquisition 53w
Litter 479w
Members domestic visits 449w
Playing fields 53w
Propaganda 1172
Royal Ulster Constabulary 623w
Science & technology 529w
Sports 156

Schools & parents
Educational publications 150

Science & technology
Research finance 517-8w
Schools 529w

Science & technology research
Government grants 527w
Strategic defence initiative 51w

"Science Budget Government Response" 517-8w

Science education
School teachers 176w
Teachers 140w, 154-5

Science Research Council
Astronomy 522w, 655w
Educational qualifications 51-2w
Government grants 523w
Public appointments 51-2w
Royal Greenwich Observatory 158-9
South Africa 655w

Scope of debate
Speakers rulings & statements (07.07.86) 128, 129, (08.07.86) 181, 188, 229, (09.07.86) 358, 365, 366, (10.07.86) 569, (14.07.86) 749, 757, 759, 762, (15.07.86) 921-45 passim, 971, (16.07.86) 1117, (17.07.86) 1254, 1255, 1294, 1314-5, 1320, 1322-3, 1327, (18.07.86) 1343-88 passim

Scotland
Bank notes (08.07.86) 169-71
Cancer 245w
Cancer hazards 670w
Colleges of education 300w
Complaints against local government 380-2w
Conductive education 300w
Defence contracts 30-1w
Defence industries 855
Discretionary student grants 173-4w
Dogs 454w
Educational publications 300-2w
Exceptional needs payments 68-9w, 155w, 273-4w, 417-8w, 620w
Family law 385-6w
Fraud 554w
Handicapped 380w
Higher education 243w, (17.07.86) 1187-97
Hospital waiting lists 498w
Hospitals 244w
Housing & elderly 299-300w
Housing management 497-8w
Housing standards (15.07.86) 870-2
Iron & steel industry 280w, 347w, 999
Juries 307, 310
Legal aid (14.07.86) 773-824
Leisure 501w
Mental health 385w
Mental health services 240-2w
Mentally handicapped 240-2w
Microelectronics industry 30w
NHS finance 115w
Oil fired power stations 29w
Ombudsman 380-2w
"Paying for Local Government Consultation Paper" 174w
Physiotherapists 238-40w
Police national computer 237w
Prescription charges 244w
Prison administration 515w
Prison education services 515-6w
Prison employment 515-6w
Prisoners 516w
Prisoners on remand 516w
Prisons 578w
Radioactivity 379-80w
School buildings 299w
School closures 299w
Severe weather payments 668w
Sheep 384-5w
Sites of special scientific interest 374-80w
Small businesses 29-30w
Social security abuse 554w
Social security recipients 417-8w
Speech therapists 238-40w
Student numbers 300w
Students 243w
Suicide 515w
Supplementary benefits 409w
Teachers 298-9w
Tertiary education 573-6w
Trustee savings banks 437w, 502-3w
Universities 320w
University finance 31-2w, 131w
Urban programme 244-5w

***Scott, Mr Nicholas,** Under-Secretary of State for Northern Ireland*
Debates etc
Criminal Justice (Northern Ireland) Order 1986 (09.07.86) 410-2, 418-9
Questions
Body searches, Northern Ireland 504w
By elections, Northern Ireland district councils 624-6w
Civil disorder, Portadown 641w
Deomonstrations, Antrim 624w
Drug abuse, Paramilitary forces 641w
Elections, Northern Ireland 625w
Employment discrimination, Northern Ireland 192-3w
Interviews, Belfast Telegraph 627w
IRA, Explosives 625-6w
IRA, Homicide 17-9w, 81-3w, 83-4w
Plastic bullets, Portadown 641w
Public order offences, Portadown 504w
Royal Ulster Constabulary 114w
Royal Ulster Constabulary, Antrim 114w
Royal Ulster Constabulary, Criminal investigation 247w
Royal Ulster Constabulary, Police dogs 623w
Royal Ulster Constabulary, Police stations 247w, 623-4w
Royal Ulster Constabulary, Schools 623w
Terrorism, IRA 626-7w
Violence, Portadown 623w

Scottish Bank Notes Bill 1985/86
1R (08.07.86) 169-71

Scottish courts 654-5w
Gaelic language 454w

Scottish Development Agency
Expenditure 237w
Gardens 238w
Industry 237w
North British Hotel 383w
Privatisation 237-8w
Small businesses 29-30w

Scotish Economic Planning Department
Small businesses 29w

Scottish health boards
Acute beds 115w
Handicapped 239w, 242w
Handicapped children 239w, 242w
Hospital beds 114-6w
Hospital waiting lists 243-4w
Patients 498w

Scottish Legal Aid Board (14.07.86) 773-824

Scottish Legal Aid Fund (14.07.86) 773-824

Scottish Office
Gaelic language 499w, 500-1w
Members correspondence 383w

Scottish Special Housing Association 115-6w

Scottish Tertiary Education Advisory Council 31-2w, 573-6w,

Scottish Tourist Board 383w
North British Hotel 383w

Scottish Trustees Savings Bank Depositors Association 502-3w
Chief Registrar of Friendly Societies 437w

Screening
AIDS 616w
Breast cancer 171w
Cervical cancer 69w, 71w, 407w, 448w
Health education 71w
Industry 69w

Sea Fish Industry Authority 253w
Fishing vessels 253w
Self-sufficiency 436
Shellfish 320-1w

Sea fishing
Falkland Islands 62w

Sea pollution
Plastics 250w
Pollution control 250w

Sea transport
South Africa 401-2w

Seaside & country homes scheme 332w
Greater London Council 312w, 332w
Rent increases 312w, 332w

Second homes
Gwynedd 3w
Property Services Agency 3w

Secondary education
Cost per pupil 144-5w
Educational finance 130w
School administration 161-2
School population 655w
Southend 161-2

Security
British Council 371w
Civil service 17-8
Royal family 90w
Royal festivals & state occasions 166w, 306w

Security Intelligence Secretariat 4w
International cooperation 4w

Security vetting
COD Donnington 428w, 646w
Defence contracts 604w
Privatisation 646w

Sedgemore, Mr Brian
Questions
Commonwealth 294-5
Design, Student numbers 132w
Sterling M3, Money supply 606w

Segregation of prisoners 485w
Rule 43 485w

Seismic monitoring
Nuclear test ban 847

Select Committee reports 235w, 460-78w, 484w

Self-employed 108-11w
Derbyshire 289w
Dual jobholding 178-9w
Income tax (08.07.86) 219-28

Self-regulatory system 250w
Airlines 250w

Self-sufficiency
Fish 436
Food 435
Food From Britain 436
Sea Fish Industry Authority 436

Sellafield 570w
Cancer hazards 619w
Nuclear accidents 570w
Public access 389w

Sellafield District Cancer Levels Inquiry 670w

Semi-manufactured exports
Production 434-5w

Service industries
Private sector 8w

Service marks (08.07.86) 263-6

Severe disablement allowance 666w
Costs 419w
Married women 419w

Severe weather payments 668w
Scotland 668w
Wales 668w

Severn barrage 191-2w, 441w, 570w
Birds 570w
Environmental impact assessment 441w, 570w
Tidal power 191-2w

Severn bridge 394w, 670

Severn Crossing Feasibility Study 670

Severn Tidal Power Group 191-2w

Sewage
River Mersey 324w

Sewers
Construction 114w
Newtownbreda 114w

Sex education
Family & Youth Concern 130w
Professional qualifications 50w
Teachers 50w

Share ownership 607w, 1161, 1162
Personal equity plans 1161
Privatisation 1161-2
Renationalisation 1162
Shareholders 607w
Tax allowances 1162

Shareholders
Nationalisation 444
Share ownership 607w

Shares
British Gas Corporation 10, 245w, 1164-5
Public expenditure 1165
Renationalisation 1165

Shaw, Mr Giles, Minister of State for the Home Department
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1198-1201, 1204-5
Metropolitan Police (11.07.86) 607, 650-3
Questions
Body searches, Complaints against police 223-4w
Body searches, Haringey 223w
Carter Street police station, Disciplinary proceedings 224-5w
Civil defence, North West region 638w
Community radio 283w
Community radio, Broadcasting controls 185w
Complaints, Avewall Road 636w
Concessionary television licences, Pensioners 512-3w
Crime, Rewards 181w
Demonstrations, Kensington & Chelsea 55w
Drug abuse, Housing estates 105w
Drug crimes 337w
Drug crimes, Metropolitan Police 337w
Drug crimes, Prosecutions 336-7w
Drug seizures, Metropolitan Police 337w
Drug squads, Criminal investigation 336-7w
Drug squads, Ethnic minorities 336-7w
Drug squads, Manpower 336-7w
Drug squads, National Drugs Intelligence Unit 336w
Drug squads, Police 336-7w
Drug squads, Police training 336-7w
Fire services, East Ham 54w, 55w
Fire services, Greater London 54-5w
Firearms 566w
Firearms certificates, Costs 103w
Firearms certificates, Fees & charges 62w
Firearms certificates, Income 567w
Fraud, Criminal investigation 486-7w
Fraud, Police 511w
Helicopters, Metropolitan Police 338w
Hippies, Hampshire 224w
Homicide, Brixton 637w
Magistrates courts, Basildon 566w
Martial arts, Weapons 222-3w
Martial arts weapons, Convictions 223w
Metropolitan Police, Police patrolling 105w
Metropolitan Police, Public order policing 105w
"Metropolitan Police Instruction Book" 56w
Mobile police stations, Metropolitan Police 224w
News International, Public order policing 57w, 225w
O'Dowd, George, Drug crimes 336w
Offices, Metropolitan Police 338w
Police, Custody officers 103w
Police, Sick leave 104w
Police, West Midlands 103w
Police authorities, Local government reform 566w
Police equipment, Helicopters 511-2w
Police equipment, Public order policing 339w
Police national computer 104w, 182-4w, 512w
Police national computer, Computer privacy 181w
Police national computer, Convictions 222w
Police national computer, Criminal records 182w
Police national computer, Missing persons 183-4w
Police national computer, Motor vehicle theft 183w
Police national reporting centre 224w
Police powers, Litter 104w
Prisoners, Confessions 513w
Public order offences, Greater London 56-7w
Public order policing, House of Commons 565w
Racial attacks, Highbury 565w
Racial harassment, Finsbury Park 635-6w
Radio Thamesmead, Broadcasting licences 185w
Road accidents, Arrests 339w
Road accidents, Transport of hazardous materials 566-7w
Road traffic control, Metropolitan Police 338w
Roads, Police patrolling 339w
Royal family, Marriage 57w
Stalker, John, Inquiries 566w
Stop & search, Holloway 636w
Water cannon, Riot control weapons 181w

Shaw, Sir Michael
Questions
Agriculture, EC Presidency 255w

Sheep
Agricultural subsidies 228w
Anglesey 482-3w
Caesium 437
Compensation 3-4w, 430-1, 432, 438, 482w
Markets 251w
Prices 251w
Radioactivity 196w, 228w, 229-30w, 251-2w, 254w, 256w, 260-1w, 364w, 379w, 384-5w, 430-1, 431-2, 437, 438, 482-3w, 483-4w, 507w, 560w
Scotland 384-5w
Wales 482w

Sheep meat
Prices 196w, 437
Radioactivity 3-4w, 611-2w, 612-3w
Retail trade 440
Slaughterhouses 431-2
Wales 611-2w, 612-3w

Sheep premiums 384w, 440
Compensation 440

Sheerman, Mr Barry
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1355
Open College (18.07.86) 1359-60, 1366-7
Tourism (09.07.86) 390-3
Questions
Community programme 363-4w
Community programme, Take-up of employment 16w
Litter, Employment schemes 632w
Mathematics education, Teachers 156
Polychlorinated biphenyl, EC law 310w, 326w
School buildings, Fees & charges 153-4
VAT registration, Tax yields 436-7w

Sheffield
EC grants & loans 669-70
STOLport 669-70

Sheldon, Rt Hon Robert
Debates etc
Finance Bill, Rep (08.07.86) 175-7, 248
Finance Bill, Rep & 3R (17.07.86) 1250-1, 1253
Questions
Elgin Marbles 15

Shellfish
Sea Fish Industry Authority 320-1w

Shelton, Mr William
Debates etc
Metropolitan Police (11.07.86) 609-12, 622

Shepherd, Mr Colin
Questions
Agricutural rates, Farm incomes 195-6w
A49, Hereford bypass 3w
Cereals, Co-responsibility levy 439
Rover 800, Design 444-6
Sugar beet 253-4w

Shepherd, Mr Richard
Debates etc
EC budget (11.07.86) 620-1
European Communities (Amendment) Bill, Rem stages (10.07.86) 513

Shersby, Mr Michael
Questions
Commission for Racial Equality, Government grants 512w
Community relations councils, Local government expenditure 628w
Council tenants, Housing cooperatives 548w
Food prices, Price ingreases 252w
Heathrow, Perry Oakes sludge works 397w
Rent arrears, Council housing 325w
Squatting, Council housing 325w
VAT zero rated goods, EC internal trade 4w

Shevadnadze, Eduard 524w, 647w
Official engagements 647w
Official visits 202w, 203w, 204w, 205-6w

Shields, Mrs Elizabeth
Debates etc
Agriculture (14.07.86) 723-4
Questions
Armed forces housing, North Yorkshire 524w
Bus services, School transport 580w
Mandela, Nelson, Political prisoners 303
Road safety, Rural areas 595w
Students, Social security benefits 148w

Shields, Neil 313w
London Regional Transport 313w

Shipbuilding 1001
British Shipbuilders 1001
Contracts 536-40w
Defence contracts 248w
Ferries 1001
Frigates 1002
Gibraltar dockyard 603w
Japan 1001
Merchant ships 1001
Trade competitiveness 1001-2
Tyneside 856

Shipley
Bypasses 117w

Shipping
Business expansion scheme 80-1w
Fees & charges 394w
Tax allowances 80w

Shipping accidents
Piers 117w

Shipping safety
Merchant ships 396w

Shipyards
Smiths Shiprepairers 1001

Shore, Rt Hon Peter
Debates etc
EC budget (10.07.86) 461
European Communities (Amendment) Bill, Rem stages (10.07.86) 570
Members allowances (16.07.86) 1133-6
Questions
Average earnings, Single people 124-5w, 611-2w
Business statement 1176

Shoreham Port Authority Bill 1985/86
2R order read (10.07.86) 429, (17.07.86) 1155

Short, Ms Clare
Questions
Community programme, Managing agents 650w
HM Inspectorate of Schools, Local government expenditure 126-7w
Married personal allowance 609w
Restart programme, Social security benefits disqualification 650-2w
South Africa, Economic sanctions 299-300

Short, Mrs Renee
Debates etc
Residential care (09.07.86) 318-21
Questions
Agricultural production, EC countries 42w
Baby care units, Hospital beds 68w
Bedding, NHS 68w
Body Positive, AIDS 72w
British Geological Survey, Government grants 40w
Cancer, Scotland 245w
Dept of Health & Social Security, Committees 153w
Dept of Health & Social Security, Public appointments 421-2w
Exhaust emissions, Pollution control 96-7w
Legal aid 16w
Pollution control, EC action 95w
Prostitution, Young offenders 55w
Savage, Wendy 443
West Midlands Passenger Transport Executive, Government grants 312w

Shortage subjects
Teachers 140w

Shortages
Teachers 298-9w

Shotts Prison 578w

Shropshire
Education 157

Sick leave
Police 104w

Silvester, Mr Fred
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1263-4
Questions
Royal Greenwich Observatory, Science Research Council 159

Single European Act 207w, 210w, (10.07.86) 504-72
EC reform 210w

Single people
Average earnings 124-5w, 611-2w
Income support scheme 618w
Social security reform 618w
Unemployment benefits 419-20w

Single sex schools 141-2w
School choice 141-2w

Sites of special scientific interest
Morrich More 577w
Pipelines 576-7w
Scotland 374-80w
Wedholme flow (15.07.86) 976-84

Sitting tenants 503w
Northern Ireland Housing Executive 503w

Sizewell Inquiry 24w
Publishing 24w

Skeet, Sir Trevor
Questions
Coal, Imports 3
Electricity generation, Light water reactors 24w

Skillcentres
Maryport 157

Skilled workers
Adult education 133-4w
Industrial training 1003-4

Skinner, Mr Dennis
Debates etc
EC budget (10.07.86) 464
Open College (18.07.86) 1362
Private notice question point of order (09.07.86) 311
Tin (07.07.86) 76-7, 89
Questions
Business statement 455, 1179-80
Debts, Developing countries 608w
Profit sharing, Nurses 1161

Skuse, Frank
Expert evidence 56w

Slaughterhouses
Sheep meat 431-2

Slum clearance
Merseyside task force 482w
Stoke-on-Trent 39w

Slums
Multiple occupation 261-3w

Small businesses
Billing 497w
Company liquidations 29w
Electrical safety 568w
Government assistance to industry 29w
Planning appeals 93w
Scotland 29-30w, 29w
Scottish Development Agency 29-30w
Scottish Economic Planning Department 29w
Supermarkets 993-4
Town & country planning 93w

Smith, Mr Chris
Debates etc
Members allowances (16.07.86) 1138
Metropolitan Police (11.07.86) 628-30
Telecommunications (Amendment) Bill, 1R (14.07.86) 693
Questions
British Leyland 529w
Tax yields, Job creation schemes 610w

Smith, Sir Dudley
Questions
Business statement 1174-5
Gas supply industry, Connection charges 12

Smith, Irene 420w
Members correspondence 420w

Smith, Rt Hon John
Debates etc
Leyland Bus, Standing Order No 10 applications (16.07.86) 1011
Questions
Iron & steel industry, Redundancy 999
Leyland Bus, Laird Group 996
Leyland Bus, Public sector assets 986

Smith, Mr Tim
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1286
Tin (07.07.86) 103-6

Smiths Shiprepairers
Shipyards 1001

Smoke & chimney gases
Radioactivity 570w

Snape, Mr Peter
Debates etc
Channel tunnel, Roads (17.07.86) 1315-6, 1317, 1326
Felixstowe Dock & Railway Bill, Rep (14.07.86) 741

Snow & ice
Roads 117w

Soames, Mr Nicholas
Debates etc
Manufacturing industries (07.07.86) 52
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1373, 1376, 1377, 1378, 1379-86, 1396
Open College (18.07.86) 1362
Questions
General Certificate of Secondary Education 131w

Social class
Cervical cancer 70-1w
Death rate 448w

Social Democratic Party
Multifibre arrangement 991-2

Social Need (Northern Ireland) Order 1986 (10.07.86) 573

Social security abuse
Scotland 554w
Unemployment benefits 231w

Social security & taxation
Low pay 1160

Social security benefits 618w
Community programme 362w
Home visits 270w
Social security recipients 247w
Students 148w

Social security benefits disqualification
Restart programme 650-2w
Unemployment benefits 652-3w

Social security benefits rates
Attendance allowance 617w

Social security benefits rules
Exceptional needs payments 443-4
Housing benefits 265-6w

Social security benefits uprating
Housing benefits 155w, 156w

Social Security Bill 1985/86 (14.07.86) 691

Social security claims
Administrative delays 171-2w

Social security payments
Members correspondence 74w

Social Security Policy Inspectorate
Hostels 68w

Social security recipients
Attendance allowance 617w
Caerphilly 410w
Invalidity benefits 169w
Mobility allowance 668w
Mortgages 553w
Newham 408w

Northern Ireland 616-7w
Restart programme 652w
Scotland 417-8w
Social security benefits 247w
Supplementary benefits 156w, 409w
Unemployment benefits 156w
West Midlands 408w
Wrexham 410w

Social security reform 69-70w, 618-9w
Children 618-9w
Housing benefits 617w
Single people 618w

Social services
Industrial disputes 516w
Public expenditure 441-2
Strathclyde 516w

"Social Services Select Committee on Public Expenditure on Social Services" (09.07.86) 318-57

Social Work (Scotland) Act 1968 516w

Social workers
Cruelty to children 620w
Manpower 620w

Soft loans
China 10w
Indonesia 570w

SOGAT 82
News International 164

Soley, Mr Clive
Debates etc
Members allowances (16.07.86) 1132
Metropolitan Police (11.07.86) 586, 646-50
Questions
Caravan Sites Act 1968, Wales 348-9w
Civil service unions 16-7
Gypsies, Wales 347-8w
HM Inspectorate of Schools, Local government expenditure 127w
"Metropolitan Police Instruction Book" 56w
Police, Sick leave 104w
Subversion 18
Water cannon, Riot control weapons 181w

Solicitor-General
Ministers correspondence 675

Solicitor-General for Scotland
Gaelic language 455w

Solicitors
Pay 677-8
Steptiford, Roy Percy 185-6w

Somalia
Refugees 678-9

Sonar
Type 23 frigates 855-6

South Africa
Air routes 397w
Apartheid 25, 320w, 440-1
Armed forces deployment 209w
Armed forces training 837
Arms embargoes 440w, 524w, 525w, 845
Arms exports 525w
Astronomy 522w, 523w
BBC 165-6
British nationality 236-7w
Censorship 296-7
Coal 303w
Codes of practice 7w, 200-1w, 225-6w
Commonwealth 25, 200w, 206w, 296, 444, 523w, 638w, 648w, 852, (16.07.86) 1013-61, 1168, 1171-2
Computers 453w
Death 300
Defence equipment 440w
Defence procurement 525w
Diplomatic service 296-7
EC action 198-9w, 200w, 287-8, 289, 440w
EC aid 20w
EC nationals 370w
Economic sanctions 11w, 25-6, 163, 165, 199w, 200w, 201w, 205w, 287-8, 289, 290, 291-3, 295-6, 299-300, 440w, 525w, (14.07.86) 690-1, 848-9, 849-50, 850-1, 852, 860-1, 861-2, 863, 864-5, 866, 867, 1168-9, 1169-70
Economy 165-6
Electoral systems 847-8
Emergency powers 199w
Employment 188w
European Council 206w
Export controls 453w
Export credit 529w
Export Credits Guarantee Department 569w
Export promotion 541w, 569w
Food imports 435-6
Foreign policy 123w, 199w, 201w, 292, (10.07.86) 460, 585w, 850-1
France 845
Front line states 682
House of Commons refreshment department 66w
Howe, Geoffrey 162-3, 287-8, 288-9, 291, 293-4, 296, 304
Import controls 2-3, 4-5, 7, 435-6, 444
Imports 66w
Mass media 852
Military attaches 207w
Ministers visits abroad 21-2, 22-3, 24-5, 26, 162-3, 199-200w, 288-9, 605w
Namibia 209w
Opposition days (16.07.86) 1013-61
Overseas aid 297, 441
Overseas investment 849
Overseas loans 460w
Overseas students 368w
Overseas trade 188w, 401-2w, 569w
Peace negotiations 292
Political parties 1170
Political prisoners 648-9w
Politics & government 851-2
Prime Minister 291, 295-6, 299, 442, 444
Refugees 168w
Science Research Council 655w
Sea transport 401-2w
Strategic minerals 11-2w
Tourism 460w
Trade missions 541w
Tutu, Bishop 164-5
UK companies abroad 7w, 225-6w
USSR 524w, 525w
Visas 524w
Voting rights 339w, 847-8
Waite, Terry 200w
Zambia 524-5w
Zimbabwe 524-5w

South African Council for Scientific & Industrial Research 655w

South African Defence Force 370w

South East region
Civil defence 638w

South East Thames Regional Health Authority 413w

South Killingholme 308w
Radioactive waste disposal 308w

South of Scotland Electricity Board
Coal fired power stations 22-3w
Coal stocks 22-3w
Electricity tariffs 654w
Oil fired power stations 26w

South Tameside 97-9w
Magistrates 97-9w

South Tyrone 81-3w, 83-4w

South West Thames Regional Health Authority 448w
NHS finance 448w

South Western Regional Health Authority 407w
Cervical cancer 407w

South Yorkshire 258w
Intervention stocks 258w
Roads 117w

South Yorkshire Passenger Transport Bill 1984/85
Royal assent (08.07.86) 149

Southend
Piers 117w
Secondary education 161-2

Southend on Sea Borough Council 33w
Piers 33w

Spain
Foreign policy 210w, 440w

Speaker and his deputies, *For rulings and statements see separate heading Speakers rulings & statements*
Debates etc
Amendments & new clauses (07.07.86) 72, 119, 120, (08.07.86) 172, (09.07.86) 358, (10.07.86) 467, (14.07.86) 773, 776, 779, 790, 801, 807, 812, 813, 823, (15.07.86) 873, 917, (16.07.86) 1013, 1062, 1130, (17.07.86) 1198, 1211-2, 1218, 1246, 1267, 1268, 1270, 1275, 1276, 1299, 1301
Disallowed questions (16.07.86) 986
Private Bills, 2R order read (15.07.86) 952
Procedure (09.07.86) 316, (11.07.86) 617, (14.07.86) 688, 741, 756, (15.07.86) 872, 952, 953, 970, (17.07.86) 1155, 1193, (18.07.86) 1374
Standing Order No 10 applications, British Leyland (16.07.86) 1011
Standing Order No 10 applications, Commonwealth Games (10.07.86) 460, (14.07.86) 690, 691
Standing Order No 10 applications, EC budget (08.07.86) 168
Standing Order No 10 applications, Fishburn coke works (16.07.86) 1010
Standing Order No 10 applications, Police misconduct (15.07.86) 868-9

Speaker
Charities 985-6

Speakers rulings & statements (15.07.86) 919
Adjournment debates (14.07.86) 692, (18.07.86) 1406
Amendments & new clauses (17.07.86) 1273-4
Business motions (14.07.86) 825
Business questions (17.07.86) 1180
Calling of Members (07.07.86) 26, (09.07.86) 291, 310, 311, (17.07.86) 1197, (18.07.86) 1366, 1368
Heads of state (09.07.86) 311-3
House of Commons division of time (10.07.86) 462, 465, 496, (17.07.86) 1185
House of Commons divisions (09.07.86) 317
House of Commons galleries (07.07.86) 71
House of Commons standing orders (14.07.86) 825
Hybrid Bills (17.07.86) 1324
Leader of the Opposition (17.07.86) 1172, 1184-6
Members conduct (08.07.86) 159, (15.07.86) 849, (16.07.86) 1110, (17.07.86) 1170
Members dress (16.07.86) 1009
Members interests (08.07.86) 180
Members interventions (14.07.86) 744, (16.07.86) 1073, 1118, (18.07.86) 1351
Members speeches (07.07.86) 103, (11.07.86) 600, 626-7, 640, (14.07.86) 742, (18.07.86) 1394
Ministerial responsibility (14.07.86) 664
Ministerial speeches (15.07.86) 907
Ministerial statements (11.07.86) 604, 612, 654
Ministers (09.07.86) 372, (15.07.86) 918, (18.07.86) 1350
New clauses (15.07.86) 917
Oral questions (09.07.86) 310, (17.07.86) 1161
Orders & regulations (17.07.86) 1331-2
Points of order (09.07.86) 311, (14.07.86) 682, (15.07.86) 835, 857, 859, 922, (18.07.86) 1350
Private Bills (15.07.86) 916
Private notice questions (09.07.86) 310, (15.07.86) 865
Public Bills (14.07.86) 691
Scope of debate (07.07.86) 128, 129, (08.07.86) 181, 188, 229, (09.07.86) 358,

365, 366, (10.07.86) 569, (14.07.86) 749, 757, 759, 762, (15.07.86) 921-45 passim, 971, (16.07.86) 1117, (17.07.86) 1254, 1255, 1294, 1314-5, 1320, 1322-3, 1327, (18.07.86) 1343-88 passim
Supplementary questions (14.07.86) 664, (15.07.86) 858, (16.07.86) 1002
Unparliamentary expressions (09.07.86) 290, (17.07.86) 1322

Spearing, Mr Nigel
Debates etc
EC budget (10.07.86) 461-2, 466-7, 471, 479, (11.07.86) 618
European Communities (Amendment) Bill, Rem stages (10.07.86) 507, 517, 527-9, 530, 555, 560-2
Metropolitan Police (11.07.86) 589
Open College (18.07.86) 1363
Questions
Ambulance services, Greater London 559-60w
Commonwealth Institute, Financial management initiative 209-10w
London docklands railway 397w
Teachers, Shortage subjects 140w

Special category prisoners
Prison administration 489w

Special development orders 325w
Town & country planning 325w

Special education 147w, 157w, 158w
Blind 140w
Conductive education 146-7w
Deaf 140w

Special educational needs 50w
Dyslexia 50w

Spectacles
Blind 555w
Lenses 77w

Speech therapists
NHS 75-6w
Pay 668w
Scotland 238-40w
Vacancies 75w

Speech therapy
NHS 163w
Private health services 75-6w, 163w
Training 53w

Speed, Mr Keith
Debates etc
Channel tunnel, Roads (17.07.86) 1316-7, 1318
Questions
Motorcycles, EC action 397-8w
Motorcycles, Lighting 458w
Type 23 frigates, Defence contracts 854

Speller, Mr Tony
Questions
Armed forces pensions, Armed forces pay 217-8w
Duty solicitors, Pay 17w
Electricity generation, EC countries 572w
Energy Efficiency Year 9
Legal aid, Administrative delays 15-6w
Telephone charges, Billing 9w

Spencer, Mr Derek
Questions
Alcoholic drinks, Young people 415w
Business statement 454
Energy Efficiency Year 8
Estate agents, Consumer protection 997
Members travel, Buses 485w
Multifibre arrangement, Social Democratic Party 991-2
National Agency on Alcohol Misuse, Government grants to voluntary organisations 415w
Pensioners, Retail price index 608w

Spicer, Mr Jim
Debates etc
Heads of state (09.07.86) 311-2
Leader of the Opposition (17.07.86) 1172, 1184
Oral question time point of order (15.07.86) 859
Private notice question point of order (09.07.86) 311
Questions
Home Service Force, Manpower 840
South Africa, Overseas aid 297

Spicer, Mr Michael, *Under-Secretary of State for Transport*
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 760-1, (15.07.86) 926-8
Questions
Air routes, Brussels 402w
Air routes, Highlands of Scotland 2w
Air routes, South Africa 397w
Air services, Brussels 313w
"Air Traffic Distribution in the London Area" 249-50w
Airlines, Self-regulatory system 250w
Airport security 393w
Airport security, European Economic Community 393w
Airships, Greater London 660w
Heathrow, Airports 661-2w
Motor vehicle registration 2w, 593w
Parachuting, Training 400-1w
Road accidents, Recycling 590w
STOLport, Sheffield 669-70

Spoil heaps
Okehampton bypass 123w

Sports
Accidents 171-2w
Central Council for Physical Recreation 94w
Death 171-2w
Education support grants 156
Schools 156

Sports boycotts 508w, 860-1
Commonwealth Games 508w, 862-3, 864, 865-6
Democracy 865-6
Human rights 862-3, 864, 865

Sports competitors
Charities 636w
Entry clearances 636w

Sports facilities
Golf 629w
Property transfer 158

Squatting
Council housing 325w

Squire, Mr Robin
Questions
Audio recordings, Taxation 534w
Bus services, Greater London 673-4
Low incomes, Families 264w

Sri Lanka
Arms trade 90w
Refugees 567w
Terrorism 207w

Staff-student ratios
Public sector 177w
Universities 177w
University of Wales 354w

Staffordshire
Infant mortality 667w

Stalker, John 105w, 318-9w, 566w
Inquiries 318-9w, 566w, 1168
Royal Ulster Constabulary 105w, 318-9w, 566w, 1168

Stamp duties
Clearance services (17.07.86) 1211-7
Companies (17.07.86) 1211-8
Depository receipts (17.07.86) 1211-7
Stocks & shares (17.07.86) 1211-6

Stanbrook, Mr Ivor
Debates etc
Open College (18.07.86) 1364
South Africa (16.07.86) 1025
UK 2000 (14.07.86) 686
Questions
Business statement 1177
South Africa, British nationality 236-7w

Standard of living
Industrial production 1166-7

Standards enforcement
Cement 627w

Standing Order No 6 (14.07.86) 824

Standing Order No 10 applications
Commonwealth Games (10.07.86) 460, (14.07.86) 690-1
EC budget (08.07.86) 167-8
Fishburn coke works (16.07.86) 1010
Leyland Bus (16.07.86) 1011
Police misconduct (15.07.86) 868-9

Stanley, Rt Hon John, *Minister of State for the Armed Forces*
Questions
Army in Northern Ireland, Armed forces deployment 304w, 492w
Backfire aircraft, USSR 87w
Defence contracts, Transport 604w
Defence expenditure, USSR 425w
Exercise Mallet Blow, FB111 aircraft 248w, 430w
Exercise Mallet Blow, Military aircraft 90-1w, 430w
Falkland Islands, Air routes 603w
Falkland Islands, Bomb disposal 845-6
Falkland Islands, Military aircraft 429w
Falkland Islands, Virgin Atlantic 603w, 604w
F19 aircraft, Air force bases 426w
Gurkhas 492w
HMS Intrepid, Warships 190w
Military aircraft, USA 430-1w
NATO, Chemical weapons 491w
NATO, Nuclear weapons deployment 191w
NATO Nuclear Planning Group 427w
Nuclear artillery shells, BAOR 427w
Nuclear test ban, Seismic monitoring 847
Nuclear weapons 165-6w
Nuclear weapons, Air force bases 428-9w
Nuclear weapons, NATO 429w
Nuclear weapons policy, Conventional weapons 495w
Nuclear weapons tests 492w, 847
Nuclear weapons tests, Nevada 847
Nuclear weapons tests, USSR 847
RAF Fylingdales, Strategic nuclear weapons 166w
RAF Fylingdales, USA 166w
Royal family, Marriage 90w, 306-7w, 490w
Security, Royal festivals & state occasions 166w
Ulster Defence Regiment 492w
USA, Military aircraft 91w
Warships 190w

State earnings related pension scheme
Expenditure 618w

State education
Non-teaching staff 47-8w
Pupils 449-50w
Teachers 47-8w

Steel, Rt Hon David
Questions
Ministers visits abroad, South Africa 22-3
South Africa, Economic sanctions 849-50
South Africa, Prime Minister 442

Steen, Mr Anthony
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1341
Questions
British Rail 396w
Community programme, Bradford 187w
Dartmoor national park, Willsworthy shooting range 836-7
Golf, Occombe 629w
Hedges & ditches, Government grants 595w, 658w
Lower Leigh, Historic buildings 324w
Lower Leigh, Historic Buildings & Monuments Commission 34-5w
USSR, Human rights 300-1

Willsworthy shooting range, Construction 493w

Steptiford, Roy Percy 185-6w
Solicitors 185-6w

Sterling M0 438w

Sterling M3 80w, 606w, 643-4w

Stern, Mr Michael
Debates etc
UK 2000 (14.07.86) 687
Questions
Drug Trafficking Offences Act 1986 285w
Handicapped drivers, Advisory services 672-3
Oil exports, Export controls 192w
Oil exports, North Sea oil 441w
Prime Minister official engagements 585w
Rolls-Royce Aeroengines, Defence procurement 835-6
School administration 161
Severn barrage, Environmental impact assessment 441w
South Africa, Export credit 529w
Tidal power, Electricity generation 25w

Stewart, Mr Allan, *Under-Secretary of State for Scotland*
Questions
Chapelcross power station, Licensing 174w
Chapelcross power station, Nuclear Installations Inspectorate 174w
Chapelcross power station, Plutonium 174w
Coal prices, British Coal Corporation 654w
Colleges of education, Scotland 300w
Conductive education, Scotland 300w
Defence contracts, Scotland 30-1w
Discretionary student grants, Scotland 173-4w
Educational publications, Scotland 300-2w
Electricity tariffs, South of Scotland Electricity Board 654w
Energy costs, Longannet power station 654w
Higher education, Scotland 243w
Housing management, Scotland 497-8w
Hunterston A, Electricity generation 238w
Land reclamation, East Sands 577-8w
Leisure, Scotland 501w
Oil fired power stations, Scotland 29w
School buildings, Scotland 299w
School closures, Scotland 299w
Scottish Development Agency, Gardens 238w
Scottish Development Agency, Industry 237w
Scottish Development Agency, Privatisation 237-8w
Student numbers, Planning 300w
Teachers, Scotland 298-9w
Torness power station, Construction costs 653w
Torness power station, Energy costs 653w

Stewart, Mr Andy
Debates etc
Agricultural production (08.07.86) 272
Agriculture (14.07.86) 694-6
A140, Suffolk (09.07.86) 423
Questions
Cereals, Co-responsibility levy 253w
Energy efficiency, Government departments 5
Food From Britain, Womens Farming Union 436

Stewart, Rt Hon Donald
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1239, 1243
Questions
Food labelling, Processed food 433
Gaelic language, Data Protection Act 1984 487w
Gaelic language, Dept of Employment 457w
Gaelic language, Dept of Energy 441w
Gaelic language, Dept of Health & Social Security 447w
Gaelic language, Dept of Transport 459w
Gaelic language, Government grants 499w, 500w
Gaelic language, Home Office 487w
Gaelic language, Registration of births deaths & marriages 501w
Gaelic language, Scottish courts 454w
Gaelic language, Scottish Office 499w, 500-1w
Gaelic language, Solicitor-General for Scotland 455w
Gaelic language, Treasury 502w, 610w
Multifibre arrangement, Textile industry 992
South Africa, Economic sanctions 850-1
Tax allowances, Share ownership 1162
University finance, Scotland 31-2w
Welsh language, Welsh Office 484w

Stewart, Mr Ian, *Economic Secretary to the Treasury*
Debates etc
EC budget (10.07.86) 462, 484, 497-500
Finance Bill, Rep (08.07.86) 233-5
Finance Bill, Rep & 3R (17.07.86) 1211, 1214-5, 1218, 1219-21, 1233-5, 1276, 1277-8, 1280-2, 1287-92
Questions
Balance of payments 606-7w
Clearing banks, Greater London 431w
Debts, Developing countries 608w, 1158
Economic situation 1158
Economic summit conferences, Economic policy 1158
European monetary system 607-8w
Finance, Statistics 643-4w
Industrial production 561-2w
Interest rates, 561w
Interest rates, OECD countries 607w
Manufacturing industries, Industrial investment 435w
Manufacturing industries, Industrial production 1166
Money supply 435w, 438w, 644w
Sterling M3 80w
Sterling M3, Money supply 606w
Pensioners, Retail price index 608w
Premium bonds, Prize money 1164
Product liability, EC law 533w
Productivity, USA 434w
Scottish Trustees Savings Bank Depositors Association, Chief Registrar of Friendly Societies 437w
Semi-manufactured exports, Production 434-5w
Trade competitiveness, Exports 1165-6
Trustee savings banks, Scotland 502-3w
VAT, EC budget 437w

Stocken hall
Property transfer 335w
Rutland 335w

Stocks & shares
Stamp duties (17.07.86) 1211-6

Stoke-on-Trent 39w
Slum clearance 39w
Supplementary benefits 268-9w

Stokes, Mr John
Debates etc
Members allowances (16.07.86) 1136-7
Questions
Armed forces training, South Africa 837
Commonwealth Games, Sports boycotts 866

STOLport
Sheffield 669-70

Stop & search 636w
Holloway 636w
Kings Cross 636w

Stott, Mr Roger
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 956-9
Felixstowe Dock & Railway Bill, Rep (14.07.86) 754-5, 757, 759, 760, 761, 765, 768 (15.07.86) 925
Questions
Drinking & driving, Breathalysers 664
HM Inspectorate of Schools, Local government expenditure 127w
Lorry drivers, Working hours 665-6

Strang, Mr Gavin
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 956
Questions
Commonwealth Games 866
Defence research, Universities 429-30w
EC law, Harmonisation of legislation 64w
Fast reactors, France 27-8w
Fast reactors, West Germany 27-8w
Nuclear weapons, Air force bases 428-9w
Nuclear weapons, NATO 429w
Nuclear weapons tests 492w
Nuclear weapons tests, USSR 847
Regional parks, Pentland 31w
Sheep, Radioactivity 254w
USSR, Arms control treaties 204w

Strategic defence initiative 280w
Arms control 494w
Defence contracts 3w, 30-1w
Defence research 89-90w, 491w
Employment opportunities 90w
International cooperation 303-5w
Science & technology research 51w
Technical assistance 89-90w
Wales 303-5w
Western Europe 89w

Strategic minerals
South Africa 11-2w

Strategic nuclear weapons
RAF Fylingdales 166w

Strategic plans 557w
North Western Regional Health Authority 557w

Strathclyde
Mental health services 239-40w
Mentally handicapped 239-40w
Prime Minister domestic visits 215w
Social services 516w

Strathclyde University 133w
Ministers domestic visits 133w

Straw, Mr Jack
Debates etc
Members allowances (16.07.86) 1132
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1383
Questions
Property Services Agency, Civil service dispersal 39w
Unemployment, Taxation 1157
University finance, Association of University Teachers 137-8w

Strike ballots
Trade union elections 443

Student grants 148w
Avon Education Authority 351w
Further education 43w
Mature students 54w

Student numbers
Design 132w
Education Science & Arts Select Committee 235w
Higher education 137-8w
Mature students 174-6w
Medical students 523w
Open University 134w
Planning 300w
Polytechnics 128-9w, 134-6w, 151-2
Scotland 300w
Universities 134-6w, 151-2
Welsh language 350w

Students 236w
Loans 143w
Public libraries 16

Scotland 243w
Social security benefits 148w

Sub post offices 535w

Subsidence
Agriculture 435
Coal mining 21w
Compensation 21w, 435

Subsidence Compensation Review Committee see Coal Mining
Subsidence Compensation Independent Review

Subsidies
Cement 341w, 342w
European Coal & Steel Community 998-9

Subversion 18
Civil service 17-8

Suffolk County Council 256w

Sugar
EC external trade (16.07.86) 1144
Food labelling 433

Sugar beet 253-4w

Suicide
Prisoners 515w
Scotland 515w

Sulley David, 335-6w
Members correspondence 335-6w
Prisoners 335-6w

Sumberg, Mr David
Questions
Business statement 1179
Economic situation, Oil prices 1168-9
European Security conference 301
Foreign investment in UK, USA 529-30w
Share ownership 1162

Supermarkets
Food From Britain 436
Small businesses 993-4

Supplementary Benefit (Conditions of Entitlement) Regulations 1981 361-2w

Supplementary benefits 418w
Alyn & Deeside 447-8w
Barnsley 269w, 410w
Board & lodging charges 503w
Caerphilly 410w
Civil service manpower 447-8w
Copeland 410w
Coventry 447-8w, 666w
Cunninghame 447-8w
Easington 409-10w
Falkirk 409-10w
Glasgow 409-10w, 447-8w
Govan 447-8w
Greenock 617w
Jarrow 409-10w
Motherwell 409-10w
Newham 408w
Normanton 409-10w
One parent families 405w
Residential care (09.07.86) 318-57
St Helens 410w, 447-8w
Scotland 409w
Social security recipients 156w, 409w
Stoke-on-Trent 268-9w
Television licences 319w
Thurrock 559w
Tooting 666w
Tyne Bridge 617w
Warley 559w
West Midlands 408w
Wrexham 410w
Wythenshawe 666w

Supplementary benefits disregards of income
Restart programme 527w

Supplementary questions
Speakers rulings & statements (14.07.86) 664, (15.07.86) 858, (16.07.86) 1002

"Supply Estimates 1986/87" (09.07.86) 318-57, 358-98

"Supply Estimates 1986/87, Supplementary Estimates" (10.07.86) 461-503

Support for innovation scheme 640w
EUREKA 640w

Surgery
Pay 667w

Surplus land
Public bodies 186w

Surveillance 283-4w, 287-8w

Swan Hunter Shipbuilders 160
Royal fleet auxiliary 857-8

SWAPO
Namibia 65w

Syrian Arab Republic
Palestine Liberation Organisation 302

S90 design 88w
Defence contracts 88w
Industrial design 88w

Tain
Pipelines 576-7w

Takeovers
Allied Lyons 453w

Tambo, Oliver 208w
African National Congress 208w

Tameside
Mortuaries 445w

Tanks
Competition 344w

Tanzania
Human rights 646w

Tape recorded evidence
Tighe, Michael 84w

Tate Gallery
Northern region 615w

Tax allowances
Balance of trade 1163
Charitable donations 1159
EC countries 80w
Employment opportunities 1162-3
Lead free petrol 125w, 294-5w
Petroleum exploration (08.07.86) 256-62
Share ownership 1162
Shipping 80w
Temporary accommodation (08.07.86) 252-5
Tree planting 293w

Tax burden
Low pay 1160

Tax thresholds 443
VAT 607w

Tax yields
Capital gains tax 294w, 609-10w
Income tax 584w
Job creation schemes 610w
Personal tax allowances 437w
Privatisation 1164-5
Unpaid taxes 78-9w
VAT registration 436-7w

Taxation (08.07.86) 172-262, 1163, (17.07.86) 1198-1312
Audio recordings 534w
Channel tunnel 194w
Petroleum exploration 2
Unemployment 608w, 1157-8

Taylor, Rt Hon John David
Questions
Anglo-Irish agreement 367w, 641-2w
Barry, Peter, Belfast Telegraph 642w
Belfast Telegraph, Interviews 367w
Civil disorder, Portadown 641w
Demonstrations, Portadown 641w
Drug abuse, Northern Ireland 641w
Drug abuse, Paramilitary forces 641w
Northern Ireland Housing Executive, Council house sales 503w
Orange Order, Demonstrations 367w
Plastic bullets, Portadown 641w
Republic of Ireland, Demonstrations 642w
Road works, Donaghadee Road 503w
Sewers, Newtownbreda 114w

Taylor, Mr John Mark
Debates etc
UK 2000 (14.07.86) 687
Questions
British Leyland, Privatisation 995-6
Bus services, Tenders 393w
EC Presidency, EC internal trade 188-9w
General Certificate of Secondary Education, Local education authorities 132w
Land Rover, Privatisation 985
Multifibre arrangement, Unfair trading practices 992
Prime Minister official engagements 218w, 479w

Taylor, Mr Teddy
Debates etc
EC budget (10.07.86) 463-4, 466, 470, 484, 491-4, 499, (11.07.86) 619
EC budget, Standing Order No 10 applications (08.07.86) 167-8
European Communities (Amendment) Bill, Rem stages (10.07.86) 516, 521-4, 533-5, 539-40, 541, 542, 545-6, 548, 554
Questions
Abortion 296w
Butter, Food surpluses 254w
Channel tunnel, Finance 396w
EC budget, European Court of Justice 678
European Council, Common agricultural policy 215-6w
Oil exports, Israel 25w
Piers, Southend 117w
Piers, Southend on Sea Borough Council 33w
Prime Minister visits abroad, European Court of Justice 100w
School administration, Secondary education 161-2w
Single European Act, EC reform 210w
South Africa, EC aid 20w
UK trade with EC, Manufactured goods 528w
Westland Helicopters, Disclosure of information 675

Teacher training
Conductive education 147w
General Certificate of Secondary Education 131-2w
Local government expenditure 146w
School administration 144w

Teachers
Advisory Conciliation & Arbitration Service 356w
Careers development 356-7w
Contracts of employment 145w
Early retirement 281w
Hampshire 521w
In-service training 146w
Industrial disputes 132-3w
Industry 155-6
Manpower 521-2w
Mathematics education 140w, 154-5, 155-6
Pay 353w, 356w, 580-2w, 656w
Physics 155
Professional qualifications 354w
Science education 140w, 154-5
Scotland 298-9w
Sex education 50w
Shortage subjects 140w
Shortages 298-9w
State education 47-8w

Teaching hospitals
Greater London 665-6w
NHS finance 75w
Redundancy 74w

***Tebbit, Rt Hon Norman,** Chancellor of the Duchy of Lancaster*
Questions
Magistrates, Ashton under Lyne 97-9w

Technical & vocational education initiative 180w, 291w
Finance 291w

Technical assistance
Strategic defence initiative 89-90w

Teignmouth Quay Company Bill 1985/86
2R order read (10.07.86) 429, (17.07.86) 1155

Telecommunications (Amendment) Bill 1985/86
1R (14.07.86) 693

Telephone charges
Billing 9w

Telephones
Prisoners 516w

Television licences
Supplementary benefits 319w

Temperature
Hypothermia 554w

Temple-Morris, Mr Peter
Questions
Chemical weapons, USSR 851
Ministers visits abroad, South Africa 288-9
News International, Hampshire 164

Temporary accommodation
Tax allowances (08.07.86) 252-5

Temporary immigrants
Entry clearances 218-21w

Temporary staff
House of Commons 279w

Tenders 34-5w, 76w, 393w, 406w, 603w
Bus services 393w
Hearing aids 76w

Terlezki, Mr Stefan
Questions
European Security Conference, International conferences 298

Termination of employment
Nunan, Manus 317w

Terrorism
Death 626w
Foreign policy 295
IRA 626-7w
Sri Lanka 207w

Tertiary colleges 175-7w
Local education authorities 175-7w

Tertiary education 573-6w
Scotland 573-6w

Test Valley Borough Council 31w, 32w
Planning appeals 32w
Planning permission 31w

Testing
Animal breeding 257w
Training aircraft 494w

Textile industry
Capital investment 189-90w
Exports 992
Imports 990-1
Industrial productions 189w
Leicester 991-2
Multifibre arrangement 990-1, 992
Redundancy 531w
Trade competitiveness 991

Textiles
Exports 341w
Import duties 528w
Turkey 540-1w

Thamesdown
Vacant land 480-1w

Thamesmead Town 34w
London Residuary Body 34w

Thatcher, Rt Hon Margaret, Prime Minister, First Lord of the Treasury and Minister for the Civil Service
Questions
Africa, Overseas aid 99w
Animal feed, Common farm prices 583w
Armed forces pensions, Armed forces pay 217-8w
Bombings, West Germany 99w, 319w
Chemical weapons, USSR 851
Commercial secrets, Official Secrets Acts 167w
Commonwealth 279-80w
Concessionary television licences, Pensioners 319w
Dairy farming, EC action 442
Data Protection Act 1984, National security 216w
Departmental records, Official publications 460w
Economic sanctions, South Africa 165
Educational finance 99w
European Council, Common Agricultural policy 215-6w
Exceptional needs payments, Social security benefits rules 443-4
Faroe Islands, Fishery protection 585w
Football, Hooliganism 584-5w
Health 162
Heath, Edward, Anniversaries 166
House of Commons Select Committees 460-78w
Housing benefits, Costs 216-7w
Labour Party, Privatisation 848
Libyan Arab Republic, F111 aircraft 215w
Macreadie, John, Civil & Public Services Association 163
Members allowances 1169
Ministers, Birmingham City Council 5w
Ministers, Broadcasting Complaints Commission 99-100w
Ministers visits abroad, South Africa 162-3
News International, Hampshire 164
NHS finance 215w
Nuclear safety, International cooperation 216w
Office of Population Censuses & Surveys 6-7w
Office of Population Censuses & Surveys, Inquiries 319-20w
Office of Population Censuses & Surveys, Statistics 319w
Parachuting, Training 217w
Parliamentary questions 320w
Pay settlements, Employment opportunities 163-4
Prime Minister domestic visits, Bournemouth 583w
Prime Minister domestic visits, Cannock 583w
Prime Minister domestic visits, Dewsbury 459w
Prime Minister domestic visits, Easenhall 99w
Prime Minister domestic visits, Flecknoe 215w
Prime Minister domestic visits, Harborough Magna 583w
Prime Minister domestic visits, Macclesfield 459w
Prime Minister domestic visits, North West region 4-5w
Prime Minister domestic visits, Strathclyde 215w
Prime Minister official engagements 100w, 218w, 479w, 585w
Prime Minister official engagements, Mulroney, Brian 585w
Prime Minister visits abroad 218w, 638-9w
Prime Minister visits abroad, European Court of Justice 100w
Prime Minister visits abroad, USA 5w
Public expenditure, Government departments 5-6w
Public expenditure, Health services 441-2
Rover 800 442-3
Rover 800, Design 444-6, 850
Royal family, Marriage 4w
Royal fleet auxiliary, Harland & Wolff 164
Savage, Wendy 443
Save Our Schools, Educational finance 1171
Schools, Propaganda 1172
Security Intelligence Secretariat, International cooperation 4w
Shareholders, Nationalisation 444
South Africa, Apartheid 320w, 440-1
South Africa, BBC 165-6
South Africa, Commonwealth 444, 638w, 852, 1171-2
South Africa, Economic sanctions 848-9, 849-50, 850-1, 852, 1168-9, 1169-70
South Africa, Foreign policy 585w
South Africa, Import controls 444
South Africa, Overseas aid 441
South Africa, Overseas investment 849
South Africa, Overseas loans 460w
South Africa, Political parties 1170
South Africa, Politics & government 851-2
South Africa, Prime Minister 442
South Africa, Tourism 460w
South Africa, Tutu, Bishop 164-5
South Africa, Voting rights 847-8
Stalker, John, Inquiries 1168
Strategic defence initiative 280w
Strike ballots, Trade union elections 443
Tax thresholds 443
Tax yields, Income tax 584w
UK companies abroad, South Africa 7w
Unemployment, Building industry 1170-1
Unemployment, Income tax 583w
Universities, Wales 320w
VAT zero rated goods, EC internal trade 4w

Thomas, Mr D E
Questions
Business statement 456
Defence land, Wales 427-8w
Energy research 387-8w
Energy research, Alternative energy 386-8w
F19 aircraft, Air force bases 426w
Hospital staff, Pay 667w
Hunterston A, Electricity generation 238w
Livestock, Radioactivity 260w
Military vehicles, Driving licences 426w
NATO Nuclear Planning Group 427w
Nuclear artillery shells, BAOR 427w
Parliamentary questions 320w
Plutonium, Nuclear safeguards 388w
RAF Caerwent, Arrests 426w
Sheep, Radioactivity 229-30w, 438
Strategic defence initiative, International cooperation 303-5w
Universities, Wales 320w
University finance 282w
University of Wales, University finance 282w, 355-6w
Uranium, Wylfa power station 245w
USSR, Radar 370w

Thomas, Dr Roger
Debates etc
Agriculture (14.07.86) 708-11
Questions
Ministry of Agriculture Fisheries & Food, Consumer protection 257w

Thompson, Mr Jack
Questions
National Coal Board, Northumberland 22w
School libraries, Local government expenditure 129w

Thompson, Mr Patrick
Debates etc
Finance Bill, Rep (08.07.86) 220-2, 227
Questions
Business statement 1180
Civil service manpower 77-8w
EC Presidency, EC internal trade 534w
Home Service Force 840
Intervention Board, Offices 307w

Thorn EMI
Pitman, Donald 844

Thorne, Mr Neil
Debates etc
Latent Damage Bill (HL), Rep & 3R (07.07.86) 123-5, 126, 134

Thorne, Mr Stan
Questions
Further education, HM Inspectorate of Schools 125w
Leyland Bus, Privatisation 985
South Africa, EC action 198w

Thornton, Mr Malcolm
Debates etc
Felixstowe Dock & Railway Bill, Rep (15.07.86) 943-4
Questions
Product liability, Compensation 533w

Thurnham, Mr Peter
Debates etc
Latent Damage Bill (HL), Rep & 3R (07.07.86) 120-3, 125, 132-3, 134
Questions
Companies, Charitable donations 1159
Defective housing 628w
Defence contracts, North West region 248w
EC budget 294w
Frozen food, "EC Draft 9402/84" 106-7w
Garages & petrol stations, Office of Fair Trading 345-6w
National Council for Vocational Qualifications, Finance 653w
Regional aid, Northern region 988
Restart programme, Social security recipients 652w
Restart programme, Supplementary benefits disregards of income 527w
VAT, Tax thresholds 607w

Thurrock
Supplementary benefits 559w

Tidal power
Electricity generation 25w
Severn barrage 191-2w

"Tidal Power from the Severn" 570w

Tighe, Michael 84w
Death 84w
Tape recorded evidence 84w

Time sharing 9-10w
Consumer protection 9-10w

Tin
Commodity trade (07.07.86) 72-118
Mining (07.07.86) 72-118

"Tin Crisis Government Observations" (07.07.86) 72-118

Tipping of waste
Prosecutions 480w

Tobacco Products (Sales Restriction) Bill 1985/86
Royal assent (08.07.86) 149

"Tomorrows Buses" 661w
Departmental leaflets 661w
Expenditure 661w

Tooting
Supplementary benefits 666w

Torness power station
Construction costs 653w
Energy costs 653w
Operating costs 653w

Torney, Mr Thomas
Questions
Sheep, Caesium 437
Sheep, Radioactivity 254w
South Africa, EC action 198-9w

Torpedoes
Defence procurement 165w

Tourism 289-90w
Estimates days (09.07.86) 358-98
Kent 396w
South Africa 460w

Tourist industry
Employment opportunities 527w
Government assistance to industry (09.07.86) 358-98

Town & country planning
Small businesses 93w
Special development orders 325w

Town & Country Planning Act 1947 32-3w

Town & Country Planning (Agricultural & Forestry Development in National Parks) Development Order 1986 325w

Townend, Mr John
Debates etc
EC budget (10.07.86) 485-7, 488
Questions
Cereals, Co-responsibility levy 439

Townsend, Mr Cyril D
Questions
General Certificate of Secondary Education, Curriculum 132w

Tracey, Mr Richard, *Parliamentary Under-Secretary of State for the Environment (Sport)*
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1340-3, 1373, 1395-8
Questions
Archaeological sites, Urban areas 309w
Caravans, Greater London 34w
Central Council for Physical Recreation, Sports 94w
European Regional Development Fund, Trafford 187w
Golf, Occombe 629w
Greenbelt, Hertfordshire 308w
Historic Buildings & Monuments Commission, Finance 482w
Listed buildings 96w
Listed buildings, Bath 96w
London Residuary Body, County hall 311w
Lower Leigh, Historic buildings 324w
Lower Leigh, Historic Buildings & Monuments Commission 34-5w
New towns, Government loans 542-7w
Opencast mining, Planning permission 548w
Piers, Southend on Sea Borough Council 33w
Planning, Bureaucracy 93w
Planning appeals, Planning inspectorate 33w
Planning appeals, Small businesses 93w
Planning appeals, St Albans District Council 550w, 632-4w
Planning appeals, Test Valley Borough Council 32w
Planning Inspectorate, Training 93-4w
Planning permission, Greenbelt 33w
Planning permission, Land drilling 277w
Planning permission, Test Valley Borough Council 31w
Playing fields, Building land 309w
Town & country planning, Small businesses 93w
Town & Country Planning Act 1947 32-3w

Tractors
Driving tests 666
Prices 583w

"Trade & Industry Select Committee on Tin Crisis" (07.07.86) 72-118

"Trade & Industry Select Committee on Tourism in the UK" (09.07.86) 358-98

Trade barriers
EC internal trade 41-3w

Trade competitiveness
Exports 1165-6
Iron & steel industry 998-9
Shipbuilding 1001-2
Textile industry 991

Trade marks
Offices 540w

Trade missions 541w
South Africa 541w

Trade union elections 18
Civil & Public Services Association 17, 507-8w
Land Registry Office 507-8w
Strike ballots 443

Trade union membership
Government Communications Headquarters 17, 18

Trade union officials
Civil & Public Services Association 87w
Ministry of Defence 91w

Trade unions
British Leyland 995
Government Communications Headquarters 456w

Traffic forecasting 564w

Trafford
European Regional Development Fund 187w

Trailers
Export subsidies 106w

Training 178w
Manpower Services Commission 455w
Occupational therapists 411-2w
Parachuting 217w, 400-1w
Planning Inspectorate 93-4w
Prisoners 59-60w
Speech therapy 53w

Training aircraft 494w
Testing 494w

Tranquillisers
Prescriptions 70w

Transport
Defence contracts 604w

Transport Act 1981 395w
Drinking & driving 395w, 664

Transport Act 1985 211-2w, 313w, 395w, 402w
Bus services 395w
Publicity 313w

Transport aircraft
Falkland Islands 374w

Transport infrastructure
Lancashire 397w

Transport of hazardous materials
Gruinard Island 494w
Order & regulations 594w
Railway freight transport 458w
Road accidents 566-7w, 587w, 594-5w

Transport of radioactive materials
Environment Select Committee 397w
Nuclear fuels 570w

Transport subsidies
Bus services 393-4w

Travelling expenses
Inquiries 16-7w
Members travel 485w
Police (17.07.86) 1236-46

Treasury
Gaelic language 502w, 610w

"Treasury & Civil Service Select Committee on EC Budgetary Discipline" (10.07.86) 461-503

Treaties
Drug industry 296-7w
Drugs 556w
EC countries 124w
Nuclear war 370w

Tree planting 173w
Tax allowances 293w

Trent Regional Health Authority 553w

Trials
Bothwell, Commander 318w

Trident
Defence expenditure 843

Trident submarines
Defence contracts 494w

Trippier, Mr David, *Parliamentary Under-Secretary of State for Employment*

Debates etc
Tourism (09.07.86) 368, 387, 392, 393-6
Questions
Average earnings 180w
Community programme 456w
Construction Industry Training Board 456w
Disabled Persons (Employment) Act 1944, Prosecutions 457w
Dual jobholding 178-9w
Manpower 179-80w
Manpower Services Commission, Vocational education 455w
New businesses, Derbyshire 455w
Nuclear Installations Inspectorate, Civil service manpower 112-3w
Nuclear Installations Inspectorate, Recruitment 363w
Nuclear safety, Nuclear power stations 587w
Open University, Vocational education 526w
Power industry, Industrial health & safety 561w
Quota of handicapped workers, Companies 457w
Redundancy fund 586w
Redundancy fund, Bibby Edible Oils 586w
Redundancy fund, Merseyside 586w
Retail prices 362w
Road accidents, Transport of hazardous materials 587w
Technical & vocational education initiative 180w
Technical & vocational education initiative, Finance 291w
Tourism 289-90w
Unemployed, Availability for work 361-2w
Unemployed, Community programme 362w
Wages councils, North West region 589w
Wages councils, Northern region 587-8w
Youth training scheme 112w

Trotter, Mr Neville
Questions
Frigates, Defence contracts 494w

Trust for London 311w, 549w
Finance 549w
London Residuary Body 311w

Trustee savings banks 432-4w
Chief Registrar of Friendly Societies 502-3w
Scotland 437w, 502-3w

Tunnels
Costs 1w
Road construction 1w

Turkey
Clothing 540-1w
Cyprus 210w, 298
Textiles 540-1w

Tutu, Bishop
South Africa 164-5

Twinn, Dr Ian
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1392-4
Questions
Dept of Education & Science, Energy Efficiency Year 518w
Local government expenditure, London boroughs 186-7w
Road accidents, Casualties 394w
Water, Research 480w

Tyne Bridge
Dept of Health & Social Security local offices 617w
Supplementary benefits 617w

Tyneside
Shipbuilding 856

Type 23 frigates 88w, 853
Defence contracts 853-4, 854-5, 855-6, 857-9
Industrial design 855
Marketing 854-5, 856
Sonar 855-6
Vosper Thornycroft 855, 856
Yarrow Shipbuilders 853-4, 858-9

Uganda
Human rights 646w
Overseas aid 19w

UK 2000 632w, 662w, (14.07.86) 683-9
Bradford 662w
Ministerial statements (14.07.86) 683-9

Ulster Defence Regiment 492w

UN resolutions 335w
Political refugees 335w, 370w

Under-fives initiative 269w, 270w

Unemployability supplement
Invalidity benefits 169w

Unemployed
Availability for work 361-2w
Community programme 362w
Motor insurance 347w
Personal income 405-6w

Unemployment 358w, 456w
Barnsley 230w
Black Country 358w
Brighton 291-2w, 360-2w
Building industry 1170-1
Costs 1155-6, 1156-7
Doctors 620w
Economic policy 1157
Handicapped 588-9w
Income tax 583w
Interviews 291-3w
Job creation schemes 293w
Kemptown 290-1w
Leicester 291-2w, 360-2w
Liverpool 418w
Mortgages 553w
Northern Ireland 84-5w
Nurses 620w
OECD countries 1157
Penistone 230w
Public expenditure 608w, 1156-7, 1163-4
Retirement age 12w, 231-2w
Take-up of employment 291-3w
Taxation 608w, 1157-8
Wales 670
Walsall 359w
Walthamstow 290-1w

Unemployment benefits 360w
Costs 419-20w
Employment schemes 652-3w
Liverpool 418w
Single people 419-20w
Social security abuse 231w
Social security benefits disqualification 652-3w
Social security recipients 156w

Unfair dismissal
Industrial tribunals 455-6w

Unfair trade unit 534w

Unfair trading practices 534w
Carpet industry 340w
Japan 993
Multifibre arrangement 992
Whisky 993

UNICEF
Africa 368w

Unit trusts
Investment 610-1w

United Nations
Disaster relief 99w

Universities
Defence contracts 429-30w
Defence research 429-30w
Income 54w
Medical education 236w
Part-time education 145w
Scotland 320w
Staff-student ratios 177w
Student numbers 134-6w, 151-2
Wales 320w

University College, Swansea (10.07.86) 574-82

University finance 138-9w, 232-4w, 282w
Association of University Teachers 137-8w
Higher education 133w
Medical education 144w
Scotland 31-2w, 131w
University of Wales 282w, 355-6w, (10.07.86) 574-82

University Grants Committee
Research finance 161

University of Wales 282w, 354w, 355-6w, (10.07.86) 574-82
Staff-student ratios 354w
University finance 282w, 355-6w, (10.07.86) 574-82

University teachers
Medical education 147-8w

Unpaid taxes
Income tax 79w
Tax yields 78-9w
VAT 78w, (08.07.86) 191-205

Unparliamentary expressions
Speakers rulings & statements (09.07.86) 290, (17.07.86) 1322

Upper Waiting Hall
Natural Environment Research Council 178w

Uranium
Wylfa power station 245w

Urban areas
Archaeological sites 309w

Urban development corporations
Local government functions 662w
St Helens 662w

Urban Foundation
Overseas aid 297

Urban planning
Highlands of Scotland 577w

Urban programme 278w, 550w
Scotland 244-5w

US bases
Labour Party 839
NATO 839

USA
Air fares 398w
Central America 209w
Chemical weapons 491w
Drug side effects 424-5w
European Security Conference 298-9
Export controls (15.07.86) 873-915
Foreign investment in UK 529-30w
Foreign policy 302
Imports 990-1
Manpower 290w
Military aircraft 91w, 430-1w
Multifibre arrangement 530-1w
Nuclear test ban 207w
Prime Minister visits abroad 5w
Productivity 434w
RAF Fylingdales 166w

USSR
Afghanistan 202w, 372-3w
Arms control treaties 204w
Backfire aircraft 87w
Chemical weapons 851
Compensation 431
Defence expenditure 425w
Economic sanctions 372-3w
Emigration 203w
Foreign policy 647w
Frozen assets 439-40w
Human rights 203w, 205-6w, 208w, 298, 300-1
International conferences 851
Nuclear accidents 307w, 364w, 389w, 619w
Nuclear test ban 207w
Nuclear weapons tests 847
Official visits 208w
Radar 370w
South Africa 524w, 525w

Vacancies
Black Country 359w
Coventry 13w
Lancashire 652w
North West region 652w
Occupational therapists 411w
Speech therapists 75w
West Midlands 359w

Vacant land
Land ownership & tenure 480-1w
Thamesdown 480-1w

Vaccination
Children 160w
Nurses 160w
Research 159-60w
Take-up 159w

Vaccine damaged children
Compensation 160w
Costs 160-1w

Vandalism
Crime prevention 156

VAT
Arts 293w
Defence equipment 294w
Defence procurement 523-4w
EC action 293w
EC budget 194-5w, 437w, 645w
Free ports 608w
Horses 293w
Punishment 607w
Tax thresholds 607w
Unpaid taxes 78w, (08.07.86) 191-205

VAT registration
Tax yields 436-7w

VAT zero rates goods 4w
EC internal trade 4w

Verwood School 157

Veterinary investigation centres 647w

Vickers Shipbuilding & Engineering 305w, 427w, 639w
Government assistance to industry 639w
India 838
Local government aid to industry 639w
Royal ordnance factories 305w

Video Recordings Act 1984 223w
Prosecutions 223w

Viggers, Mr Peter
Questions
Defence contracts, Scotland 30-1w
Defence contracts, Wales 3w
Examinations, Hampshire 521w
Higher education, Hampshire 521w
Pupil-teacher ratios, Hampshire 656-7w
School leaving certificates, Hampshire 581-4w
Science & technology research, Strategic defence initiative 51w
Strategic defence initiative, Defence research 89-90w
Strategic defence initiative, Employment opportunities 90w
Teachers, Hampshire 521w
Vosper Thornycroft, Navy 838

Village colleges
Community development 153

Village schools
School closures 449-50w, 451w

Violence
African National Congress 164-5
Anglo-Irish Agreement 552w
Chile 208w
Mandela, Nelson 303-4
Portadown 623w

Virgin Atlantic 603w, 604w
Defence contracts 604w
Falkland Islands 603w, 604w

Virgin Atlantic Challenger 7w, 92w, 304w
Air force flying 304w
Nimrod aircraft 7w, 92w, 304w

Visas
South Africa 524w

Visits
Exservicemen 403w
War pensions 403w

Vocational education
Educational broadcasting (18.07.86) 1358-67
Handicapped students 526w
Manpower Services Commission 455w
Open University 526w

Vocational organisations 366w
Fair Employment Agency 366w

Voluntary organisations
Community transport 249w

Voluntary projects programme 112w, 291-3w, 652-3w

Vosper Thornycroft
Navy 838
Type 23 frigates 855, 856

Voting rights
British residents abroad 286-7w
South Africa 339w, 847-8

Waddilove Committee see Coal Mining Subsidence Compensation Independent Review

Waddington, Mr David, *Minister of State for the Home Department*
Debates etc
Immigration appeals (08.07.86) 284-6
Questions
Commission for Racial Equality, Government grants 512w
Entry clearances, Members correspondence 101w
Entry clearances, Sports competitors 636w
Gaelic language, Data Protection Act 1984 487w
Illegal immigrants 285-6w
Immigrant detainees 218-21w
Immigrants overstaying, New Commonwealth & Pakistan 104w
Immigration appeals, Foreign tourists 101-2w
Immigration controls 221w
Immigration controls, Evidence 636-7w
Immigration controls, Foreign tourists 102w
Immigration controls, Nationality 284-6w
Overseas students, Libyan Arab Republic 62w
Passport Office, Glasgow 337w
Political refugees, UN resolutions 335w

Wages councils
Manpower 587-8w
North West region 589w
Northern region 587-8w
Prosecutions 588w, 589w

Wainwright, Mr Richard
Questions
Higher civil servants, Professional qualifications 18-9
Nepal, Christianity 205w
School administration, Administrative delays 131w
Young people, Mandatory student grants 43w

Waite, Terry 200w
South Africa 200w

Waldegrave, Mr Williams, *Minister of State for the Environment (Countryside and Local Government)*
Debates etc
Minsterial statements, UK 2000 (14.07.86) 683-9
Questions
Lead free petrol, Publicity 96w
Local government finance, Rates & rating 629w
Nature conservation, "DOE Circular 108/77" 325-6w
Pollution control, EC action 95w
Polychlorinated biphenyl, EC law 310w, 326w
Radiation hazards, Ionizing radiation 309-10w
Radioactive waste disposal 94w
Radioactive waste disposal, Geology 308w
Radioactivity, Emergency planning 309w, 310w
Town & country planning, Special development orders 325w
Wildlife & Countryside Act 1981, Licensing 324-5w

Walden, Mr George, *Under-Secretary of State for Education & Science*
Debates etc
Education (No 2) Bill, Rep & 3R (07.07.86) 137-9, 140-1
University of Wales (10.07.96) 577-82
Questions
Adult education, Skilled workers 133-4w
Astronomy, Science Research Council 655w
Birkbeck College 130w
Cost per student 236w
Dept of Education & Science, Research finance 144w
Design, Student numbers 132w
Edinburgh University, Research 161
Educational finance, Capital investment 656w
Educational finance, Higher education 177-8w
Further education, HM Inspectorate of Schools 125w
Further education teachers 356w
Further education teachers, Pay 355w
Graduates, Industry 129w
Graduates, Information technology 43-4w
Higher education, Avon Education Authority 351w
Higher education, Derbyshire 353w
Higher education, Postgraduate students 44w
Higher education, School leaving 44-6w,142w
Higher education, Student numbers 137-8w
Mature students, Higher education 174-6w
Mature students, Student grants 54w
Medical education, Geriatrics 236w
Medical education, University finance 144w
Medical education, University teachers 147-8w
Medical students, Manchester University 523w
Ministers domestic visits, Glasgow University 133w
Ministers domestic visits, Huddersfield Polytechnic 129-30w
Ministers domestic visits, Liverpool University 53w
National Advisory Body for Public Sector Higher Education 142w
Natural Environment Research Council, Exhibitions 178w
Natural History Museum, Admission charges 282w
Numeracy, Mathematics education 233-4w
Open University, Government grants 134w
Open University, Student numbers 134w
Overseas students, Cyprus 281w
Plant genetics 452w
Polytechnics, Educational finance 160
Polytechnics, National Advisory Body for Public Sector Higher Education 128w, 160
Polytechnics, Student numbers 128-9w
Rose Bruford College of Speech & Drama 233w
Royal Greenwich Observatory 144w, 159-60
Royal Greenwich Observatory, Science Research Council 158-9
Science & technology research, Strategic defence initiative 51w
Science Research Council, Astronomy 522w
Science Research Council, Government grants 523w

Science Research Council, Public appointments 51-2w
South Africa, Commonwealth 523w
Speech therapy, Training 53w
Staff-student ratios, Universities 177w
Student grants 148w
Student numbers, Education Science & Arts Select Committee 235w
Students, Loans 143w
Students, Social security benefits 148w
Universities, Income 54w
Universities, Student numbers 134-6w
University finance 232-4w, 282w
University finance, Association of University Teachers 137-8w
University finance, Higher education 133w
University finance, Scotland 131w
University finance, University of Wales 282w
University of Wales, Staff-student ratios 354w
University of Wales, University finance 282w, 355-6w
Welsh plant breeding station, Government grants 178w

Waldheim, Kurt 297-8, (09.07.86) 311-3, 370w, 427w, 605-6
Documents 370w, 427w
Prisoners of war 370w, 427w
War crimes 297-8, 605-6

Wales
Capitation allowances 350w
Caravan Sites Act 1968 348-9w
Coal mining 7-8
Defence contracts 3w
Defence land 427-8w
Examinations 650w
Gypsies 347-8w
Hospital admissions 230w
Housing 649w
Housing benefits 349w
Microelectronics industry 613w
Public expenditure 349w
Pupils 650w
Rent control 349w
Severe weather payments 668w
Sheep 482w
Sheep meat 611-2w, 612-3w
Strategic defence initiative 303-5w
Unemployment 670
Universities 320w

Walker, Mr Bill
Debates etc
Energy conservation (09.07.86) 316
European Communities (Amendment) Bill, Rem stages (10.07.86) 536-7, 549-50
High technology (15.07.86) 889, 895
Housing Condition Survey (Scotland) Bill, 1R (15.07.86) 872
Questions
Air force reserves 842
"Air Traffic Distribution in the London Area" 249-50w
Airlines, Self-regulatory system 250w
Commonwealth Games, Sports boycotts 865
Juries, Scotland 310
Nuclear weapons tests 847
Oil reserves, North Sea oil 609w
Sheep, Markets 251w
Sheep meat, Prices 437
Training aircraft, Testing 494w

Walker, Rt Hon Peter, Secretary of State for Energy
Questions
British Coal Corporation, Productivity 6-7
British Gas Corporation, Privatisation 10, 12, 570-3w
British Gas Corporation, Resources exploration 12
Castlehill mine, Productivity 7
Chadley Hill mine, Productivity 8
Coal, Imports 2-3, 4-5, 7
Coal fired power stations, South of Scotland Electricity Board 22-3w
Coal mining, Private sector 3-4, 7
Coal mining, Productivity 8
Coal mining, Redundancy 4
Coal mining, Wales 7-8
Coal prices, Central Electricity Generating Board 23w
Gaelic language, Dept of Energy 441w
Gas supply industry, Connection charges 12
Members correspondence, Dept of Energy 390w
National Coal Board, Coal mining 24w
NCB (Enterprise) Ltd, Employment opportunities 113-4w
Severn barrage, Tidal power 191-2w
Sizewell Inquiry, Publishing 24w

Wallace, Mr James
Debates etc
Finance Bill, Rep & 3R (17.07.86) 1237, 1241,1244-5
Legal Aid (Scotland) Bill (HL), Rep & 3R (14.07.86) 773-4, 776-7, 778-9, 780, 783-4, 787-92, 797, 800-2, 806-9, 811-3, 820-1
Questions
Armed forces 842-3
Juries, Jury vetting 306-7
Planning inquiries, Dounreay 501w
Public inquiries, Dounreay 501w
Strategic defence initiative, Arms control 494w
Type 23 frigates, Defence contracts 858
USA, Nuclear test ban 207w

Waller, Mr Gary
Debates etc
Tourism (09.07.86) 369-73
Questions
Business sponsorship incentive scheme, Arts sponsorship 87w
Channel tunnel, Northern region 674-5
Financial management initiative, Government departments 78w
Shareholders, Share ownership 607w

Walsall
Unemployment 359w

Walters, Mr Dennis
Questions
Dog licences, Fees & charges 548w
Middle East, Peace negotiations 205w
Palestine 302

Waltham Forest
Industrial tribunals 289w

Walthamstow
Unemployment 290-1w

War crimes
Waldheim, Kurt 297-8, 605-6w

War pensions 404w
Administrative delays 403w
Balnave, Captain 171w, 449w
Costs 403-4w
Earnings rules 403-4w
Prisoners 162w
Visits 403w

War widows 404w

War widows pensions
Age allowances 403w

Ward, Mr John
Questions
Lorries, Weighing machines 399w

Wardell, Mr Gareth
Questions
Ministry of Agriculture Fisheries & Food, Consumer protection 257w
Welsh Water Authority, Public appointments 649w, 650w

Wardle, Mr Charles
Debates etc
Tourism (09.07.86) 384-6
Questions
Members allowances 227-8w
Prison staff, Courts 513w
Risley Remand Centre, Industrial disputes 333w
Royal Greenwich Observatory, Science Research Council 158-9
Royal ordnance factories, Privatisation 191w

Wareing, Robert N
Debates etc
Finance Bill, Rep (08.07.86) 209-11
Questions
Arts finance, Merseyside 13-4
British Leyland, Privatisation 995
Bus services, Merseyside 595w
Business statement 1181
Croxteth hall 632w
Further education, HM Inspectorate of Schools 125w
Handicapped workers, Disablement schemes 292w
Hospital closures, Nurses 668-9w
Leyland Bus, Rover Group 534w
Mergers, GEC 569w
Merseyside Development Corporation 631w
Merseyside Development Corporation, Occupations 631-2w
Merseyside Residuary Body 631w
Merseyside Residuary Body, Local government borrowing 631w
Ministers domestic visits, Liverpool University 53w
Nurses, Unemployment 620w
Petroleum exploration, Merseyside 1-2
Prime Minister official engagements 585w
Refugees, Sri Lanka 567w
South Africa, Economic sanctions 287-8
Strategic defence initiative, Western Europe 89w
VAT, Arts 293w

Warley
Supplementary benefits 559w

Warren, Mr Kenneth
Debates etc
Tin (07.07.86) 97-101
Tourism (09.07.86) 358-65, 396-7
Questions
British Leyland, Public sector assets 994
Graduates, Information technology 43-4w

Warsaw Pact
Armed forces strength 495w

Warships 190w
Defence contracts 164, 493w
HMS Fearless 190w
HMS Intrepid 190w
Marines 165w
Navy 841-2

Wass, Sir Douglas 294w
Open Government 294w

Water
Research 480w

Water authorities
Privatisation 186w, 320-1w
Water pollution 186w

Water cannon 181w
Riot control weapons 181w

Water pollution
Fish farming 275-6w
Water authorities 186w

Waterloo station 314w, 400w
Channel tunnel 314w, 400w

Watts, Mr John
Debates etc
EC budget (10.07.86) 494-5
Finance Bill, Rep (08.07.86) 219-20, 227-8
Questions
Civil service retirement, Early retirement 19-20
Polytechnics, Student numbers 151
Public lending right, EC action 86w

Wealth
Rolls-Royce Aeroengines 226-8w

Weapons
Martial arts 222-3w

Wedholme flow (15.07.86) 976-84
Sites of special scientific interest (15.07.86) 976-84

Weetch, Mr Ken
Debates etc
Felixstowe Dock & Railway Bill, Rep (14.07.86) 734-41, 743, (15.07.86) 917, 918, 919, 920-1, 927, 934, 946-9
Questions
Balance of payments 606-7w
HM Inspectorate of Schools, Local government expenditure 126w
South Africa, EC action 200w

Weighing machines
Lorries 399w

Weights & Measures Act 1963 (Miscellaneous Foods) (Amendment) Order 1986 (14.07.86) 824

Weizsacker, President 208-9w, 372w
Official visits 208-9w

Well woman clinics 70w, (18.07.86) 1339
Doctors 70w
Health services 70w

Wellfield Hospital 555w
Geriatrics 555w

Wells, Mr Bowen
Debates etc
European Communities (Amendment) Bill, Rem stages (10.07.86) 564
Members allowances (16.07.86) 1135
South Africa (16.07.86) 1017, 1018
Questions
Multifibre arrangement, Textile industry 991
World Bank, Africa 680

Wells, Sir John
Debates etc
Community Drivers Hours & Recording Equipment Regulations 1986 (15.07.86) 959-60
Horticulture, Lea valley (07.07.86) 144
Questions
Accidents, Safety measures 393w
Agricultural land, Planning permission 260w

Welsh language
Departmental publications 484w
GCE A level 350w
Job centres 228w
Student numbers 350w
Welsh Office 484w

Welsh Office
Housing 3w
Members correspondence 349-50w, 613-4w
Welsh language 484w

"Welsh Office Circular 30/86" 649w

Welsh plant breeding station 452w
Government grants 178w

Welsh Water Authority
Consumer protection 649w, 650w
Public appointments 649w, 650w

Welwyn Garden City
Physiotherapy 555w
Queen Elizabeth II hospital 555w

West Cumbria
Education 157

West Germany
Bombings 99w, 319w
Fast reactors 27-8w
Foreign policy 208-9w
Ministers visits abroad 542w, 550w

West London Hospital
Hospital closures (18.07.86) 1399-406

West Midlands
Police 103w
Social security recipients 408w
Supplementary benefits 408w
Vacancies 359w
Youth unemployment 229-32w

West Midlands Passenger Transport Executive
Government grants 312w

West Yorkshire
Propaganda 1172

Western Europe
British Council 371w
Developing countries 1158
NATO 495w
Strategic defence initiative 89w

Western European Union 490w
Portugal 294

Western Isles Islands Council (Berneray Harbour) Order Confirmation Bill 1985/86
1R (10.07.86) 429
Rep* (16.07.86) 985
3R* (17.07.86) 1155

Western Sahara
Foreign policy 373w

Westland Helicopters 318w, 675, 989
Bristow, Alan 318w
Disclosure of information 675
Higher civil servants 989

Wheelchairs 157w

Wheeler, Mr John
Debates etc
Metropolitan Police (11.07.86) 600-3, 606
Questions
Demonstrations, Kensington & Chelsea 55w
Drug abuse 513w

Whisky
Unfair trading practices 993

Whitfield, Mr John
Questions
Prime Minister domestic visits, Dewsbury 459w
Stalker, John, Inquiries 1168

Whitley council 161w, 668w
Pharmacists 161w

Whitney, Mr Ray, Under-Secretary of State for Health and Social Security
Debates etc
East Surrey Health Authority (17.07.86) 1335-8
Questions
Accidents, Sports 171-2w
Acute beds, Cost benefit analysis 559w
Alcoholic drinks, Young people 415w
"All Our Tommorrows" 161w
Ambulance services, Greater London 559-60w
Ambulance services, Greater Manchester 445-6w
Ambulance services, Privatisation 413w
Baby care units, Hospital beds 68w
Cancer hazards, Sellafield 619w
Central Manchester Health Authority, Health services 558w
Computers in National Health Service, North Western Regional Health Authority 77w
Crossroads scheme, Ministers correspondence 169-70w
Death rate, Men 270w
Death rate, Social class 448w
Dept of Health & Social Security, Committees 153w
Dept of Health & Social Security, Public appointments 421-2w
Dept of Health & Social Security, Research finance 168-9w
Dept of Health & Social Security, Statistics 274-6w
Elderly, Hypothermia 161w
Elderly, Local government services 420-1w
Food, Irradiation 261w
Geriatric patients, Residential care 170-1w
Health Education Council, Finance 159w
Heart diseases, Medical research 404-5w
Home helps, Fees and charges 69w
Hospital admissions, Gynaecology 70w
Hospital patients 558w
Hospital patients, NHS 66-8w
Hospital staff, Pay 667w
Hospital waiting lists, Coventry 162-3w
Hospitals, Construction 415w
Hypothermia, Death 443-6w
Hypothermia, Temperature 554w
Industrial diseases, Death 75w
Infant mortality, Staffordshire 667w
Kidney donors, Codes of practice 297w
Management consultants, Regional health authorities 76w
Manchester University, Medical education 559w
Manpower, Occupational therapists 411w
Mental health services, Mental health community care 168w, 664-5w
Mental health services, Mental patients 663w
Mental illness, Hospital admissions 664w
Mentally handicapped, Mental health community care 669w
Mentally ill, Day centres 663-4w
Mortuaries, Tameside 445w
National Agency on Alcohol Misuse, Government grants to voluntary organisations 415w
National Radiological Protection Board, Pollution monitoring 619w
Neurofibromatosis, Nervous system disorders 74w
NHS, Contracts for services 406w
NHS, Hospital patients 553-4w
NHS, Privatisation 444w
NHS, Research 153-5w
North Western Regional Health Authority, Acute beds 557-8w
North Western Regional Health Authority, NHS finance 557-8w
North Western Regional Health Authority, Strategic plans 557w
Occupational therapists, Training 411-2w
Occupationsl therapists, Vacancies 411w
Organ donors, Codes of practice 554-5w
Psychiatry, Hospital beds 664w
Psychosurgery 416w
Psychosurgery, Consent to medical treatment 415-6w
Queen Elizabeth II Hospital, Welwyn Garden City 555w
Registered homes tribunals, Finance 415w
School meals, Costs 420w
Social workers, Cruelty to children 620w
Speech therapists, Pay 668w
Speech therapists, Vacancies 75w
Speech therapy, NHS 75-6w, 163w
Teaching hospitals, Redundancy 74w
Under-fives initiative 269w, 270w
Vaccination, Children 160w
Vaccination, Research 159-60w
Vaccination, Take-up 159w
Vaccine damaged children, Compensation 160w
Vaccine damaged children, Costs 160-1w
Well woman clinics, Doctors 70w
Well woman clinics, Health services 70w
Wellfield Hospital, Geriatrics 555w
World Health Organisation, Antismoking campaign 76w

Whittington Hospital 61-2w

Wholesale prices 643-4w

Widnes bypass 117w
Road construction 117w

Wigan
Bypasses 121-2w

Wigley, Mr Dafydd
Debates etc
Finance Bill, Rep (08.07.86) 207-8, 214
Residential care (09.07.86) 334-7, 351
Tourism (09.07.86) 358, 361, 362, 366
Questions
Analgesics, Reyes syndrome 263w
Armed forces civilians, Manpower 164w
Armed forces civilians, Redundancy 164w
Armed forces civilians, Redundancy pay 89w

British Council, Expenditure 604w
British Council, Government grants 604-6w
Dept of Health & Social Security, Research finance 168-9w
Housing, Wales 649w
Job centres, Welsh language 228w
Legal aid, Administrative delays 318w
NHS, Research 153-5w
Second homes, Gwynedd 3w
Sheep, Radioactivity 483-4, 560w
Sheep, Wales 482w

Wildlife & Countryside Act 1981 278w, 324-5w
Licensing 324-5w
Management agreements 278w

Wilkinson, Mr John
Debates etc
High technology (15.07.86) 885, 898-900
Oral question time point of order (09.07.86) 290
Questions
Air force reserves 843
Portugal, Western European Union 294
Rolls-Royce Aeroengines, XG40 engines 836

Williams, Rt Hon Alan
Debates etc
Dockyard Services Bill, Points of order (10.07.86) 520
EC budget, Points of order (11.07.84) 604
Manufacturing industries (07.07.86) 49
Open College (18.07.86) 1364
Tin (07.07.86) 78, 79-87
University of Wales (10.07.87) 574-7
Questions
Furniture, Codes of practice 987
Manufacturing industries, Investment 1000
Ministers domestic visits, Cleveland 988-90
Shipbuilding, Frigates 1002

Willsworthy shooting range 493w, 836
Construction 493w
Dartmoor national park 836-7

Wilson, Mr Gordon
Debates etc
Higher education, Scotland (17.07.86) 1194
Legal Aid (Scotland) Bill (HL), Rep & 3R (14.07.86) 782-3, 819-20
Questions
Commonwealth Games 863
Dundee Dental Hospital, Dental charges 499-500w
Game, Radioactivity 379-80w
Iron & steel industry, Industrial production 344w
Iron & steel industry, Manpower 344-6w
Sheep, Radioactivity 379w
Sites of special scientific interest, Scotland 374-80w

Windows
Dept of Health & Social Security local offices 418w

Winnick, Mr David
Debates etc
Finance Bill, Rep (08.07.86) 176, 178-9, 180-1
Heads of state (09.07.86) 312
Manufacturing industries (07.07.86) 28
Oral question time intervention (09.07.86) 290
Questions
Commonwealth 279-80w
Concessionary television licences, Pensioners 512-3w
Housing starts, Public sector housing 188w
Local government expenditure 188w
Ministers visits abroad, South Africa 24, 605w
Private rented housing 187-8w
South Africa, Commonwealth 444
South Africa, Economic sanctions 299, 1169-70
South Africa, Foreign policy 585w
Supplementary benefits, West Midlands 408w
Unemployment 358w
Unemployment, Black Country 358w
Unemployment, Walsall 359w
Vacancies, West Midlands 359w

Winston Barracks 429w

Winterton, Mrs Ann
Questions
Geriatric patients, Residential care 170-1w

Winterton, Mr Nicholas
Debates etc
Leader of the Opposition (17.07.86) 1184-5, 1186
Manufacturing industries (07.07.86) 66
Members allowances (16.07.86) 1130-3
Oral question time intervention (15.07.86) 842
Residential care (09.07.86) 319, 332, 337-41
Questions
AIDS, Insects 412w
Business statement 1177-8
Citizen band radio, Prosecutions 453w
Heathrow, Road traffic 564w
House of Commons refreshment department, South Africa 66w
Motorways, Road construction 592w
Motorways, Safety barriers 212-3w
M25, Road traffic 212w
M25, Road works 212w, 564w
Namibia, SWAPO 65w
Nimrod aircraft, British Aerospace 846
Playing fields, Schools 53w
Prime Minister domestic visits, Macclesfield 459w
Regional health authorities, Employment agencies 72-4w
Road construction, Cheshire 592-4w
Sheep, Radioactivity 431
South Africa, Commonwealth 296
Sports facilities, Property transfer 158

Wolfson, Mr Mark
Questions
Channel tunnel, Kent 396w

Women
Body searches 487w, 504w
Complaints against police 223-4w
Police surgeons 31w

Womens Farming Union
Food From Britain 436

Wood, Mr Timothy
Debates etc
New Towns (Extinguishment of Liabilities) Order 1986 (18.07.86) 1393
Questions
Design, Curriculum 1002-3
Energy efficiency 26w

Woodall, Mr Alec
Questions
Prisoners of war, Japan 406-7w
USSR, Human rights 203w

Woolwich Arsenal 497w
Air force 497w

Woolwich ferry 2w

Workers Educational Association 49w
Government grants to voluntary organisations 49w

Working hours
Lorry drivers 665-6
Part-time employment 12w
Prison employment 490w
Road transport workers (15.07.86) 953-75

World Bank
Africa 680
Developing countries 679-80

World Cup
British residents abroad 584-5w

World Health Organisation
Antismoking campaign 76w

Wormwood Scrubs
Catering 104w, 184-5w
Construction 184-5w
Construction costs 104w

Wrexham
Dept of Health & Social Security local offices 409-10w
Social security recipients 410w
Supplementary benefits 410w

Wrigglesworth, Mr Ian
Debates etc
Finance Bill, Rep (08.07.86) 178, 180, 187, 188, 252-3, 255
High technology (15.07.86) 905-7
Questions
British Gas Corporation, Privatisation 10
Government Communications Headquarters, Trade union membership 17
Pay settlements, Employment opportunities 163-4
Unemployment, Retirement age 12w, 231-2w

Wylfa power station 245w
Uranium 245w

Wythenshawe
Housing estates 75w
Supplementary benefits 666w

XG40 engines
Rolls-Royce Aeroengines 836

Yarrow Shipbuilders 853
Type 23 frigates 853-4, 858-9

Yeo, Mr Tim
Questions
Competition 189w
Farms, Schools 256w
Lloyds of London, Fraud 676
Personal Equity Plans 607w
Petroleum production licences, Offshore drilling 442-3w
Prime Minister official engagements 100w, 479w
Renationalistion, Shares 1165
Schools, Crime prevention 143w
South Africa, Foreign policy 199w
Tax thresholds 443
World Bank, Developing countries 679

Ynys Mon 229-30w

York
Listed buildings 96w

Yorkshire & Humberside
Road construction 121w

Yorkshire Regional Health Authority 553w

Young, Sir George, *Under-Secretary of State for the Environment*
Questions
Community programme, Bradford 187w
Compulsory purchase, Multiple occupation 548w
Council house sales, Discounts 323-4w
Council housing, Greater London 39-40w
Council tenants, Housing cooperatives 548w
Defective housing, Demolition 39w
Defective housing, Housing Defects Act 1984 35w, 38-9w
Defective housing, Local government expenditure 35-8w
Government grants to local authorities, Housing insulation 310w, 327-32w, 662w
Greater London Council, Seaside & country homes scheme 312w, 332w
Homelessness 663w
Homelessness, Bed & breakfast accommodation 663w
Homelessness, Coventry 278w, 326w
Homelessness, Greater London 33w, 663w
Housing & elderly, Housing insulation 95w
Housing construction, Brighton 321w
Land acquisition, Public bodies 186w
Local government expenditure, London boroughs 186-7w
Multiple occupation, Research 629-30w
Property Services Agency, Civil service dispersal 39w
Property Services Agency, Palace of Westminster 323w

Rent arrears, Council housing 325w
Rent control, Private rented housing 95w
Rented housing, Public sector housing 322w
Rented housing, Young people 322-3w
Slum clearance, Stoke-on-Trent 39w
Squatting, Council housing 325w
Thamesmead Town, London Residuary Body 34w
Urban development corporations, Local government functions 662w
Vacant land, Thamesdown 480-1w

Young offenders
Prostitution 55w

Young people
Alcoholic drinks 415w, 637w
Alcoholism 415w
Arrests 180w
Discretionary student grants 173-4w
Homelessness 33w
Leukaemia 670w
Mandatory student grants 43w
Music 85-6w
Part-time education 656w
Rented housing 322-3w
School leaving 235w

Younger, Rt Hon George, *Secretary of State for Defence*
Questions
Members correspondence, Ministry of Defence 428w
NATO, Publicity 839
NATO, US bases 839
NATO, Western Europe 495w
Nimrod aircraft, British Aerospace 846
Nimrod aircraft, Early warning systems 493w, 846
RAF Waddington, Early warning systems 846
Royal ordnance factories, Factory closures 305w
Shipbuilding, Tyneside 856
Type 23 frigates, Defence contracts 853-4, 854-5, 855-6, 857-9
Western European Union 490w

Youth employment schemes
Derbyshire 357w

Youth training programme 551-2w, 621-4w
Further education colleges 551-2w
Further education teachers 623w
Northern Ireland 552w

Youth training scheme 112w, 456w

Youth unemployment
Coventry 229-32w
West Midlands 229-32w

Yugoslavia
EUREKA 640w

Zambia
Robinson, John 369w
South Africa 524-5w

Zantac
Committee on Safety of Medicines 268w

Zimbabwe 288
Economy 205w
South Africa 524-5w